

# FINDING A BLUE OCEAN IN THE FESTIVAL INDUSTRY.

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*MSc IN BUSINESS ADMINISTRATION BY LINDA SCHMETJEN, ENSCHEDE, OCTOBER 12TH 2012*



**In cooperation with:**

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## Management Summary

There are many festivals in Germany. People like festivals, but it occurred that the market is saturated and mature. No major innovations have been noticed in the last years. Therefore the decision was made to search for an innovation which could change the scenery of the current festival market. The central question which leads this research is:

*How could an innovative business model of a festival, which provides superior value to future customers, look like?*

In order to find an innovation the first four steps of the blue ocean strategy were followed. This theory suggests to look across market boundaries, to focus on the big picture, to find out what the consumers want and at last to create a business model. Business models are useful to write down an idea or concept in a structured way. Furthermore business models are said to be necessary if one wants to implement an innovation successfully. The theory recommended to get information about the values and needs from current customers of the market and non-customers. Non-customers can tell what they do not like about the product or service and what they would value. Instead of interviewing normal customers, the decision was made to talk to lead users. Lead users appear to be more valuable than normal customers, because they tend to give more and richer information. This is because they are the experts in their field.

Indeed the data obtained from the interviews with lead users and non-customers were very rich. Some consensus could be found about what is valued by current customers and non-customers. The main conclusions which can be drawn from the interviews is that most people like the basic concept of a festival: three days full of music, peace and fun; but they do also miss a few aspects. Many respondents agreed more luxury would be nice; a comfortable place to sleep and good sanitary facilities would be definitely valued. Moreover the respondents indicated that they like entertainment at a festival. Visitors like to see, hear, feel and do stuff. Cultural, artistic and sportive things and activities would be embraced.

The new business model responds to these needs. It is proposed to organize a music festival in a vacation park and make the general artistic offer more diverse. Then people have the option to book additional luxury if they want, moreover their longing for more entertainment will be satisfied. Due to the vacation park large investments in electricity and infrastructure can be saved and extra income can be generated by the additional luxury options. Consequently the festival provides superior value to customers and it is likely to be more profitable.



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## 1. Chapter: Introduction and research design

“The [festival] market is saturated”. This is a warning by one of the biggest festival organizers in the UK, John Giddings. More than thirty festivals in the UK had to be canceled in 2011, as not enough tickets have been sold (Cochrane, 2011). Although Giddings is talking about the English festival market, this might also count for the German market. When talking with a German festival organizer, the organizer confirms that declining visitor numbers had been recognized at several festivals in German. The organizer emphasizes that innovation is needed in order to remain successful. They explain that too many festivals are very similar; the set-up is often the same, and the musical offer does also not differ greatly. When the BBC interviewed a couple of experts in the field in 2011, they did also find a lack of new bands which are pushed by the music market, therefore the same bands are performing over and over again at the same festivals each year (Cochrane, 2011). When talking about festivals, in this case open-air music festivals of several days' duration are meant. Outside gatherings where a large number of people meets in order to attend an organized event where musicians perform.

There are more than 800 festivals in Germany (Prescher & Team, 2012), and like a lot of other markets, the festival market can be seen as mature, as the market did not undergo any big changes in the past (Cooper, 2011). In mature markets acquisition and product development are often the keys to achieve growth. Achieving growth is often expensive, especially in the case of acquisition, when financial capital is scarce, product development is a better option. When searching for innovation the needs and values of the visitors should always be considered, as these are deciding whether to buy or not to buy a ticket. Several facts have been found to contribute to visitors satisfaction and loyalty. The musical offer is not the only stimulation for people to visit festivals, other things like atmosphere do also have a big influence (Ullmann & Schulte, 2010). And in order to stimulate loyalty the organization should make sure that, next to the program, food and facilities are good and that souvenirs are available. It is not known if these aspects are actually considered by festival organization in Germany to the extent that visitors are really satisfied. So, when developing products these aspects should be kept in mind. Innovations which bring a competitive advantage are often called breakthrough innovations. A less famous term which is in a way a synonym for breakthrough innovation, is the 'blue ocean'. The theory about blue oceans is extremely interesting as it focuses on value innovation. By innovating value the needs of the masses shall be satisfied. Like this the customer group of a business can enlarge. Blue ocean innovations are not necessarily radical and often do not even contain new technologies, it can simply

be a rearrangement of the current aspects, or an added value to the offering (Kim & Mauborgne, 2005). Innovation is important in almost every market in order to stay successful. The crucial point of the innovation must be that it offers a new or extra value to the customers. Consequently is the goal to find an innovation which satisfies the needs of the future customers and is likely to create a competitive advantage.

The central question which will guide this research is about the evaluation of the current offer in the festival market by visitors with extensive knowledge in the field and possible future customers, with the goal to create a new concept for a festival expressed in a business model. Therefore the central question is:

*How could an innovative business model of a festival, which provides superior value to future customers, look like?*

This research is done in cooperation with ESK Events & Promotion GmbH, the festival organization of the rock festival "DEICHBRAND". The DEICHBRAND festival takes place in the North of Germany. The festival was established in 2005 and was growing fast during the last years. In 2011 the festival was sold out for the first time and welcomed 20.000 visitors, the year after the sales went successful again and the organization sold even 25.000 tickets. The general managers of ESK Events & Promotion GmbH made clear that they see a need for innovation in the market and volunteered to cooperate for this research. Through this cooperation the researcher gets access to information about different key players in the market and gets the opportunity to visit several festivals for the research. Furthermore staff of the company volunteers to share needed information, knowledge and to participate in research processes. The research benefits from the cooperation as it could be learned how the market and the organization works, and this facilitates to understand the festival market better. Furthermore the access to the visitors of festivals, which is central to this research, is made easier. In return the researcher works for the organization and handles customer service and assists with other organizational tasks.

According to Thrane (2002) festivals can generate a large economic impact on a community, as they attract a lot of tourists, and therefore help to create jobs and local taxes. By searching for a gap in the market, there is a chance that the festival itself grows or additional events which attract more tourists will be created, therefore this research has also a economical value not just for the festival organization, but also for the region. Another benefit is the enhancement of social cohesion of the local

community, as a festival nurtures the feeling of a cultural identity and strengthens local ties (Rao, 2001). Furthermore this research can be used as a template for other organizations and industries which want to search for blue oceans. Kim & Mauborgne (2005) provide a guideline which can be used to create a blue ocean, in order to make this guideline more concrete and practical it is applied to a real organization and industry. Others created surveys based on the blue ocean strategy (Yang & Yang, 2011), but surveys cannot provide complete new ideas or elements which can be added to a product or service. With this research a more practical method is provided which helps to get varied information from customers and non-customers and shows also how to transform these information into a concept which can be easily used by an organization. This research has also a academic value as this research puts existing theories into practice, like the blue ocean strategy by Kim & Mauborgne (2005). Like this the applicability and value of these theories are tested under new circumstances. Furthermore the literature about music festivals in general is quite scarce, so this research contributes to the scientific knowledge support of this industry.

## **2. Chapter: Theoretical framework**

This chapter will serve to explain more about the central subject matters, these are: the concept of a business model, innovation and the (possible) visitors of festivals, including their needs and values.



The creation of a new business model is the final goal of this research, as an innovation shall not only be found, but the chance of a successful implementation of that innovation shall also be enhanced. It will be explained in the first paragraph of this chapter, why business models are important. The search for a successful innovation is central to this research, why it is central and what is known about innovations will be outlined in the second paragraph of this chapter. The input for an innovation will be received from lead users and current non-customers of festival. Lead users are consumers with extensive knowledge of the product. Consumers in general are the ones who are paying for the product and service, what is known about visitors of a festival and consumers in general can be found in the last paragraph of this chapter.

## **2.1 Business Model**

In the introduction of this thesis it was explained that a new different and better concept shall be created which will respond to the needs of future festival visitors and can be applied to the market. The concept shall be given in the form of a business model, as business models seem to facilitate the implementation of innovation and enhance the success of them (Teece, 2010). It is important for this research to find out what future visitors will value, but in order to be successful it is even more important to have it sorted out how the whole business shall work in order to satisfy customers and to make a profit. What a business model is exactly, why they should be used for any business, how they can be applied and what risks and obstacles needs to be considered shall be outlined in this section of the master thesis.

### **What is a Business Model**

The term 'business model' has just been used intensely during the last two decades, and is quite popular under entrepreneurs, researchers, journalists and professionals in the business world (Giesen, Berman, Bell & Blitz, 2009). Even though the term is quite young (Osterwalder, Pigneur & Tucci, 2005) it has been widely used and researched; between 1995 and 2010 business models were mentioned in 1.177 articles (Zott, Amit & Massa, 2011).

A lot of definitions can be found in literature (Al-Debei & Avison, 2010) identified 22 descriptions of what a business model is and a lot of those definitions have even been compared to each other (e.g. Mason & Springs, 2010; Moyon, n.d., Zott et al., 2011). Often cited are the definitions of Amit & Zott (2001) "the content, structure, and governance of

transactions designed so as to create value through the exploitation of business opportunities”, Zott & Amit (2010) “a system of interdependent activities that transcends the focal firm and spans its boundaries”, Chesbrough & Rosenbloom (2002) “the heuristic logic that connects technical potential with the realization of economic value” and Magretta (2002) “stories that explain how enterprises work”. A good business models answers questions like: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager has as: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?” (Zott et al., 2011).

The reason why there are so many different definitions is probably also caused by the fact that business models are used for so many different businesses and industries, these researchers from different fields look through different lenses (Shafer, Smith & Linder, 2005). For this research it is important that a business model template contains the variable of value proposition, as it is central to the outcome what value can be captured in a business model which responds to the needs of future customers. This requirement can be found in almost all definitions, therefore the concept of a business model seems to be very useful. Next to that cost and revenue streams should be considered as well in a business model, as of course it is the goal of most businesses to make money. Furthermore after checking the literature the researcher agrees with Teece (2010) “A good business model yields value propositions that are compelling to customers, achieves advantageous cost and risk structures, and enables significant value capture by the business that generates and delivers products and services”. Furthermore a business model appears to be easy to understand and use, as it is a simplified description of how a business works and captures value (Osterwalder, Pigneur & Tucci, 2005). Teece (2010) makes this very clear “The essence of a business model is in defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments into profit. It thus reflects management’s hypothesis about what customers want, how they want it, and how the enterprise can organize to best meet those needs, get paid for doing so, and make a profit”.

A business model can be seen as a blue print for a business (Kamoun, 2008 in Al-Debei & Avison, 2010), it does not show the real picture, but it makes it easier for a researcher or an entrepreneur to understand a business.

Business models can be used for every kind of business and at different levels of the firm (Osterwalder et al., 2005 and Zott & Amit, 2007), like the strategic level (ideas are discussed by individuals, they think about which goals should be achieved) , the operational level (how different actors make the organizational goals happen) and the level of individual transactions of economic exchanges (consequences of the business

model for certain stakeholders) (Morris, Schindehutte, & Allen, 2005). For this research the business models shall be co-developed by customers, therefore the focus shall lie in the first instance on the strategic level, but as a complete business model shall be created for a real life case the other levels have to be considered as well. New business models affect the firm, but sometimes can also affect a whole industry heavily, like the low-cost airline business model of Ryanair influenced all competitors (Kim & Mauborgne, 2005). A breakthrough innovation of the business model like this is very desirable, as it shows a real competitive advantage. As it is very appealing to reach a competitive advantage practitioners as well as scholars are interested in the concept of a business model (Lecocq, Demil & Ventura, 2010).

There is a controversial subject which is worthy to mention here, researchers disagree on the topic whether the terms 'business model' and 'strategy' mean the same or different things; this debate has been going on for a while and is not resolved, yet (Porter, 2001). Often the terms are used as if they mean the same (Al-Debei & Avison, 2010), others see them as two different things, but admit that there is some overlap (Osterwalder et al., 2005, Al-Debei, El-Haddadeh & Avison, 2008). Magretta (2002) provides two simple definitions, which show the difference, the author says that it is the function of a strategy to illustrate how the organization can function better than their competitors, a business model on the other hand describes how all important pieces of the business synergize. There are many more definitions and discussion about this topic. For this research the decision was made to work with business models, as these can capture much information in a clear overview. Also many different parts of a business are considered; therefore the business model is much more practical and understandable than any strategy which is not captured in a structured framework.

#### **Why should a business model be used?**

Teece (2010) states "superior technology and products, excellent people, and good governance and leadership are unlikely to produce sustainable profitability if business model configuration is not properly adapted to the competitive environment", this indicates the importance to create a good business model. Business models are the basis of an organization (Magretta, 2002), and can capture the value of a product or service for customers (Teece, 2010; Wikström, Artto, Kujala & Söderlund, 2010). Moreover they show the logic of a business systematically and also hold account with the financial arrangements (Teece, 2010). So, whatever the goal is of an organization, paying attention to the components of the business model can lead to a competitive advantage in different ways, like making the current business model stronger, reinventing it or

creating a radical new one (Voelpel, Leibold, Tekie & von Krogh, 2005). Nevertheless business models are said to be especially crucial when implanting innovation, as Teece (2010) explains that business models are necessary when a company wants to capture value from an innovation. Zook & Allen (2011) underline the importance of the use of business models, as well. The authors emphasize that really successful organizations, create differentiation which works as a system and is able to reinforce on another. Those organizations are able to turn their differentiation into routines, behaviors, and activity systems, which are organized in a way so that stakeholders can understand it. So the authors accentuate that in order to make profit with a business in the long-term an organization has to have such a system, which is also able to be constantly improved. A system like this, namely a business model, makes it possible to understand, analyze, communicate and manage strategic decisions (Pateli & Giaglis, 2004; Osterwalder et al., 2005 & Shafer et al. 2005)

One of the strongest argument for professionals is probably the statement by Giesen et al. (2009). The authors say that it is often easy for the concurrent to copy products and services, but business models are the differentiators which are difficult to imitate, if created thoroughly. In order to claim intellectual property on a business models a scientist should publish it (Kurek, Geurts & Roosendaal, 2007). In many ways literature makes clear that business models are quite useful in different ways for existing businesses of innovations, it can be used as a descriptive tool, a method to plan, a method for action and a path to profitability (Moyon, n.d.).

There are also critiques on the use of business models. Rosenberg, Chase, Omar, Tayler, & von Rosing (2011) explain that a business model does not incorporate different important aspects which are important to management and they state that the model is too simplistic. In more detail this means, that there is no information about the strength of the links between the different blocks, influences cannot be measured and therefore they cannot serve for strategic decisions, also performance measurements are not possible with a business model. Furthermore it misses information about corporate structure and responsibilities. Of course all those activities are important to organizations, but in this case the business model is used as a template to capture a great idea which can be turned into a successful business adventure. Good managerial abilities and a well structured enterprise are taken as given. Although even this case might not fulfill the requirements, the business model is made for such a company; therefore the points of critique are not seen as relevant for this research. It needs merely be said that the organization which would realize the model, needs to be concerned with different other organizational tasks. To fill in the missing details additional information

can be supplied together with the business model. A description of the whole concept is a useful extension according to Osterwalder & Pigneur (2009).

### Application of a business model

Researchers have been occupied with the matter of how business models can be applied at the firm level (e.g. Storbacka, 2011; Siggelkow, 2001; Osterwalter et al., 2005; etc.) but Kujala, Kujala, Turkulainen, Artto, Aaltonen & Wikström (2010) suggest that in project-based firms (like festival organizations) individual solutions for customers should be created, as life-cycle solutions might not be suitable for projects (e.g. can be too risky). Several authors agree on the suggestion that factors like products and services of the organization, markets and customers, technology, capabilities, value proposition and finances should be considered as components of a business model (e.g. Chesbrough and Rosenbloom, 2002; Osterwalder et al., 2005; Morris et al. 2005: etc.). Different templates and tables occurred during the research process (e.g. Mason & Spring, 2011; Teece, 2010; Scott, Smith & Linder, 2005; etc.), but one model seemed highly appealing as it concerns itself with all the required information and furthermore it seems to be easy to handle and to understand and it is applied quite visual. Meant is the 'Business Model Generation Canvas' by Osterwalder & Pigneur (2009). This canvas is based on the 'Nine Business Model Building Blocks' from Osterwalder, et al. (2005). This table which can be seen on the next page (table 1) has been rated by the author as very useful, because it covers so many subjects which are relevant to a business and also describes what is meant by these 'blocks'.

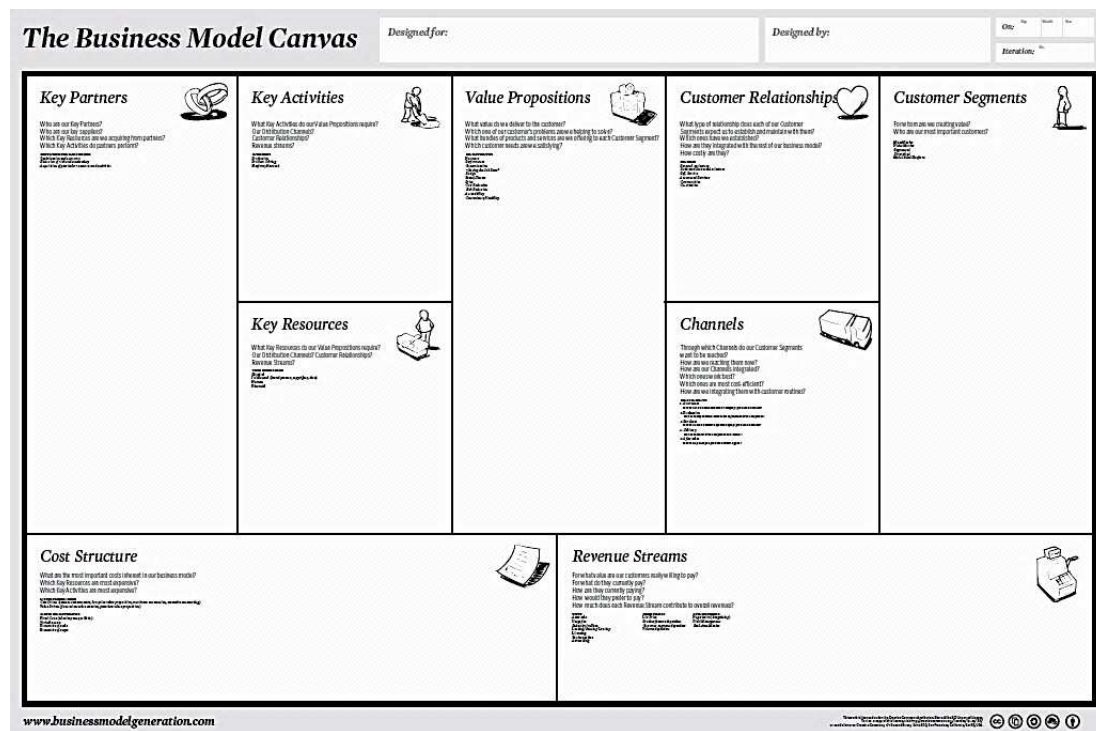
**Table 1: Nine Business Model Building Blocks.**

<b>Pillar</b>	<b>Business Model Building Block</b>	<b>Description</b>
<b>Product</b>	Value Proposition	Gives an overall view of a company's bundle of products and services
	Target Customer	Describes the segments of customers a company wants to offer value to
<b>Customer Interface</b>	Distribution Channel	Describes the various means of the company to get in touch with its customers
	Relationship	Explains the links of links a company establishes between itself and its different customer segments
<b>Infrastructure Management</b>	Value Configuration	Describes the arrangement of activities and resources
	Core Competency	Outlines the competencies necessary to execute the company's business model
	Partner Network	Portrays the network of cooperative agreements with

		order companies necessary to efficiently offer and commercialize value
<b>Financial Aspects</b>	Cost Structure	Sums up the monetary consequences of the means employed in the business model
	Revenue Model	Describes the way a company makes money through a variety of revenue flows

The model by Osterwalder & Pigneur (2009) goes a step further. It visualizes this table and gives a guideline how to use it. As you see in figure 1, the components of the business model have icons, the relations between them can be shown, their explanations are given and some space is given to fill the information in. The left side of the model is about value creation and the right side about value capture (Osterwalder & Pigneur, 2009). In most cases it is the goal of a business owner to enhance value and reduce cost, so when mapping all cost and value variables it can be checked how and where costs can be reduced and value can be enhanced. Each block of the canvas can be a starting block, in the case of value enhancement for consumers, 'value proposition' would be the starting block. Osterwalder & Pigneur (2009) give examples of different people who used the model and appreciate it greatly. The researcher talked also to entrepreneurs (like the founders of "Note - Disruptive Strategies") who indicated that it is easy to understand how to work with the canvas. Everybody can be the designer of a business model and fill in this business model generation canvas for his or her specific goal. Osterwalder & Pigneur (2009) explain in their book that the canvas filled in by different person with different goals. The general managers from ESK Events & Promotion GmbH, who are cooperating with this research, have enough knowledge to fill this model in for their current business. As Osterwalder & Pigneur (2009) lines out it is useful to print the canvas and use post-its to fill the blocks. These concepts can be discussed and easily changed if necessary. Like this it is also easy to keep the model up to date. When creating new business models inputs of consumers should be taken into consideration and several prototypes should be created (Osterwalder & Pigneur, 2009). The input for a new business model can and maybe should come from different sides. The interests of the company should be considered, what current and future consumers value is certainly crucial and a certain amount of free creativity should also be a part of the input. Finally it should be checked which prototypes are most promising and also if these are realistic (Osterwalder & Pigneur, 2009).

Figure 1: Business Model Generation Canvas.



When the creation of a promising new business model was successful, one should begin to actually implement it into the business. When implementing a new business model, several problems could possibly occur. In order to diminish or lower this risks several recommendations (by Chesbrough, 2010) should be considered:

1. Companies must be open to business model experimentation
2. Internal leaders need to be identified in order to manage the innovation process of the business model
3. The organizations culture must find ways to embrace the new model

If the organization functions ambidextrous, the chance to run a successful business will even be higher. As this means that the company focuses on the current business and on innovation at the same time, so it exploits and explores. Innovation is good and necessary, but every organization should also focus on maintaining their current business in order to stay successful and survive (O'Reilly & Tushman, 2004).

## 2.2 Innovation

“To be unique and develop a competitive advantage, firms need to do something different, something that does not fit within the current rules of the game” (de Wit & Meyer, 2010). Many researchers agree, innovation is very important to become and stay

successful (e.g. Han, Kim, & Srivastva, 1998; Davidsson, 2004; Agrarwal, Erramilli, & Dev, 2003; etc.). In most markets there is a lot of competition and in order to keep customers attracted a satisfying innovation is required (Camarero & Garrido, 2012).

Although the necessity of innovation is acknowledged, there is no common definition of innovation. Many different definitions occurred through the time, and there are also many different types of innovation like: incremental innovation, radical innovation, disruptive innovation, blue oceans, breakthrough innovation, etc. To make an easy start, let us take a look at the origin of the word, innovation comes from the Latin word 'innovare' and means change. Nowadays often not simply change is meant when talking about innovation. A company which wants to innovate wants improvement and differentiation, in the best case at the same time. If you improve your product or service, people will acknowledge this and if the improvement is appreciated strongly the number of sold products/services will increase. The company might even be able to ask a higher price for the improved offering. To reach differentiation is better than just to improve your service or product, if the differentiation is welcomed by customers, as you move towards a place where no competition is, yet (Kim & Maubourgne, 2004).

### Value innovation

Many things can be innovated. Tangibles like technologies, products, services, etc. can be improved, changed and renewed, and also intangibles like values can be innovated. The improvement of the existing tangibles is often the goal for an organization, as they want to be better than the competition and win more customers like that. Kim & Mauborgne (1997) say that this is the wrong approach. If an organization wants to be really successful they should forget about the competition and focus on how they could change their business in order to respond to unfulfilled customer needs. The first ambition should then not be to be better than the competition in the current industry, but being different and maybe entering or even creating a new market and industry. The trick is to not see anything as given and everything as variable. The fact that every company does business in the same way does not mean that it has to be like that. Often managers are afraid to conduct radical changes and enter ways which no one else has walked before. Value innovation means to do exactly that. Forget what others do, but focus on creating something that would be highly appreciated by customers. It would be a mistake to ignore the competition completely, as the wheel should not be invented again and again. The competition should be monitored, to be aware of what they do, but the main attention should be paid to the needs and values of customers. Kim & Mauborgne (1997) put it this way "companies that follow innovation free up their resources to identify and



deliver completely new sources of value”. So there are two ways of acting as a company, focusing on outperforming the competition, by doing the same as they, but better, or trying something new and focusing on what people really could value in their life. Table 2 summarizes the differences about the conventional logic of businesses and the value innovation logic and makes clear why it is important to think differently.

**Table 2: Two Strategic Logics (from Kim & Maubourgne, 1997).**

<b>The five Dimensions of Strategy</b>	<b>Conventional Logic</b>	<b>Value Innovation Logic</b>
<b>Industry assumptions</b>	Industry’s conditions are given	Industry’s conditions can be shaped
<b>Strategic focus</b>	A company should build competitive advantages. The aim is to beat the competition.	Competition is not the benchmark. A company should pursue a quantum leap in value to dominate the market.
<b>Customers</b>	A company should build competitive advantages. The aim is to beat competition.	A value innovator targets the mass of buyers and willingly lets some existing customers go. It focuses on the key commonalities in what customers value.
<b>Assets and capabilities</b>	A company should leverage its existing assets and capabilities.	A company must not be constrained by what it already has. It must ask, What would we do if we were starting anew.
<b>Product and service offerings</b>	An industry’s traditional boundaries determine the product and services a company offers. The goal is to maximize the value of those offerings.	A value innovator thinks in terms of the total solution customers seek, even if that takes the company beyond its industry’s traditional offerings.

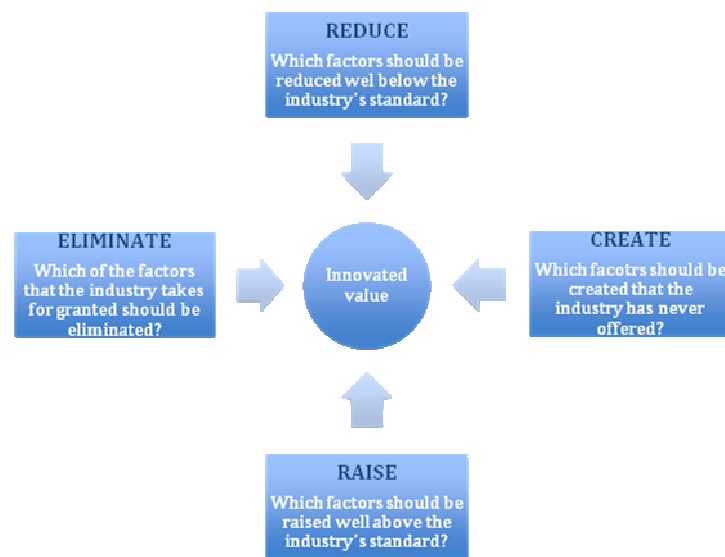
This table makes clear that value innovation is something that should be definitely pursued as it is not just much smarter than a conventional approach on innovation; the reward is even much higher. To make sure that the value innovation is planned thoroughly the blue ocean strategy should be followed. Value innovation is the heart of this strategy, but the whole strategy helps to create and implement a good concept of a creative new innovation which will be valued by the future customers.

### **Blue ocean strategy**

Kim & Mauborgne (2005) explain their theory as follows. Businesses can be divided in two categories: red oceans and blue oceans. Red oceans are all businesses which belong to the existing businesses today. Blue oceans are businesses which belong to new categories which still have to be found. Examples of blue oceans which were discovered are the mass production of cars by Henry Ford and the [yellow tail] wine which

persuaded also a larger number of consumers to buy this particular brand. Red oceans are commonly lead in a traditional way, blue ocean businesses on the other hand dare to be different. Like mentioned before in the part about value innovation it is not about how to be better than a concurrent, it is about the search for new markets and opportunities. Blue oceans do not necessarily need to be radical or disruptive, they can also be incremental. Simply a re-composition of different aspects of a business can help to create new value and win more customers. A good example is the blue ocean which was created by the manager of Cirque du Soleil. To make clear how a blue ocean can be created in practice this story of success shall be shared here. End of the 20<sup>th</sup> century Cirque du Soleil functioned as any other circus in that time; they had their acrobats and animals and the show took place in a normal tent. The problem was that there were a lot of circuses like Cirque du Soleil and the number of visitors declined. The manager decided that the circus should change in order to achieve bigger success. He analyzed what the visitors valued much, more, less and not. The outcome was that the circus changed its concept. They got rid of the animals, as they did not seem very important and in addition they could save a lot of money. Like this they could invest more in good acrobats and upgrade the tent, so it looked more luxurious. The visitors really liked the change and the circus became more successful than ever. Kim and Maugborne (2005) provide six steps which should be followed when someone wants to find a blue ocean. First the company which wants to innovate should compare itself to the industry. Which aspects of the product or service are better, same or worse than those of competitors in the same industry. In the festival industry one can think of aspects like price of the ticket, atmosphere, informational service, aesthetic of the location, diversity of the musical offer, number of artists, range of souvenirs, size of the offering of the souvenirs, diversity and quality of the food offering and facilities. According to Yoon, Lee & Lee (2010) these elements contribute to customer satisfaction. If the company does not differ notably on their aspects, value innovation is required. However the authors do mention, that if a business still makes profit, it might be an option to hold on to it. An alternative is then to add a new product or service to the business. In this case it would mean in concrete, that the festival organization should hold on to the current festival, but also implement the new business model next to the existing one. Like this you can spread the chance of being successful. Step two in this search for a blue ocean should be to see beyond the nose of the current industry. It should be checked what else there is to do in the world, and to check if it might be interesting to combine the products and activities of different industries. Here it does matter again what customers do value. Kim & Mauborgne (2005) do offer a set of questions which can help to find out what customers want:

Figure 2: Questions which help to innovate value.



With these questions the organization can find out which elements are important and which are unnecessary. Of course it is always good to go beyond this, as customers of one product are also customers of other products, and maybe this can help to find out more general values. After this the researcher and the company should know what consumers value, in this case what they value when they want to spend some time out.

In step three one should focus on what people, who want to spend a night, a day or a weekend out, have in common. After having some clear ideas for blue oceans, these should be mapped in the form of business models. This helps to get the bigger picture and have it clear how a business could be organized in order to provide new value to customers and of how money can be made. The last two steps Kim & Mauborgne (2005) mentioned are about how leaders should behave in order to realize an idea successfully. For example how they can overcome organizational hurdles like how to handle employees who do not welcome change. The last two steps are about the implementation process, which is very important, but this shall not be further elaborated here as the focus of this research lies on the creation of the new business model.

In the beginning different kinds of innovation were mentioned. Blue oceans seem the most desirable as they are concerned with what the mass of consumers would value. All kinds of innovation are possible. It could also mean that new markets could be entered. An innovation can have a number of degrees for a user; innovation can be about the use of the product, the services, configuration of technologies or even novel technologies themselves (Deshpande, Farly, & Webster, 1993). De Wit & Meyer (2010) support this

statement as they say that “many strategists believe that the industry context can be shaped in an infinite variety of ways by innovative firms. Therefore, industry development can be driven by firms willing and able to take the leading role.” Consequently every product, service, strategy, value or anything else can be innovated. It can be about creating something new, re-styling something or leaving something away, in order to improve and differentiate it. This makes this research quite broad on the one side, but on the other side it opens the door to many, many possibilities and opportunities. And this is what is wanted, the outcome of this research should surprise, it is not the aim to get evidence for a hypothesis. Through this research it should be learned what is not known, yet. Even if a market seems to be mature, change is possible in every industry (Kim & Maubourgne, 2005).

### Creation of innovation

Innovation so desirable as it is related to long-term value enhancement of a business (Tidd, 2001). There are several ways to reach innovation; it can be done with the help of the people within the company, for example by a R&D division or temporary groups of employees who can function as idea generators. What is important for managers to know is that efforts like high investments in R&D and product reduction can show just little profitability on the short-term, but often investments in innovation pay-off in the long-run (Tidd, 2001). Innovation is not just an outcome, it is also a process (Crossan & Apaydin, 2010). Finding out what customers want is central in order to find a blue ocean, but how this value can be delivered should also be questioned. Creation of innovation can also be facilitated by generating the right climate and structure in a company. Structural and contextual ambidexterity are known as very helpful when aiming for innovation. It is also always possible to hire experts in order to get and implement new ideas. The network of a company can play a role in innovation, as through collaboration it can be possible to offer a new and better product, which would not be possible in that way if the company decides to do it alone (Mason & Spring, 2010).

In order to find out what customers and future customers want, they should be asked. Visitors can simply be asked what they value about the festival, other festivals and even other things in life. Some visitors might be more valuable for this research than others. There are experts in every industry, which know the market very well and because of their knowledge they can be seen as more valuable when searching for innovation (Lilien, Morrison, Searls, Sonnack & von Hippel, 2002). Those experts are also called lead users (von Hippel, 1986). Also non-customer opinions can be valuable as it should

be found out what should be changed in order to also get them as customers in the future. What is known about visitors and consumers in general and in the festival market will be lined out in the next paragraph.

### 2.3 Customers

The story about the Cirque du Soleil was an inspiration for this research. The necessity was acknowledged that it is important to do customer research in order to find useful information how to make a festival different and better. When talking about customers, not only current customers are meant. As mentioned before it is the goal of this research to find a way to respond to the needs and values of future customers. It would be nice to expand the size of the current customer group; therefore it also has to be known what current non-customers would appreciate. Customer opinions matter, as customer power is stronger than ever, since comparison of different products and services has been made easier (Teece, 2010), e.g. through the internet. In this case the customers can be better called visitors, as this research will be concerned with people who visit festivals. In this paragraph information about what kind of people do visit (rock) festivals currently can be found and what they value and need.

#### Current and future visitors of festivals

There are more than 800 festivals of this kind in Germany and about 30% of the adults between 14 and 34 do visit these (Prescher & Team, 2012). There is no country in the world with a comparable supply of large music events per capita (Koopmans & Wittenstein, 2007). A main motivator to visit festivals might be the fact that more than ninety percent of all young adults in Germany are interested in music, especially rock music is favored by the majority, and about fifty percent say they like to visit music events in general (Ullmann & Schulte, 2010). The average age of a visitor is 25, their hobbies are to surf the internet, watching TV, partying and reading books, newspapers and magazines (Ullmann & Schulte, 2010). At festivals visitors value the atmosphere and the musical offer, but also dimensions like facilities, informational service, food and souvenirs are critical (Yoon, Lee & Lee, 2010). Gursoy, Spangenberg & Rutherford (2006) stated that people are motivated to visit festivals for exciting, funny, and pleasing experiences. In general it can be said that visitors of a festival want to feel good and have a good time. The best visited festivals in Germany are Wacken Open Air (92.441 visitors), Rock am Ring (85.728 visitors), Hurricane Festival (67.935 visitors), Rock im

Park (66.798 visitors) and Nature One (55.000 visitors) (Ullmann & Schulte, 2010). Three of these festivals are rock festivals, which supports the statement above, that most adults are interested in this kind of music. Visitors can have different reasons why they visit a festival, some of them do have the motive of curiosity which pushes them to visit a festival, others are there to see certain bands, again others like festivals simply because of the atmosphere and finally there is a large group of people who visit festivals because their friends do. There are leaders and followers. Lead users, which can be defined as expert users of a certain product or service, are more interesting when looking for breakthrough innovation. They seem to be more involved in a certain product, and have often needs, which normal users or visitors do not have yet (Eisenberg, 2011).

#### Needs and values of future customers

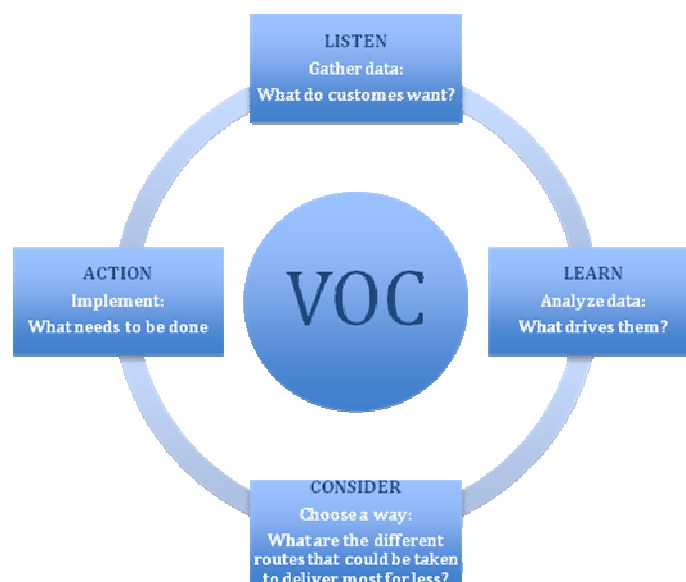
In order to create a successful product or service it should be found out what customers want and need and these needs need to be elaborated in order to get to know which innovation could answer these needs (Griffin, 1993). As mentioned before it is not just of interest what current customers value it is of interest what the future customers do value and these could include current non-customers. Understanding what (future) customers want is very important (e.g. Anderson & Narus, 1992; Mason & Spring, 2010; etc.), because when you know what people want you can achieve superior performance and a competitive advantage (Anderson & Narus, 1992). A problem for a supplier can be that different groups of customers might value different attributes (Narayandas, 2005). It shall be found out what the mass of consumers would value about a festival. Like that new and better festival or some other kind of event can be created which attracts many people who can enjoy the new and different value. Overall a value can be seen as the benefit which is derived by a customer from an exchange (Mason & Springs, 2010). In plain language one would say "what do I get for my money?". Anderson & Narus (1992) suggest to focus on naked solutions in first place. These are product and service elements that all customers within a market segment value, and nothing more. By analyzing the value which shall be provided, it should be checked if there are any superfluous values left, the elimination of those values is called value draining. When these values are found, the company should find a way to offer these at lowest price. Next to that other attributes could be added to the offer as an option. Like this the standard price can stay low, but customers who would value additional elements can be satisfied as well.

### Finding and creating customer solutions

Suppliers should strive to sell naked solutions at the lowest possible price that will yield a profit (Anderson & Narus, 1992). Then suppliers should “wrap” those solutions with options- specific product and service elements that some, but not all, customers do value. By analyzing the value which shall be provided, it should be checked if there are any superfluous values left, the elimination of those values is called value draining. So values which do cost a lot but are not worth their price to customers should be left out. Knowing that an improvement in some functionality is important does not tell a supplier if a customer is willing to pay for it (Anderson & Narus, 1992)

There are different methods to find out about what customers want, they can be asked directly, complaints can be recorded and analyzed, customers can participate in the development of new products and also non-customers can be asked for advice, as these could be future customers. The voice of the customer (VOC) is a analysis procedure which can be used to acquire useful information, regarding values, needs, wants perceptions and preferences, directly or indirectly from customers in order to turn it into product and service output (Aguwa, Monplaisir & Turgut, 2012). The procedure is summarized in figure 3.

Figure 3: VOC analysis procedure.



This analysis tool helps to prioritize the service and product outputs which are most valued by customers. Customer research is normally primarily qualitative. It is common to interview 10 to 30 customers in order to get a full picture of their needs and values (Griffin, 1993). One-on-one interviews are rated as the most effective (Griffin, 1993). Like Kim & Maugborgne (2005), Griffin (1993) agrees, the interviewer should asked

about the customers values, needs etc. but should also ask how important the fulfillment of those wishes is to the customer. Griffin (1993) advises that all customer needs should be listed and given priority, which can be concluded by the times it was mentioned and by the indication of importance by the customer. Also the comparison of festivals can be useful for values which are important to the customers. When reviewing literature about interviews with consumers it occurred that not all customers can be valuable for interviewing. Yoon, Lee & Lee (2010) indicate that first-time visitors might have different motivation than repeated customers, also they do not know the product very well, and often those visitors are satisfied, as they do not have anything for comparison. Von Hippel (1986) suggests to work with lead users for evaluation purposes, as these customers know the product or service well, and are also more critical and have more motivation to improve the product, as their needs are not fulfilled, yet. Also it is said that lead users have needs which other customers will also have but with delay of some months or years. This is why it appears very attractive to hold interviews with customers from this group.

Next to interviews it is also useful to take a look at complaints if possible, as dissatisfied clients are less likely to purchase a product or service again (McColl-Kennedy, Sparks & Nguyen, 2011). Kim & Maubornge (2005) indicate the emergency of also finding out what current non-customers would value about the product. An interview which aims on questions like “why don’t you go to festivals?”, “what offer do you miss”, “how could a festival be changed in order to persuade you to purchase a ticket?” could help to find out more about the needs and values of non-customers. After finding out about the needs of the respondents, it can be useful to see if they might contribute even some ideas how a “perfect” festival could look like. Even though Magnussen, Matthing & Kristensson (2003) state that it is often difficult to realize ideas from users, as they are sometimes not operational in real life, they also state that user ideas are more original and do hold a higher perceived value for the users. It can definitely not do any harm to ask for ideas, as the researcher and the company can still argue later whether the ideas are possible to realize or not. All ideas can be used, but one should not jump to conclusions and elaborate the ideas thoroughly (Goodwin, 2009). Also it is suggested to first start with questions about values and needs of customers and to continue from there to brainstorm about ideas. According to Goodwin (2009) it is very common and useful to get input from different sources for product development. A focus on customers is necessary as in a lot of cases there is a gap between the actual solution for a customer and what the supplier sees as a solution (Kujala et al., 2010). Often suppliers are offering additional packages which are not desired by customers for example. These different ways of consulting possible customers can help to create a new event together with the



consumers, which can differ largely from the original and the intended earlier form. This process is called co-creation (Payne et al., 2011). How this will be done in detail will be lined out in the chapter 3.

### **3. Chapter: Methodology**

In this chapter it shall be explained how exactly a blue ocean shall be found in the festival industry and what steps are taken in order to capture it in a business model. First some general information about the whole process and research period will be given. Secondly a description will be given how data about the current situation of the case will be received and how the organization can be compared to the competition. Then more information about how the actual consumer research will be conducted and finally it shall be explained how the data will be analyzed and transformed into a business model.

#### **3.1 General information about the research**

The researcher is accompanying the festival organization for four months. In these four months the researcher does work on a theoretical framework for the research, does work part-time for the festival organization and visits several festivals in order to make observations about the organization and the feedback of the visitors. As this research is done in cooperation with an organization of a rock festival, and rock events are more popular than other music events (Ullmann & Schulte, 2010), the decision was made to focus on the visitors of rock festivals. In total the researcher will visit three festivals, the first one is to find out a way which can be best used to come in contact with the visitors. The other two festivals shall be used to actually get in contact with the respondents. The

researcher lives also in an area where different festivals takes place like this also current non-customers can be contacted.

### 3.2 Current situation of the organization and the industry

Patton (1990) advices to start a qualitative research with a description. In earlier chapters the festival market and their visitors were described already. In order to provide a more detailed description about the company, to create a basis for this research and a basis for the new business model which shall be created at final, the current business model shall be created first. The business model generation canvas by Osterwalder & Pigneur (2009) will be used as a template. After the researcher studied how to create business models and after the researcher already accompanied the organization for several months a workshop meeting is arranged with the two general managers of the company. A large version of the canvas is copied, and post-its are brought to the workshop. At the beginning of the workshop the researcher explains to the general managers what the different blocks of the canvas mean, and that the canvas has two sides, the left one is more concerned with efficiency and the right side with value. As the left side might be easier to fill in as it leaves less room for discussion the group shall start to fill in this side first. The researcher asks questions about how to fill in the blocks and instructs the general managers to write down the elements of their business and to paste them in the print-out of the canvas. During this session all nine blocks are discussed. The group discusses the choices during and again after the process. Furthermore it is found out if management sees need for change in certain blocks. If the managers see problems in the current business model, and have already ideas for changes these are noted as well. When the general managers agree on a final business model the print-out is photographed in order to capture it. Afterwards the workshop can go on with the discussion of which elements are variable and how they could be replaced by which alternatives. These options of variation will be written down by the researcher. This information can be used for the creation of new business models later on.

Finally the workshop is used to make an estimation of how the DEICHBRAND festivals scores on different elements which might be important to customers, compared to other festivals.

The general managers shall be asked to compare the following aspects of DEICHBRAND to other comparable festivals they know:

- ticket price
- atmosphere

- professionalism of overall organization
- attractiveness of the location
- popularity of acts
- diversity of acts
- number of acts
- diversity of souvenirs
- diversity of food offering
- (sanitary) facilities
- informational services

Other elements can be added to this list by the general managers. Management is asked to rate the DEICHBRAND festival and comparable other festival, furthermore each aspect shall be discussed in general and the general managers shall indicate on which points they think the festival differs greatly to the concurrence and on which points there is not a big difference.

### **3.3 Consumer research**

The next step of the research is to conduct interviews. This part of the research is crucial to answer the research question, as it is important to find out what undiscovered needs there are and what is valued most by possible future customers. The right side of the business model generation canvas (by Osterwalder & Pigneur, 2009) is concerned with the question how value is or can be captured. Therefore the blocks on the right side provide the basis for the questions asked during the interviews. Nevertheless there shall be room during the interviews to give the respondents the possibility to provide also ideas about how this value can be created. But mainly the interview questions do focus on how value is and could be captured, as this is something what customers experienced or like to experience. Listening to customers or visitors can be very helpful to improve the current offering (Gorry & Westbrook, 2011). The disadvantage with this traditional idea generation technique is that literature implies that normal customers often do not know what they would value in the future (Lilien et al., 2002). When asking customers or in this case visitors about what they want and value, they could help to incrementally improve the festival. However interviewing normal visitors would probably not help to find a superior innovation, which can help to achieve a competitive advantage. To achieve this, the lead user research method seems much more appropriate to reach this (Lilien et al., 2002). The lead user method is like a low cost R&D method, experts are asked for help, but as those are not the own employees the research is not at the expense of the productive work time.

According to von Hippel (1986) lead users are individuals or firms who have product or service needs beyond what is currently available in the market. They are interested enough in the market to have a strong need to change the existing product or to create a new product in order to solve their problems and satisfy their needs.

Furthermore current non-customers shall be interviewed, as Kim & Mauborgne (2005) make clear, that this is often a large group and great success can be achieved if this large group can be persuaded to turn into customers. Hence it shall also be found what these people value, which values they have in common with the current customers and if there are any obstacles which need to be removed.

### *Selection of respondents*

For these research several visitors of festivals, which can be rated as lead users, and several individuals who do not like to visit festivals are interviewed. In this paragraph it is described how these respondents are selected.

In several articles in which the lead user research method was applied, different approaches to find lead users were identified. Often those researches were about technical products or different products which could be actually used or consumed. In those cases the researchers often approached experts. When searching for a breakthrough innovation for cereal bars, professional athletes were asked, or when the research was about PC-CAD, software engineers were consulted (Lead User, n.d.; Herstatt & von Hippel, 1992). In the festival market there are a few people which have extensive knowledge about the industry. Lead users can be people who regularly visit different festivals in their leisure time, but also professionals like journalists, who visit every year several festivals for work purposes, can be defined as lead users.

The cooperation comes very helpful in order to get in contact with lead users. Mainly respondents are searched for at two festivals. A small team of research assistants got the instructions to find people who visit different festivals regularly as professional or private visitors. It is explained that journalists can be found in the press area, or recognized by their cameras. Private visitors can be found on the camping ground and also at the infield of the festival. Some lead users can be easily recognized in case they wear festival bracelets.<sup>1</sup> Others are not that easily to identify, therefore the researcher or a research assistant could approach groups and ask them questions about if there is a person in the group who visits festival and concerts regularly. To check already before

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<sup>1</sup> Festival bracelets are mostly used as entrée tickets by festival organization and some people like to keep wearing them after the festivals. So if a person wears several of those bracelets, it becomes clear that this person has visited several festivals.

the in-depth interview, how helpful the person is, the researcher and assistants ask what ideas the person has already about how to improve a festival. On the basis of this short informal interview the people shall get a rating, people who seem to have very useful suggestion about how to improve and differentiate a festival got a “plus” added on the list. All people which seem to visit different festivals regularly and are willing to participate in a telephone interview are asked for their phone number and listed. An instruction for the research assistants can be found in Appendix A. The aim for the search quest for lead users is to identify a large number of possible respondents, so that there is a buffer in case people are not willing to participate in a telephone interview anymore, give the wrong number or are not reachable anymore. The interviews are not conducted at the festival itself, but later on the telephone. This decision was made as many festival visitors are under influence of alcohol during the festival and the surrounding at festivals is often very noisy and distracting. The lead users with a positive rating are approached first for the telephone interview. In order to find also lead users who have not visited the DEICHBRAND festival, the search procedure was conducted at the HURRICANE festival as well. As this festival is geographically quite close to the DEICHBRAND there is a chance that many lead users contacted there do also visit the DEICHBRAND festival. In that case the researcher makes use of her own network, and contacts people who do visit different festivals, in other parts of Germany and maybe other countries.

As mentioned before it is also desirable to talk to people who have not visited festivals yet or just once. It is the goal to find out how these people could be persuaded to become customers. People of different ages who had the chance to go to festivals in the past are searched for in the region. As the researcher was spending time in that region during the months around the festivals, she had time to meet people from that area who have not visited festival. These are also called in the weeks after the festival.

### *Sample*

The research question is very broad and open, therefore the decision was made that qualitative research was the best way to get a good answer to the question. This is why the sampling has also to fit the method. The population which should be studied does not exist, yet, as future customers are studied. The needs and values of lead users are likely to be seen as representative for the needs and values of the future customers (von Hippel, 1986). The needs and values of the lead users shall be expressed in ideas for a new, different and better festival concept. The lead users are not selected randomly as this would not be efficient and appropriate for this research (Marshall, 1996). The best ideas are wanted, and therefore the sampling is based on judgment, like this the most

creative and knowledgeable respondents are selected. The judgment sampling is most common when doing qualitative research (Marshall, 1996), and does suit this research very well as the researcher can actively select the best respondents in her view in order to get the best qualitative answer to the research question. In concrete, this means that the lead users which got a good rating during the selection process, are contacted first for an interview. After a few interviews the researcher decides again which lead users can be contacted next in order to get different views and make the picture of ideas as complete as possible. In total 14 lead users are interviewed for this research. Additionally 11 non-customers are contacted in order to find out what they have in common with the customers. As it is desirable to create a festival which is valued by the masses, non-customers should not be excluded from this research. After a few interviews with non-customers it occurred that it is interesting to find out more about non-customers who are older than 35. Therefore almost half of the non-customers were selected by this criterion. In total 25 respondents had been interviewed successfully, very rich input is received from them.

### *Interviews*

As explained before value creation and capture is central to this research and it is the goal to renew the business model, but especially to renew and improve the right side of the business model, as this side is concerned with value capture. As value is central it probably does not come as a surprise that most questions are and should be about value proposition. Some of these questions ask for an evaluation of the current offering, some aim to get more information about fulfilled and unfulfilled needs and values and some ask for new ideas how to fulfill needs. All in all these questions can help to find out which value a festival should provide. The other questions are about the other blocks of the left side of the business model: revenue streams, channels, customers segments and customer relationship. The questions derived from the theoretical framework, it is their aim to get enough information from the customers and non-customers about their needs and values. Next to that some ideas shall be received in order to create a new and better business model. The questions can be found in table 3. The link to the theory can be found in the same table as well. Furthermore it can be seen for which part of the business model the questions are most valuable. It needs to be added here that the questions may concern other business model blocks as well directly or indirectly. For example in order to create a value, changes might need to be made to key resources, activities and partners. Those links can be seen more clearly after the conduction of the interviews. The interview questions can be found in Appendix B, there are three separated lists for lead users who have been visiting DEICHBRAND, for lead users who

have not been visiting DEICHBRAND and for current non-customers. During the interviews the researcher asks open questions and encourages a rich discussion about everything the lead users have to say about a topic. All interviews are conducted by the researcher. The researcher stops with the interviews when no new ideas are received anymore, or in case this does not happen the researcher stops when there are no contacts to lead users are left over. During the interviews the researcher takes notes, and summarizes the received information after each interviews session.

**Table 3: Interview questions.**

<b>Business model block</b>	<b>Question</b>	<b>Theoretical background</b>
<b>Value proposition</b>	Which festivals have you been visiting in the last years? And why did you select these festivals?	Question for lead users: What needs and values does the competition fulfill and how? (p.14); Which aspects of the product or service are better, same or worse than those of competition in the same industry? (p.15).
	Are there festivals you find better than others? Why?	Question for lead users: What needs and values does the competition fulfill and how? (p.14) Which aspects of the product or service are better, same or worse than those of competition in the same industry? (p.15) Kim & Mauborgne (2005) suggest to compare to the competition.
	Are there festivals you just visited once, or several times, but stopped to visit? Why did you stop?	Question for lead users: Which aspects of the product or service are better, same or worse than those of competition in the same industry? (p.15) Comparison to the competition (Kim & Mauborgne, 2005)
	What elements of a festival do you find really important? Which should not miss at a festival?	Question for lead users: "Which factors should be raised well above the industry standard?" (p. 16) Derived from by Kim & Mauborgne's (2005) "Four Actions Framework".
	Which aspects do you value, but do you not see as necessary?	Question for lead users: Which of the factors that the industry takes for granted should be eliminated? (p.16) Derived from by Kim & Mauborgne's (2005) "Four Actions Framework".
	Are there offerings or other aspects you find superfluous? Which?	Question for lead users: Which factors should be reduced well below the industry standard? (p.16) Derived from by Kim & Mauborgne's (2005) "Four Actions Framework".
	Are there aspects you miss at many or all festivals? What could add additional value according to you?	Question for lead users: Which factors should be created that the industry has never offered? (p.16) Derived from by Kim & Mauborgne's (2005) "Four Actions Framework".
	What should be changed in order to persuade you?	Questions for non-customers: Looking for commonalities (p.20) (Kim & Mauborgne, 2005).
	How does you perfect event look like?	Questions for non-customers: Looking for commonalities (p.20) (Kim & Mauborgne, 2005).
	What kind of ideas do you have that would improve a festival according to you?	Question for everybody: User ideas are more original and do hold a higher perceived value for the users (Magnussen, Matthing & Kristensson, 2003).



	What do you like about DEICHBRAND?	Finding out what is valued , practical implications for DEICHBRAND.
	What do you dislike? What would you change about DEICHBRAND	Finding out what is not valued, practical implications for DEICHBRAND.
<b>Customer relationship/Channels</b>	Why did you not visit DEICHBRAND, yet?	Question for lead users who have not visited DEICHBRAND: “why don’t you go to festivals?”, “what offer do you miss” (p.20) Kim & Maubourgne (2005) state that it is important to find out why non-customers do not purchase a product or service
	Do you know the DEICHBRAND festival?	Question for non-customers (also lead users): With this question it can be checked if the channels of the organization work. This question is derived from the business model literature (Osterwalder & Pigneur, 2009)
	Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?	Question for everybody: With this question it can be checked if the channels of the organization work. This question is derived for the business model literature (Osterwalder & Pigneur, 2009)
<b>Customer segments</b>	Would you consider to visit DEICHBRAND in future?	Question for lead users who have not visited DEICHBRAND: “how could a festival be changed in order to persuade you to purchase a ticket?” (p.20) Kim & Mauborgne (2005) propose to find out what consumers and non-consumers have in common. What would they value about a product or service?
	What else do you do in your leisure time, e.g. when you want to spend a weekend, a day or a night out?	Question for all respondents: “What else in life do you value? How do you spend you leisure time?” (p. 15)
<b>Revenue streams</b>	How much are you willing to pay for a fun weekend/day/night out?	Question for all respondents: “How much would you pay for a fun weekend?” (p19). The question helps to get an indication about how the revenue streams should be tuned (Osterwalder & Pigneur, 2009)
<b>All blocks possible</b>	Why do you not visit festivals? Are there any obstacles?	Question for non-customers: This question helps to find out why motivation is lacking, or if there are any other problems which might prevent someone to visit a festival. Different parts of the business model could be a cause (Yoon, Lee & Lee, 2010) (p.18)

### 3.4 Data Analysis

In this paragraph it shall be explained how the data is analyzed, the researcher receives data from two different activities: a workshop with the general managers and interviewing potential future customers.

From the session with the general managers, there shall remain a business model and a short summary of what elements are variable, what problems the managers see and where they see a necessity for change. The obtained knowledge from the interviews is also captured in summaries. These summaries and the business model serve as a basis for the analysis. To give the reader an impression about the current situation of the organization, the business model shall be shown in the results chapter and the summary will be given. The analysis of it will be shown later in the result chapter as first the interviews shall be analyzed. As the interviews can help to understand if the general managers do understand how to provide value. According to Patton (1990) it is advisable to summarize the data in different categories in order to make a later analysis easier. The interviews will deliver summaries of the different topics. As shown in table 3 several questions have the same function, as it is the main goal of this research to increase the value for the customers, most questions aim to get information about how the block 'value proposition' can be innovated in order to provide a greater value to customers. So first all interviews shall be searched completely for indication of what visitors do value about festivals, and what non-visitors would value if they would go to a festival. Visitors and non-visitors are also asked to give ideas for improvement. These ideas shall be collected in a separate table. Furthermore there are also aspects of a festival which are not valued, and which lead a festival visitor to stop visiting a festival, a person to not visit festivals in general. These reasons for disliking festivals shall also be collected in tables. Although this is a qualitative research, the times something was mentioned shall be counted and noted in the tables. It shall be found out what most people value and therefore a counting has an additional value.

An overview of what people liked and disliked about the DEICHBRAND festival shall also be created. Information about which festivals are visited and what hobbies the respondents have shall also be shown, and if there is a pattern it will be explained. But mainly these two questions are asked as a warm-up to come up with ideas. The researcher shall check which values are most important, which aspects of festivals should be diminished in order to save and win customers, and what elements are already appreciated about DEICHBRAND. Improving the 'value proposition' block is most important. Nonetheless also other elements could be improved with the help of the interview data, like which 'channels' could best be used. After having taken a closer look

at the needs and values of potential customers, the researcher takes a closer look at the current business model of the festival, and at the comments the general managers had about it. The researcher makes a list of which things should be definitely improved about festivals in general and compares it to the things, which the managers find necessary to improve. Like this it can be seen where work and money should be invested and where money could be saved. The comparison of the festival to others has the function to show if there is a necessity to change the DEICHBRAND festival. But even if the comparison does not show a necessity for change, a business model shall be created, and this could serve for an additional “product” for the organization.

### **3.5 Creating a new business model**

After analyzing the data the researcher starts to create prototypes of business models. In this phase designing business models is like playing with Lego blocks (Burgi, Victor & Lentz, 2004). What can and cannot be changed according to the general managers shall also be thought of. These thoughts can help to find better alternatives for the current situation. After the creation of the prototypes, there will be a short period of incubation, which means that the researcher will not touch the prototypes for several days. Then the researcher will look at the prototypes again and select the most promising one. This is the process of ideation which was mentioned in chapter two. As explained in chapter 2 a business model can be seen as a blue print of a business. To make the business model more alive a story is told about the new business model, as suggested by Osterwalder & Pigneur (2009) and Magretta (2002), furthermore all blocks should be explained in detail in order to provide a full picture. Like this also more details can be given about how the researcher thinks the business model can work and provides a competitive advantage. The final business model, its explanation and a short story about the new festival will be shown at the end of the result chapter.

## **4. Chapter: Results**

In this chapter the results of the qualitative research are presented and information about the process is given. First the current business model of the DEICHBRAND festival is exposed. Second a summary of the conversation, which was hold during the

workshop, is given. Afterwards the focus will lie on the outcomes of the interviews. Finally the new business model will be presented and its pro's and con's will be explained. Additionally all blocks of the business model are explained and a story is given in order to give more details. The full summaries of the interviews can be found in Attachment C and the original business model of DEICHBRAND can be found in Attachment D.

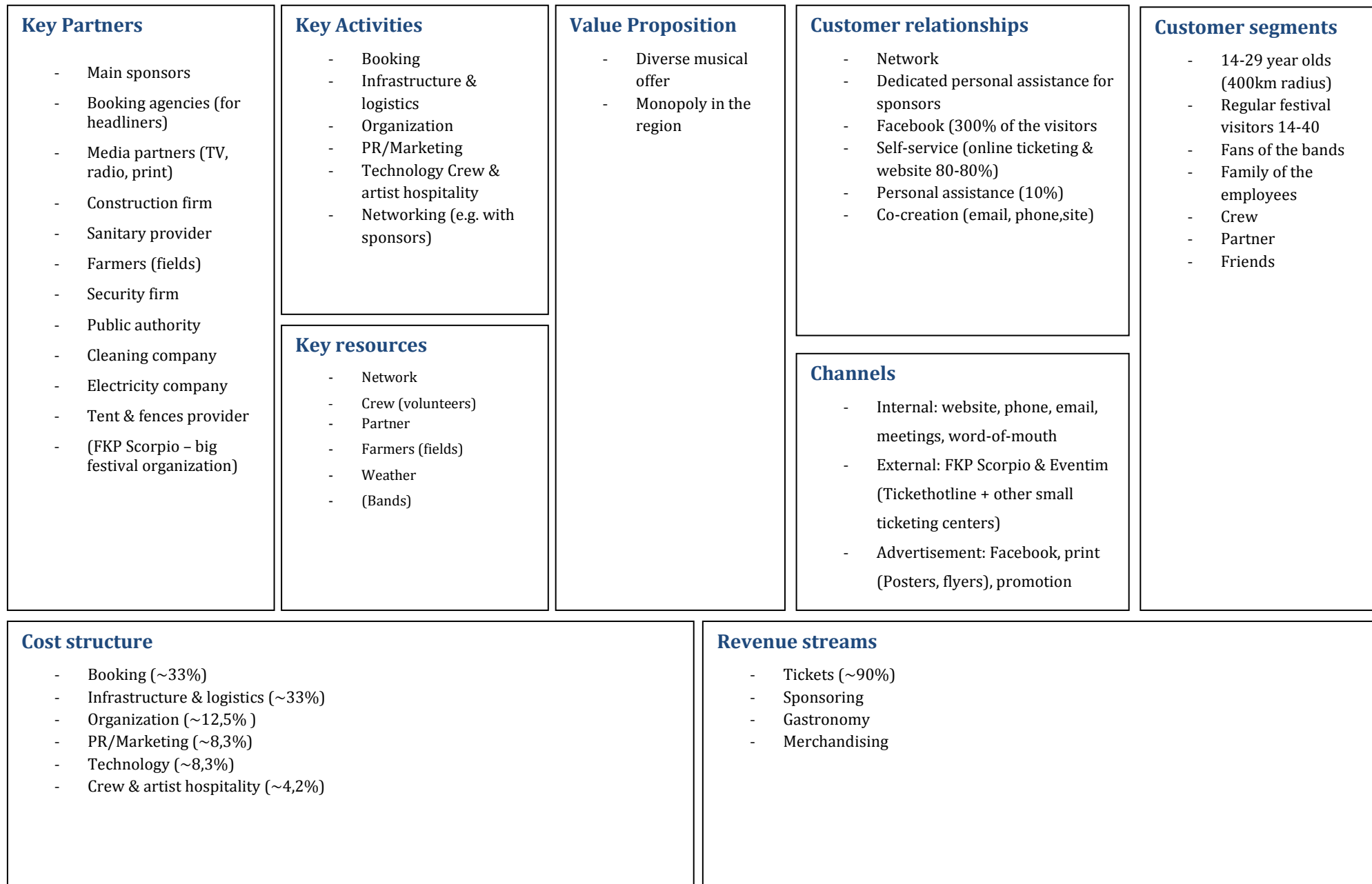
#### 4.1 Identifying the current business model

The workshop with the general managers went through successfully. The managers understood what they had to do and the few questions they had could be answered to their satisfaction. The new business model was created and can be found in figure 5. A summary about the additional information about their business can be found in this paragraph.

##### *Summary of the business model workshop*

First the managers explained that it is often said that costs are variable in the event business, but actually they are quite fixed. This is because the managers have to make a capacity planning at least a year before the festival actually takes place. This means that a lot of money has to be spent before the organization knows if they will actually get the planned visitors and their money. Therefore the cost structure can be categorized as fixed. They said that it is hard to save costs, as the basic things like electricity, constructions, sanitary facilities, etc. are fundamental to a festival and they do not see options to get those things much cheaper than they do at the moment. They already try to save money where they can. The big majority of the crew is not even paid. They explained that there is not much room for improvement on the left side of the canvas, as they focus much on saving costs and on networking, which facilitates to save costs. When talking about value proposition, it appears that the managers are quite satisfied with their decisions. They said that they made the decision in the beginning to offer diverse musical performances in order to attract many people. A diverse musical offer is uncommon for a festival of that size according to them. They mentioned that the competition laughed at them, but they are one of the few rock festivals of that size which

Figure 5: Business model DEICHRAND 2012.



actually sell all their tickets. Also they made the decision to locate the festival in the north of Germany, because in that region there had not been a larger festival. The managers are confident that those two decisions contribute to their success. They did not have anything special to say about their customer segment and the relationship with their customers. The following information was quite surprising for the researcher: Although you see so many sponsors at a festival, and there has been so many contact with the sponsors before the festival, the sponsors do just contribute a tiny part to the revenues (less than 10%). The managers did see the acquisition of sponsors as inefficient as well. They explained that the acquisition and sustainment of the sponsors cost a lot of time, but the actual profit does not stay in relationship with the work effort. Nevertheless the managers say that they need those revenues, because otherwise they would not make any profit at all. An elaboration on this data will be given later on in this chapter.

#### 4.2 Comparison to the competition

When the managers were asked to compare themselves to the competition an issue occurred, which needed to be discussed first: “Who is the competition?”. The managers indicated that it is hard to compare the festival, as there are so many different kind festivals. So several questions rise, “Should we compare our festival to the one which is geographically they closest, but which is much larger and older?”, or “Should we compare our festival to the ones further away, and which have the same size?” etc. After a while it became clear that it is very hard to rate all other festivals at once, as they differ greatly in so many aspects. So the managers decided that it was best to compare the DEICHBRAND festival to two other festival which have about the same amount of visitors. The rating scale is between 0 and 10, 0 means low/bad and 10 means high/good. Also a general description is given about where they see themselves in the whole festival market of Germany. Furthermore management gave an indication where management sees the strengths of the festival and where weaknesses.

Table 4 shows a comparison of the DEICHBRAND festival to two other festivals, which have about the same amount of visitors, and which are also located in the northern part of Germany. The festivals have about 25.000 visitors. The festivals can be described as professional festivals, and have a medium size. The biggest festivals have about three times the amount of visitors, but there are also many small festivals, with just a couple of thousands or hundreds of visitors. Most big festivals are very professional as most are

**Table 4: Comparison to other festivals.**

<b>Dimension</b>	<b>DEICHBRAND</b>	<b>Highfield &amp; Area 4</b>
------------------	-------------------	-------------------------------

Ticket price	4	6
Atmosphere	5	5
Organization	6	8
Location	6	6
Popularity of the artists	7	6
Diversity of the artists	8	5
Amount of the artists	8	6,5
Diversity of Souvenirs	7	4
Diversity: food & drinks	7	3
Sanitary facilities	8	8
Informational services	8	4

organized by the same big organization. The smaller festivals are often less professional but also cheaper. The general managers see the festival as young, but already quite professional. In the following text more information about the strengths and weaknesses shall be given.

#### *Strengths and weaknesses according to the managers*

The managers agreed the strengths of the festival was clearly the friendly, even familiar atmosphere, the identification and the strong bonds with the region, the arrangement and installation of the stages, the marketing strategy and brand development, and unique composition of the musical offer. With this they mean more explicitly that they think it is valued by the visitors, that the festival is not a standardized mass production. The managers do just focus on one festival; therefore there is room and time to cooperate with other companies in the region. The quality of the performances is enhanced by superior technology and the managers think that it is valued by the visitors, that the stages are located next to each other, and artists do not perform at the same time. Like this long walking paths can be avoided and the audience does not miss a performance. Furthermore management does invest a lot in marketing and in their brand. Even though the festival is quite young, the DEICHBRAND festival is getting a lot of attention, e.g. on facebook the festival does have three times as much followers as actual festival visitors. And as mentioned before the musical offer is very diverse, which is uncommon in the industry.

The managers admitted weaknesses in their organization structure, human resource management, general coordination, crew and artist hospitality and internal and external communication. In more detail this means that there are different organizational and communicational problems. Employees are often not informed well, which causes further problems like external communication problems (e.g. no or wrong information is given to the press, etc.). Also employees might feel under valued and do not know

what they have to do exactly for work. Moreover some employees might not be skilled for the function they perform. The quality of crew and artist hospitality was rated as good by the managers, but way to expensive therefore improvement is needed. In table 5 an overview of the strength and weaknesses can be found.

**Table 5: Strength and weaknesses according to the general managers.**

<b>Strengths</b>	<b>Weaknesses</b>
Atmosphere	Organizational structure
Bonds with the region	Human resource management
Stages	General coordination
Marketing strategy	Crew and artist hospitality
Brand development	Communication
Diverse musical offer	

### 4.3 Data received from the interviews

In chapter 2 the reader could already read about festival visitors. In this research also some general questions are asked as a warm-up, but also to get some background information about the visitors. First of all an overview shall be given of which festivals the respondents have been visiting. It will be followed by an explanation of why people chose for certain festivals and what they value at festivals. Afterwards the attention shall lie on what the respondents do value in their leisure time, these values are linked to ideas they gave which they would like to see implemented at a new improved festival. Then the reasons why people stopped to visit a festival, if they did stop, are given. Also the explanations why respondents do have visited festivals in general will be stated here. As this research was done in cooperation with the DEICHBRAND festival an overview of what people like and dislike about this specific festival will be shown next, as there was also a small group of lead users who have not been visiting the DEICHBRAND, yet these reasons shall be named here as well. Furthermore an overview of which information channels are acknowledged and used by the customers. This is also an indirect check if the information channels used by festivals organizations are efficient. In total more than hundred lead users were found at festivals, which were willing to participate in an interview; 25 of them were actually interviewed. Fourteen lead-users and eleven non-customers. Just four of the lead users have not been visiting the DEICHBRAND festival.



### Festivals visited by the respondents

As mentioned before the lead users were contacted at the Hurricane festival and the DEICHBRAND festival, therefore the majority said that they have been at one of these festivals, a large number of the respondents said to have been visiting both. 43 other festivals were mentioned by the respondent, which have been visited by one or maximum three of our respondents. The festivals the lead users visited were mostly in Germany, but some were also in other countries like Hungary, Poland and Holland. Some of the festivals are really well-known, like Wacken-Open-Air and Rock am Ring, but also small festivals like Open Ohr and Force Attack were mentioned.

### What respondent would and do value about festivals in general

All respondents were asked several questions from which answers values can be extracted. Sometimes these values were expressed in new ideas, these ideas were collected in a different paragraph which can be found below. The whole interview summary was read in order to find values, but mainly values were found in answers on the following questions:

- Why did you select these festivals?
- Why do you find these festivals better than others?
- What elements of a festival do you find really important, and should not miss at a festival?
- Which elements do you miss at a festival, what could add additional value according to you?
- How would your perfect event look like?
- What could be changed in order to persuade you?

In the table below the values are summarized. The answers were categorized into logical groups by the researcher, as it occurred that different answers were actually concerned with the same topic, like the demand for famous bands, a diverse musical offer and new comer bands provides information about the values people have about the musical performances.

Table 6: Values

Aspects which matter to (possible) customers	Times mentioned
<b>Atmosphere</b>	
- Peaceful, relaxing, fun	15
- Older people (do behave better)	2
- Should be interested in the music offering	1
<b>Music and performances</b>	

- Famous acts	12
- Diverse musical offer	5
- My specific music taste	5
- New comer bands	3
- Red-line in artist selection	2
<b>Facilities</b>	
- Quantity and quality of toilets	12
- Quantity and quality of showers	7
- Proper bed	7
- Weather resistant sleeping accommodation	4
- Parking allowed on camping (stuff stays dry, save and no heavy carrying)	4
- Sleeping close to the stages/infield	2
<b>Location/organization/ infrastructure</b>	
- Small festivals preferred	11
- Cozy and well-decorated	8
- Not crowded	7
- Easy-to-walk distances	5
- In nature	4
- Close to home	4
- (Dry) places to sit and relax	4
- Well organized in general (good communication, short queues)	4
- Clean, no garbage	3
- Walking paths prepared for bad weather	2
- Large festival preferred	1
- Easy to reach	1
<b>Culture, games and activities</b>	
- With a cultural character (e.g. arts, crafts, movies, discussions)	12
- With a sport character (Human kicker, bungee-jumping, volleyball etc.)	10
<b>Selling/buying goods</b>	
- Diverse food	8
- Low ticket price	3
- Low food & drink prices	3
- Water for free (and accessible everywhere)	3
- Food stands decentralized (shorter ways to walk)	1
<b>Other</b>	
- Friends want to go	12
- Possibility to party	3
- It is a tradition	2
- Friendly, skilled & helpful securities	2
- In the media it looked very spectacular	2

When analyzing the interviews, not a big difference could be found within the needs and values of customers and non-customers. All would value clean and enough sanitary facilities, a good musical offer and some activities to do and things to see and explore.

The only thing that would be much more valued by non-customers are real sleeping accommodations. Often good weather was mentioned when people described their perfect festival, as this is out of control it was left out here, but if the respondents indicate that they would value facilities and goods which would make bad weather more bearable these points had been added to the table. Respondents made also explicit suggestions how to improve a festival these ideas can be found later on in this chapter. First information about the hobbies of the respondents will be given.

### **How the respondents spend their leisure time**

The question about the hobbies had the function to trigger the respondents creativity about ideas how to improve a festival. And of course it is also helpful to this research to see what people do value in their leisure time, in order to see if it could be combined eventually with a festival. In this paragraph a short summary will be shown about the respondents' hobbies.

Unsurprisingly more than half of the respondents indicated that they like to party. For this point it should be mentioned that also the non-customers liked to party. Other hobbies were just mentioned two or three times, except for soccer, five respondents said they like to play soccer in their free time. Social hobbies like hanging out with the friends and girl-/boyfriend were mentioned. Music related hobbies like playing music and listening to music were declared. And many people indicated to do sport like, running, fitness, surfing, snowboarding, cycling, shooting, dancing, mountain biking, long boarding, climbing, juggling, Pilates, spinning, aqua cycling, horse-riding and even hunting. The respondents were also interested in cultural and artistic things. These were theatre playing, politics, visiting galleries, drawing, making crafts, reading, travelling and going to the cinema. Other hobbies mentioned were playing cards, eating good food, spending time on the computer, gardening and wellness.

No real pattern could be found, besides that many people like to party, but this was expected. Also several people like to play football, some of them did also indicate that they would like a soccer competition or something like that at a festival, but this belongs to the next paragraph. As in that next paragraph ideas will be given which were suggested by the lead users in order to improve festival. Some of them were inspired by their hobbies, therefore several cultural elements and sportive activities can be found among the ideas.

### Value-adding ideas for festivals

In this paragraph a table with the collected ideas can be found. Some of them were seen at other festivals by the respondents, some of them were created by their own minds. Again the whole interview was searched for ideas, but mainly suggestions for a improved festival could be found in the answers to the questions:

- Which elements do you miss at a festival? What could add additional value to you?
- How does your perfect event look like?
- What kind of ideas do you have that would improve a festival according to you?
- What could be changed in order to persuade you?

To make the later analysis easier the researcher tried to use the same categories as in table 6.

**Table 7: Value-adding ideas**

<b>Value-adding ideas and elements which have been seen at a festival</b>	<b>Times mentioned</b>
<b>Cultural value</b>	
- Artists from all areas: music, movies, documentaries, fire, sculptures, crafts, etc.	7
- Arts and crafts market	4
- Movies (short movies, old well-known movies, etc.)	3
- Workshops to improve music skills	2
- Do-it-yourself arts and crafts (in groups)	2
- Theatre	1
- Cinema	1
- APP, which can be used during the festivals for fun stuff, like saving your emotions at different places you visited at the festival	1
- Documentaries	1
- Dance shows	1
- Discussions or explanations of scientific topics	1
- Involve creative students in order to get artistic elements	
<b>Music and performance related value</b>	
- Open stage/ Jam sessions	4
- Bands should not perform at the same time	4
- Several small stages	2
- Festival radio	1
- Let artists perform twice, one time on a big stage and one time an acoustic version on a smaller stage	1
- DJ's who play regular party music	1
- Spontaneous shows	1
<b>Location/organization/infrastructure</b>	
- Places to relax everywhere	4

- A lake	4
- Swimming pool	3
- Waste containers everywhere	2
- On a hill	2
- On an island	1
- No fences	1
- Cozy location, with corners and niches	1
<b>Facilities/camping/sleeping value</b>	
- Sleeping containers, with beds and a mirror	4
- Festival in a vacation park	2
- An own bathroom	2
- Possibility to book a sleeping place up front (so you know where you can set up your stuff)	2
- Shuttle busses from the hotels to the festival	2
- Green Camping	1
- Camping allowed everywhere	1
- Shuttles from the camping to the stages	1
- Axe-showers (automatic conveyor band system)	1
- Hot showers	1
- Early arrival possible	1
<b>Games &amp; activities</b>	
- Soccer competition	2
- Different workshops	1
- Chess corner	1
- Other activities like, bouncing castle, trampolines, adventure course, etc.	1
- Interactive games, which facilitate to meet new people	1
- Human-Kicker	1
- Bungee jumping	1
- Water sports	1
<b>Selling/buying and trading goods</b>	
- Rain ponchos	2
- Rain covers for tents	1
- Change market, where visitors can exchange their clothes in an organized way	1
- Drinking bags	1
- Camping supermarket (with cheap beer, camping gear, etc.)	1
- Food and coffee delivery on the camping ground	1
- Healthy food	1
- Exotic food	1
- More giveaways	1
<b>Other</b>	
- Electricity everywhere	3
- Change advertising, so that it is clear that the festival is also for older people	3
- Day tickets	2
- A pause during noon	1
- Street lights in the evening	1

- Digital information boards	1
- Everybody wears costumes	1
- Discount card for additional shows	1
- More luxury/VIP treating	1
- Less security	1

### Unnecessary and superfluous elements of a festival

There are two questions asked which help to identify elements of the festival, where costs could be saved if eliminated. These questions are:

- Which aspects do you value, but do you not see as necessary?
- Are there offerings or other aspects you find superfluous?

In table 8 an overview of the things which are still valued, but are not seen as necessary can be found and a list of the things which are seen as superfluous. In brackets the times it was mentioned is shown.

**Table 8: Unnecessary and superfluous elements**

Valued, but not necessary	Superfluous
Bungee jumping (2)	Too many security rules (2)
A lake	Giveaways (2)
Expensive musical offer	Too many little stores
Many different food stand	Garbage deposit
Hot showers	Fights
Clean toilets	VIP treating
Exotic food	Loud music
Security	Binge drinking
Spontaneous shows	Same fast food stands at every festival
Piercing shops	Visitor, who are not interested in the music
Electricity to charge phones	Big party tents without any flair
Decoration & art	Obvious mass production

The left side of the table shows elements which could be left away according to a visitors opinion, but as it is still valued, it should just be left away if costs can be saved and many people agree. The right side of the table shows elements which should be left away according to the visitor. Non of the elements have repeatedly been mentioned, and often respondents could not direct at anything, which they find superfluous. This means that there is no consensus on superfluous or unnecessary elements.

### Reasons to not visit a festival again

A large majority of the lead users did say that they stopped or wanted to stop to visit certain festivals. Different reasons were mentioned, like: three lead users gave as a reason that the festival was getting too big, two said they would not visit a festival again because of the bad organization, others indicated that the musical offer was too broad, the atmosphere was too aggressive, it was too crowded, the walking distances were too far, the location was not nice enough, communication about problems was lacking and security behaved inappropriate.

### Reasons for not visiting festivals in general

This concerns the group of non-customers. Eleven respondents who have never been visiting a festival have been interviewed. Often respondents gave several reasons to the question why they have not been visiting festivals in the past. The reasons which were given can be found in table 9.

Many people did say that they do not like camping, some said they find festivals too crowded, they cannot stand to many people at once. Sometimes a lack of time was also an issue. The condition of toilets was also a main reason for respondents not to visit festivals. These are the most important reasons why people did not go to festivals. What was interesting is that one person indicated that she would like to go, but as her friends do not go she stays home as well. This was a 54-year old woman, because of her statement de researcher decided to interview more older people. It is often said that festival visitors are between 14 and 35 years old, therefore the decision was made to interview more people who are older than 35. Those gave reasons like that they do not like crowds, or do not have time, is not interested, do not like to camp, are afraid of dirty toilets or feel too old. In the next paragraph pro's and con's of the DEICHBRAND festivals are given. In order to show were the strength and weaknesses of the festival are.

**Table 9: Reasons to not visit festivals**

Reasons	Times mentioned
<b>Facilities</b>	
- Do not like camping	5
- Afraid of the toilet condition	3
- Possibility to take a shower	2
- Unhygienic conditions	1
<b>Location/organization/infrastructure</b>	
- Too crowded	3

- Do not like to carry my baggage	1
- Afraid of weather conditions	1
<b>Music and performance</b>	
- Do not like the music	1
- Not interested in festivals	1
<b>Other</b>	
- No time	3
- No Money	1
- Do feel to old	1
- Four days are too long	1

### Evaluation of the DEICHBRAND festival

Earlier there was already a summary given of what management thinks about their strengths and weaknesses. Ten of the fourteen lead users had been visiting the DEICHBRAND festival and were asked what they like and dislike about this specific festival. The following table contains just the values explicitly expressed by the visitors about this DEICHBRAND festival. In table 6, 7 and 8 appreciated aspects can be given, which are also implemented at DEICHBRAND, but if they were not mentioned during the questioning about DEICHBRAND, they had to be left out here. Again the data was categorized, for reasons of comparisons, the same names for categories were used like earlier.

As just ten respondents had been interviewed about the DEICHBRAND festival, also answers which appeared not that often might be important. This means that the atmosphere seemed to be appreciated and the short walking distances and apparently the visitors were clearly dissatisfied with the implementation of the wave breakers in front of the stages. Different complains about the organization and planning occurred, this might be an indication that work processes within the company should be improved.

**Table 10: Evaluation of DEICHBRAND**

	<b>Pro</b>	<b>Con</b>
<b>Atmosphere</b>	- Friendly/Familiar atmosphere (3) - Relaxed audience	
<b>Location/ organization/ infrastructure</b>	- Easy walking distances (3) - No parallel performances (2) - Not crowded - Fast reaction of weather conditions - Securities were helpful	- Wave breaker wrongly implemented (4) - Bad communication (2) - Not prepared for bad weather



	- Small	- Unskilled and unfriendly security
		- Difficult to reach with public transportation
		- Unstructured camping ground
		- Small camping ground
		- Handling of rules
		- Website not well-structured
		- Bad organization
		- Too less employees
<b>Facilities</b>	- Green Camp	- Toilets were dirty
	- Garbage deposit	
<b>Music &amp; perf.</b>		- Musical offer too broad
<b>Games &amp; activities</b>	- Possibility to play volleyball	

### Reasons for not visiting DEICHBRAND

For this research just four lead users could be found who have not been visiting the DEICHBRAND festival. It was planned to find some lead users at the Hurricane festival, which have not been visiting the DEICHBRAND festival. During the telephone interviews it occurred that all, except one, have been visiting the DEICHBRAND festival. In order to get also information from lead visitors who have been visiting other festival the researcher contacted lead visitors from her personal network. This helped to get different information, but these lead users had not heard of the festival before and therefore they could not give others reasons why they have not been visiting the DEICHBRAND festival. The lead user who had been found at the Hurricane festival, said that he would have liked to visit the festival, but he had not had time.

### Information channels used by respondents

The respondents indicated that the main source of information about festivals is received from friends or other people who visited one or several festivals. Twenty respondents said that is the way how they are informed about festival, and this has big influence on their decision making of whether to visit a festival or not. Often people do also check the website of a festival in order to get information about the musical offer, this is mostly done after they have heard about the festival from others. Twelve respondents said to visit the website for information and three said they were searching on search engines. The older respondent got mainly information about festivals from the

television. Other channels which were just mentioned once are radio, newspaper and posters. One person indicated that he sometimes calls the organization for information and one person explained that she gets sometimes alert about festivals when she sees on the internet that one of her favorite bands perform there.

#### **Price indication and duration of the festival**

Most respondents indicated that they are willing to pay between 80 -150 euro, although few people indicated that they would not pay more than 60 euro and several people did say they would pay up to 200 euro for a ticket if it is a good festival. The respondents were also asked how long a festival should be, and almost everybody said that the festival should be 2-3 days. Several respondents said that they would be willing to pay extra for a better sleeping facilities or an own bathroom. Some of the respondents explained that they would like optional extra facility offerings, because they appreciate it if the festival is available for everybody, so also for people who have less money to spend, but as they would like a nice place to sleep or good sanitary facilities they would value it if they could get it for an additional payment. So a low ticket price with additional options for extra luxury seemed quite appealing to some respondents.

#### **4.4 Analysis of the data**

In this paragraph the received data will be elaborated. Values, needs, ideas and complaints which were often mentioned by the respondents are discussed here again and links between the different subjects shall be shown. After this discussion it shall be clear what elements a better festival should provide and which not. The main stimulation to buy a ticket is that friends want to go. It is suggested that friends would probably also value the same things as our respondents, therefore value enhancement is still the most important factor here.

Actually many respondents could not mention anything what they find superfluous in any way, but the respondents had a lot to say about what they would or do value at festivals. In table 11 an overview of the most mentioned values, superfluities, aversions,

obstacles and ideas to answer to the values and solve the problems can be found. There were so many values mentioned and there was a lot of consensus, the decision was made to just show the values in the table which were mentioned more than five times. As the respondents could not indicate many aspects which they found not necessary, the superfluties which were mentioned more than once were even taken into consideration. The opinions about DEICHBRAND were handled likewise. The ideas were chosen by the times they were mentioned and it was checked which ideas could help to solve problems and to create additional value. This overview facilitates the creation of a good new business model. But before doing this, it shall be checked if there is a consensus between what customers do think should be improved and what the general managers think should be improved or should be stick to, as it is already good. Like this in can be decided if it is best to take the current festival as a basis or create a new one.

#### *Looking for consensus*

After taking a look at the overview of festival evaluation by customers in table 11, it should be checked if there is any improvement needed on the side of the organization. Information about strength and weaknesses is received from the general managers, some things can be recognized by the customers, others are hidden from them, but might be never the less important.

The managers indicated the atmosphere, the arrangement of the stages, and the diverse musical offer among others as strong points. These are aspects which can be seen by the customers. Atmosphere and arrangement of the stages were also mentioned more than once as positive aspects of the festivals by the lead-user who visited the festival.

Table 11: Overview of the data

Concerning	Valued in general - mentioned more than five times	Valued at DEICHBRAND - mentioned more than once	Not valued -mentioned more than once	Not valued at DEICHBRAND -mentioned more than once	Reasons not to visit a festival -mentioned more than once	Ideas for improvement -mentioned more than once
<b>Atmosphere</b>	Peaceful, relaxing, fun					30+ people, nice surrounding
<b>Music performances</b>	Famous bands Diverse musical offer My specific music taste					2-3 famous bands, smaller stages, open stages, no performances at the same time
<b>Facilities</b>	Good sanitary facilities Good sleeping facilities				Bad sanitary facilities Bad sleeping condition	Sleeping container, vacation park, possibility to book place up front, fixed installed bathrooms
<b>Organization/ Infrastructure/ Location</b>	Small festivals Easy-to-walk distances Cozy and well-decorated Not crowded	Easy-to-walk distances				Small festival, with possibility to swim, places to relax everywhere, less garbage, be prepared for bad weather (sell rain ponchos, rain boots, etc.), offer electricity everywhere
		No parallel acts	Too many security rules Giveaways	Wave breakers Communication	Too crowded	
<b>Culture, games &amp; activities</b>	Things to see, buy, participate and to be active					Movies, documentaries, a market, workshops, crafts, theatre
<b>Food</b>	Diverse offer					Diverse offer (more healthy)
<b>Other</b>					I am too old	Offer more luxury, change advertisement

Different visitors also did say that they do value a diverse musical offer at festivals in general. The festival did sell-out the tickets, two years in a row, while visitor numbers at other festival (like the Highfield and Area 4) declined. This might be an indication for a successful marketing strategy and brand development. On the other side, visitors say that mostly word-of-mouth recommendation count for them. So this is a controversial point. Another strong point are the bonds with the region according to the managers, there can be made no judgment made on this aspect as this is not really visible to the customers and also the researcher could not make any observation which helps to make a judgment. However it cannot be denied that a network at least does not harm. So this aspect will be treated as neutral.

The weaknesses lined out by the managers, are mainly internal, but of course at a point a bad organizational structure and communicational problem become also visible to the customers. And indeed several organizational problems were recognized by the customers. Some mentioned comments about bad organization/communication and too less employees, some lined-out specific problems, like dirty toilets, unstructured camping ground, unclear website and unskilled securities. As the researcher accompanied the organization for several months; she can support the evaluation by the managers. Problems in coordination, organization and communication and human resource management were visible and these problems might have caused an inefficient crew and artist hospitality, as a delayed booking process appeared to cause higher costs. All in all it can be agreed that the managers should work on the weaknesses they mentioned. Although some strengths were recognized by visitors, there was no clear consensus about a superior value. Therefore it would be good to work on a strategy which makes it obvious to the visitor why this festival is better than others. As this festival does still make profit, it might be an idea to just incrementally improve this one and stick to its basic concept, but broaden a product range and organize a new festival with the input of this research next to this existing one. Management did say that there is not room for much improvement on the left side of the business model, but when taking a look at what is valued by the respondents it becomes obvious that some parts of the left side should be filled in differently in a new business model. How it can be improved will be shown in the next paragraph.

#### **4.5 New business model**

Based on the data received from the interviews and the workshop with the general managers of DEICHBRAND a new business model emerged. The innovated business

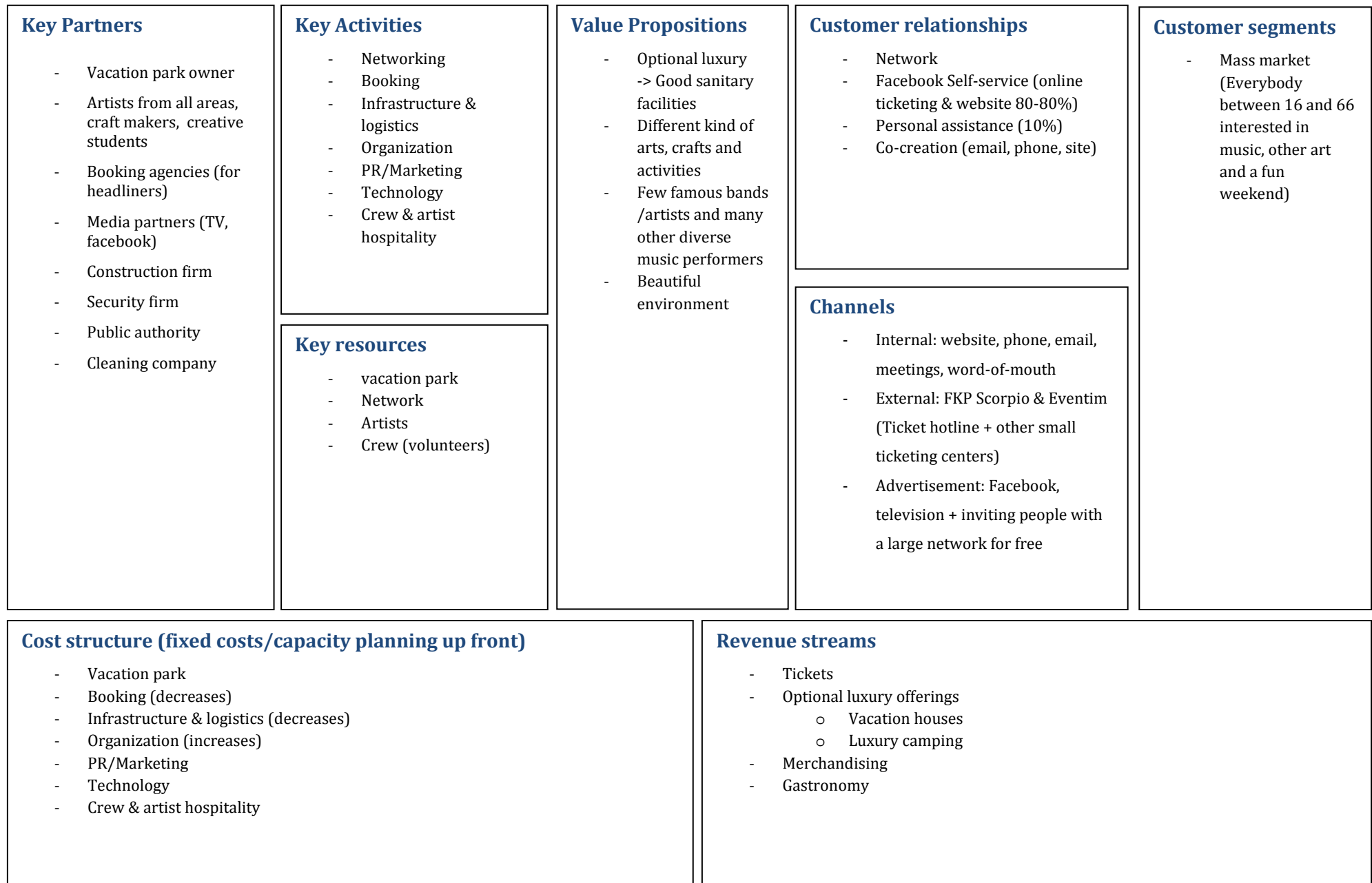
model can be seen in figure 5. First a short story about the new business model is told to make the concept more alive and afterwards each block of the business model shall be explained in detail to make the new business model more understandable.

### **The Story of the new festival**

The new festival will take place in a vacation park in a nice surrounding with a lake, the sea or a swimming pool. About 25.000 visitors will be expected and those visitors do have the option to rent a house or book a camping spot upfront for an additional price. People come to the festival because there are few but really famous bands performing and next to that there is a very diverse offer of other artistic, cultural and sportive activities. They know that there is an arts and crafts market, that they can participate in workshops and there are also some fun games organized like a small soccer competition. The visitors heard of the festival through their personal network on facebook, and there was also a short report about this special festival on the television.

Before many of the visitors did not go to festivals or were dissatisfied because they do not like to sleep in a tent, now that they can even rent a house this barrier is taken. For others who do not mind sleeping in a tent the festival is still attractive because of its diverse cultural and sportive offer and of course the bands which will perform are also appealing. And if one is just using the normal camping the ticket price is still affordable for a low budget, as it costs about 80€ which is quite normal for a festival of that size. The festival is also close to one or two big cities; like that the visitor does not have to travel far. The visitor heard upfront that the food is quite good and also healthy food is available, like that a trip to the grocery shop becomes superfluous, and if fewer groceries are brought to the festival garbage production can be reduced at the same time, as less packaging will be brought. This contributes to a clean environment, which will be valued again. Normally the visitor is always afraid of the weather, but as he or she knows that there are houses and barns where one can stay dry weather does not matter much anymore.

Figure 4: New business model



### Explaining the new business model blocks

In figure 5 the whole new business model can be seen, the business model derived from the data extracted from the analysis. In this part each block shall be explained for further understanding of the whole business model. Also more details are given, so that the new business model becomes more understandable to the reader. As lined out before value proposition is central to this research, as it was one of the main goals of this research to innovate value. Therefore this block shall be explained first, then the text shall continue with the explanation of the blocks of the right side of the business model, as these blocks show how value can be captured and finally the left side will be outlined. Through these block it becomes clear how value can be generated.

#### *Value proposition*

Based on the results it was found that the festival should take place in a vacation park, with houses and an installed camping ground. Like this people have the option to book a camping space upfront with access to good sanitary facilities. Or they could rent a vacation house for the time during the festival, with not just good sanitary facilities, but also a proper place to sleep. Like this yet unmet needs can be fulfilled. There shall also be a normal festival camping without any additional luxury, this is a naked solution, products and services can be offered at a low price (Anderson & Narus, 1992) suggested. Next to the option of extra luxury, the festival will be special because it offers different kinds of arts, crafts and activities next to musical performances. In order to get attention there should perform 2-3 famous and popular bands each day, but the festival shall also offer different kinds of arts, cultural and sportive activities, like an art and crafts market, workshops in order to learn or improve artistic or musical skills and something like a soccer competition of other interactive fun games should be organized. People want a fun weekend and do value diversity. A nice and decorated location would also be valued by visitors. Vacation parks are often situated in a nice environment close to a lake or they have a swimming pool, so that is a plus. Furthermore the artists, who come to the arts and crafts market, could help decorating the festival. Value is clearly innovated in this new concept as it responds to unfulfilled customers needs (Kim & Mauborgne, 2005). Like this the core of a blue ocean is built.

#### *Customer segments*

Another important aspect of a blue ocean strategy is that suggests to focus on the needs and values of the masses. This festival is designed the mass market, as all needs and values which did matter most to current customers and non-customers were considered



during the creation of the business model. People between 24 and 59 were interviewed, and the visitors should also be around these ages, but also younger and older people are welcome. As alcohol will be served, the visitors should be at least 16 years.

### *Channels*

For advertisement word-of-mouth recommendations, internet and television should be used, as these seem to be the most effective for the masses. Other materials like print and radio, were not consciously recognized by the respondents interviewed for this research. And as Kim & Mauborgne (2005) suggest superfluous elements should be eliminated. Word-of-mouth advertisements works the best, Therefore it might be an idea to organize a pre-event in order to promote the actual festival and invite people with a large network, so that they can tell their friends about it later. Or people with a large network could be paid in order to let them promote the festival in their social (internet) network. For the provision of information and enhanced publicity the internet and television seem to be effective. Television advertisement is especially important to get attention from people older than 35. For service matters traditional channels shall remain, like a telephone hotline, email, website and online ticketing. Current partners could be hold onto.

### *Customer relationship*

The customer relationship can remain more or less the same. Networking is never the less very important as good artists and more visitors can be persuaded by word-of-mouth recommendation, so it would be advisable to put even more energy into this.

### *Key Partners*

As the set-up of the festival changes, the key partners have to be others as well. It is most important to find a vacation park owner who is willing to cooperate for a reasonable deal. The vacation park owner can also be a sponsor, as the location will be promoted by the event. Other visible sponsors should be eliminated, as the acquisition and maintenance of sponsors is efficient, concerning time and money. By stopping obvious sponsoring and starting a cooperation with a vacation park, the festival is breaking the bounds of the current industry, this is very typifying for a blue ocean (Kim & Mauborgne, 2005). In order to create a diverse artistic, cultural and sportive offer, the organization needs to find different artists, craft makers and other creative people. Some festivals do already work together with different kinds of artist, so this is not a source for a blue ocean standing on its own, but for this festival organization it is new, so new partners need to be found.

Many of the former key partners do remain, booking agencies are still needed in order to get a few famous artists, media partners are also important but the focus should overall lie on internet partners like facebook, and TV partner should be found as it appeared that it is likely to get more attention from older people through publicity on the television. Although there is already a lot of infrastructure, a construction firm is still needed in order to build facilities like stages and a cleaning company will also still be required. Security will also still be needed, but probably to a lesser extent as it is likely that if there are more older people the crowd will be more peaceful. A good contact with the public authority is always helpful when organizing a big event.

### *Key activities*

Through the innovation within the value proposition in this new business some changes in the key activities are caused. Especially in the beginning, the organization will have much more extra work, as new key partners have to be found. So networking will require a lot of time. Also new and different kinds of artists need to be booked, the process of selecting and booking these might also take some time. Although the overall planning and organization will cost a lot of energy at first, after getting familiar to the new concept, things like infrastructure and technology will take less time than before as many facilities are already installed upfront (like houses and electricity). Depending on the size of the vacation park crew and artist hospitality can become easier. Certain PR and marketing efforts can actually go down, as it occurred that most people do actually just use their own network to get information about the festival. A creation and sustainment of a website is also useful for informational purposes. Next to that publicity creation on the television can help to get attention. Other kinds of advertisement seemed to be unrecognized by people, therefore some time and effort could be saved by erasing unrecognized advertisement. Like this the time for example making and placing posters, spreading flyers and creating radio commercials can be saved. Although the organization should figure out a network strategy, and plan how they could get people to promote the festival in their own network.

### *Key resources*

The key resources will be the vacation park, the network with the key partners, the artists and the crew. The vacation park is very important, without its optional luxury can hardly be offered. As normally festivals have not been taken place in a vacation park, this key resource does represent the most significant resource for the blue ocean which shall be created with this business model.

Nevertheless other resources are important as well, like the network of the organizer, e.g. it is hard to get famous headliners without a good contact to a booking agency or to get publicity on television without a good partner and so on. The artists are very important to this new business model, as they should actively participate in making the festival more beautiful, cultural and interesting. They shall not just bring their goods, but they shall be really being a part of the festival. And the crew remains really important. The festival industry relies on volunteers, who help to run the festival successfully without any payment. Without this resource, the festival could not remain to be affordable at a low price.

#### *Cost structure and revenue streams*

In the table below an indication can be given which cost and revenues increase (↑), decrease (↓), arise (+), are diminished (-) and stay the same (=) in this new business model, when comparing it to the current one. It is unsure if the vacation park will cause extra costs. Many costs can be saved, as there are already many facilities available. It might be possible to cooperate with the vacation park owner, without any extra costs, but just benefits for both. The organizer of the festival has to invest less in facilities, and the vacation park owner can promote the park for free, rent out all houses and also sell much more food and drinks than normally.

**Table 12: Financial evaluation of the new business model**

<b>Cost</b>	<b>Revenues</b>
(+ Vacation park )	+ Optional luxury
↓ Booking	= Ticket
↓ Infrastructure	= Sponsoring
↓ Technology	= Gastronomy
= Organization	= Merchandize
= Marketing	
= Crew & Artist hospitality	

Ticket price should stay low (about 80€), like this the festival itself is affordable to the masses. This is just the naked solution for the customer (Anderson & Narus, 1992). The organizer should add an additional fee on the vacation houses and the camping ground places with real sanitary facilities, to get some extra revenues. This is how missing sponsoring income can be compensated.

It is also advisable to offer the festival several times during the summer. Then the organization does not just have a concept for the masses, but can also have the masses as consumers. Constructing the stages and decorating the location, will cost some

money, but if it can be used for several times, the costs will be spread and the profit increases. Furthermore, the organizer can invite each weekend different artist, this gives people the possibility to decide which weekend they would like most and they are also more flexible with their time schedule. Several respondents indicated that the lack of time can be a reason for not visiting a festival.

## **5. Chapter: Discussion and conclusion**

It was the goal of this research to innovate a business model of a festival to an extent that a large group of visitors would be attracted and would enjoy greater value than at

other festivals. Two major theories were combined and successfully put into practice in order to reach this goal. The blue ocean strategy by Kim & Mauborgne (2005) offered an instruction to find out what consumers would really value about a festival. With the help of the business model generation book by Osterwalder and Pigneur (2009) an innovative business model could be created. The literature by Osterwalder and Pigneur (2009) appeared to provide an appropriate framework to create a new business concept. This innovated business model is different and better as other business models in the current festival industry, as it creates superior value for the masses which had not been offered like this up to now. With this new business model the industry can be reshaped and unfulfilled visitor needs can be finally satisfied. This innovation of value could cause an increasing number of visitors and create a competitive advantage.

Through interviews with lead users, non-customers and the managers of a festival organization it could be found out what is important and what could change. The needs and values of the respondents were most important to this research. The input from the managers was mainly used to find out where changes in the business model are possible, and where not. It appeared that the following aspects and elements of a festival matter to visitors: a peaceful, relaxing and fun atmosphere, famous acts, a diverse artistic offer, good sleeping and sanitary facilities, a spacious festival with not too many visitors, cultural-, fun- and sportive activities and a diverse food offer. Some of them matter but have not been provided by festival organizations, yet. Based on these values a new business model was created.

The innovative value proposition is the heart of this new business model. The decision was made to create a festival which provides additional luxury as an option and a diverse musical, artistic, cultural and sportive offers. These values seem to be appreciated by the masses, which is taken as the customer group for this business model. The basic concept remains, the festival will last three days and musical performances can be expected. This is a true value innovation as a total solution is created for the visitors; the valued existing offering is combined with elements which satisfy needs which were unfulfilled. The innovation of value expressed in the value proposition of the new business model has influence on all other blocks of the business model. In order to be able to offer the optional luxury, the festival takes place in a vacation park. Like this people can rent accommodation and facilities of their choice. In order to provide the diverse offer of art, culture and sports, internal organization needs to be adjusted as well. In order to provide these new values: key resources, key partners and key activities do have to change. Different artists, crafts maker and other creative people need to be found and most important a cooperation with vacation park owner

needs to be established. Through talking to management it appeared that the sponsor activities seem inefficient, therefore those are eliminated. Eliminating and reducing unnecessary and superfluous tasks and elements is as important as creating and raising values (Kim & Mauborgne, 2005). Some marketing channels, like print media, are also eliminated and therefore not contained in the new business model. These channels seemed not to be acknowledged by many respondents. Word-of-mouth recommendations, internet and television appeared to be much more efficient. Consequently the marketing strategy needs to be adjusted. The new financial system is also more interesting to the organizer as well as the customers. Several costs can be saved through a cooperation with the vacation park, as many facilities like electricity, water, etc. are already installed. Like this the basic ticket price can stay low, a naked solution is offered to the customer here (Anderson & Narus, 1992). Through the optional luxury offering extra income can be generated. The customer gets what he or she wants, and the organizer can receive extra revenues.

The new offer is a combination of a re-arrangement of current aspects and there are also new values added to the business model. This new festival is aiming at a much larger market than other festivals and it does also answer needs which are not satisfied by the offer of other festivals. Additionally as not just one aspect of the festival is innovated but the whole business model and a total solution is offered to the customer, it would take some time for others to copy the business concept and the organization implementing it will have a first-mover-advantage. For those reasons the organization might have a sustained competitive advantage for at least several years. With its value innovation as a core and the mass market as a customer segment this new business model signifies a blue ocean, of course it still needs to be proven as this is just a theoretical concept, which needs to be implemented. Nevertheless it can be said that the overall goal of this research is accomplished: an innovative business model which provides value for the future festival visitor is created.

### *Limitations*

The generalizability and the reliability of this research is limited, as the results might just account for a certain period in time as values and needs might change and evolve over time. If the research will be repeated with lead users and non-customers in the future other results might occur. Furthermore it needs to be said that different kinds of business models could have probably been created with the input of the data. This

creation of a new business model is restrained by the imaginary ability and creativity of the researcher. Nevertheless a business model which answers the needs and values of the respondents is created and although there might be other ways to answer these, the created business model can be rated as useful. Before the new business model can be judged finally, the idea must be put into practice in order to form a final opinion. And when putting it into practice one needs to be sure that the implementation process was done well and that the the organization and especially management had the right skills to make the implementation successfully and that they were totally committed. It is said that the blue ocean strategy was a good guideline for this research, but it must be clear that just the first four steps of the suggested six were followed up. This is because the goal was to create a business model and the last two steps are concerned with the implementation of the business model. Consequently not the whole strategy can be judged.

#### *Future research*

This research can function as a practical guideline for other businesses and industries; it can be easily adjusted in order to search for a blue ocean in other fields. Here it must be mentioned that the way the results are shown can differ greatly. It was recognized that it matters which kind of data are received, e.g. if the respondent had given more information about elements of the festival they find not necessary or even superfluous, the results would have been shown in an Eliminate-Reduce-Raise-Create Grid as proposed by Kim & Mauborgne (2005), but as the respondents had more to say about missing values another approach of showing the results is chosen here. As mentioned in chapter 2 a business model alone does not provide a full picture, but with the additional story telling (suggested by Osterwalder & Pigneur, 2009 and Magretta, 2002) everything what seems to be important can be added in order to provide a clear and complete proposal. In order to implement the business model, it might be useful to research the best way to promote this new festival and also it should be checked if people are really willing to purchase a ticket and the extra luxury options. Furthermore it might be good to find out if an increased ticket price might also work for this business model. In this research a low ticket price is proposed in order to make the festival available for the masses, but it might be possible that many people would be willing to pay more. Tests with different ticket prices should be done.

#### *Academic and organizational implications*

This thesis provides academic value as well as organizational value. First of all two well-known theories are brought together and put into practice successfully. The blue ocean strategy by Kim & Mauborgne (2005) and the business model generation approach by Osterwalder & Pigneur (2009) were highly useful in order to create an innovative promising concept for a business. This signals that these two theories might also be valuable to use for other businesses and industries. It can be suggested that the method tools of this research just need to be adjusted and then can be used for other kinds of businesses and industries. When changing the interview questions for another topic and talking to different lead users of interest, a blue ocean could be found as well for another business. The blue ocean strategy by Kim & Mauborgne (2005) seemed to be a useful guideline to find and create an innovation. The use of business models showed that this is a good way to represent new ideas for a business. Kim & Mauborgne (2005) state in their literature that business models should be used in order to map the new business concept and Osterwalder & Pigneur (2009) explain how business models are created and support the statement of Kim & Mauborgne by saying that blue oceans and innovated concepts should be captured in a business model. This research put these suggestions into practice and shows a clear and understandable result. The result can be generalized to the festival industry at this moment, but needs and values can change and evolve over time therefore it is advisable to implement this concept soon. A new research might need to be done after several years. The blue ocean strategy can be rated as useful through the successful application in this research and furthermore a more practical guideline for businesses and industries is provided.

Furthermore the new business model which was created is not only a benefit for the organization who will implement it, also the region in which it takes place will profit: new jobs will be created, tourism will be stimulated and there will be an overall impact on the economy in the region.

In this research interviews with lead users were hold. Talking to lead users seemed to be quite useful as rich information could be received. Although interviewing lead users appeared to be successful, it should be mentioned the researcher did not follow a procedure which was tested before. This means that the researcher mainly focused on the group lead users and not on the lead user method as it is suggested by e.g. Lillient et al. (2002). Lillien et al. (2002) propose to use an extensive procedure, they imply among other things that a whole team should be installed in order to learn from lead users and a workshop with lead users should be hold. In this research not enough resources and time was available to conduct a research of that magnitude, therefore simply interviews were hold. One might say this is a limitation of this research, but as this simplified version of the lead user method seemed to be successful, it can be rated as more



efficient. Therefore this research method can serve as an example for future researches in the field of innovation.

### *Recommendations to management*

It is assumed that the organization which will implement this business model has a good management and a healthy organizational body which is able to implement the business model right, but of course this assumption does not necessarily fit reality. The organization which cooperated for this research would need to improve their organizational and communicational skills first in order to make sure that the new business model can be implemented well. Based on the results the following major activities have to be executed in order to start this new business:

- Find a vacation park owner who is willing to cooperate
- Expand your network in order to
  - get in contact with artists, craft makers and other creative people
  - get a crew/employees at the new location
  - get people to promote the new festival in their own network
- Book a few famous bands for the festival several month before the festival
- Book diverse artists, craft makers etc.
- Find a TV-partner
- Create a strategy which enhances word-of-mouth recommendations
- Create a website with a booking system, including the luxury options
- Furthermore do not forget about basic activities like booking security and construction firm, cleaning company and planning crew and artist hospitality etc.

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## **Appendix A: Protocol for research assistants**

The research assistant do get the following letter up front, to inform them about their task. The letter, which is given here in English, is given to the research assistants in German.

Hi everyone,

Thanks in advance for you help. I really appreciate you help. Before I start with the instructions. I like to explain you what this research is about. The goal of this research is to create a concept and business model for a new, better and different festival.

I want to create this new concept for an event with the help of "lead users". Lead users are in this case visitors who have extensive knowledge about festivals, so people who have been visiting several different festivals and do have needs which are not satisfied by the current offer.

It is your job to find these people. Introduce yourself to groups, tell them that you are helping someone who is doing a research about festival innovation and ask them questions about their festival experience, in order to find out if there are people who have been visiting several festivals. Check also if those people have interesting ideas for improvement, and if they are willing to give their contact details and participate in a telephone interview later on. List all people which have been visiting a number of



different festivals and make already few notes about ideas they suggested, if you rate them as interesting. If a person is very motivated and/or creative give them a rating (a "+" after the name is abundant). It is advisable to start around 11 o'clock in the morning with the search quest, as most people will get drunk during the day. You can look at the different camping grounds or at the infield of the festival. Lead users might be interested in less known bands, which often perform early, so this is a good time and place to approach them.

Before starting the research, please come to my office so that we can prevent any possible misunderstandings about the task. If you have any questions up front you can call me or send me an email.

Best regards,

Linda

## **Appendix B: Interview questions**

### **Lead users who also visited DEICHBRAND**

1. Which festivals have you been visiting in the last years?
2. Why did you select these festivals?
3. Why do you find these festivals better than others?
4. Are there festivals you just visited once, or several times, but stop to visit them?
5. Why did you stop?
6. What elements of a festival do you find really important, and should not miss at a festival?
7. Which aspects do you value, but do you not see as necessary?
8. Which elements do you find superfluous?
9. Which elements do you miss at festival, what could add additional value according to you?
10. What do you like about DEICHBRAND?
11. What do you dislike? What would you change about DEICHBRAND?
12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?

14. How much are you willing to pay for a fun weekend/day/night out?
15. How does your perfect event look like?
16. What kind of ideas do you have that would improve a festival according to you?

#### Lead who have not been visiting DEICHBRAND

17. Which festivals have you been visiting in the last years?
18. Why did you select these festivals?
19. Why do you find these festivals better than others?
20. Are there festivals you just visited once, or several times, but stop to visit them?
21. Why did you stop?
22. What elements of a festival do you find really important, and should not miss at a festival?
23. Which aspects do you value, but do you not see as necessary?
24. Which elements do you find superfluous?
25. Which elements do you miss at festival, what could add additional value according to you?
26. Do you know the DEICHBRAND festival?
27. Why did you not visit DEICHBRAND, yet?
28. Would you consider to visit it in the future?
29. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
30. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
31. How much are you willing to pay for a fun weekend/day/night out?

#### Current non-customers of the festival industry

32. Why do you not visit festivals?
33. Are there an obstacles?
34. What should be changed in order to persuade you?
35. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
36. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
37. How much are you willing to pay for a fun weekend/day/night out?

38. How does your perfect event look like?
39. What kind of ideas do you have that would improve a festival according to you?

## Appendix C: Interview summaries

### Lead users who also visited DEICHBRAND

Arne (29) works at a music store, is a musician

1. Which festivals have you been visiting in the last years?  
- Hurricane, Highland festival, Bootboohook festival, Reeperbahn festival
2. Why did you select these festivals?  
- I visit festivals as a professional, because I work in the music business, the Hurricane I visited because my friends like to go there.
3. Why do you find these festivals better than others?  
I like small festivals where music matters. The atmosphere should be good. I like it when the organization has also an eye on details, I dislike mass production. It is nice when there is art and nice decoration, the location in general should also be chosen nice.
4. Are there festivals you just visited once, or several times, but stop to visit them?  
I was at DEICHBRAND once as a professional.
5. Why did you stop?  
I would not go there again, as the musical offer is very broad. For the region it is nice, but if you are interested in music, it is nice if you are offered also many less-known bands.
6. What elements of a festival do you find really important, and should not miss at a festival?

The musical offer is very important. I like unknown bands, so that you can discover bands. It is also nice if there is a red-line in the music offering. Nevertheless there should be some known bands in order to attract people. I also value clean sanitary facilities.

7. Which aspects do you value, but do you not see as necessary?

It is nice if there is a lake, so that people can swim

8. Which elements do you find superfluous?

Sometimes there are too many little stores at the festival ground. There should be enough space.

9. Which elements do you miss at festival, what could add additional value according to you?

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10. What do you like about DEICHBRAND?

I would play there with my bands, but I would not go there as a visitor

11. What do you dislike? What would you change about DEICHBRAND?

The musical offer is too broad for me.

12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

- I often inform myself on website about festivals, sometimes I call. For the the websites offer enough information.

13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?

A go often to parties and make music myself

14. How much are you willing to pay for a fun weekend/day/night out?

80-120 Euro would be ok, if it is really nice event. I would even pay extra for a good night rest.

15. How does your perfect event look like?

16. What kind of ideas do you have that would improve a festival according to you?

I like if the location is nice, if there are corners and little places which you can discover, you should not get bored by the surrounding. It is also nice if there is different food which you normally do not get. The atmosphere is important but I think that it is hard to plan that. Creative students should be involved, they could provide short movies and other creative stuff. I also prefer clean sanitary and a dry and clean place to sleep. I would also be willing to pay extra for that.

## Lead users who also visited DEICHBRAND

Jonas, student.

1. Which festivals have you been visiting in the last years?  
Sziget, Hurricane, Force Attack, a little metal festival, DEICHBRAND, Bootbohook Festival, Viva con Aqua (Kiel)
2. Why did you select these festivals?  
Often friends suggested to go there, but the musical offer also mattered sometimes to me. It was also important that the festivals were not too expensive.
3. Why do you find these festivals better than others?  
I liked Sziget most, because of the international visitors and the relaxed atmosphere of 5 days. In Germany there is also often fighting at festivals, I dislike that. I also like it if the prices for food and drinks are low, I would pay for a ticket anyway, but it is nice if you do not have to spend so much cash at the festival itself.
4. Are there festivals you just visited once, or several times, but stop to visit them?  
I would not go to Force Attack again. The atmosphere is quite aggressive and it is just punk music.
5. Why did you stop? See 6
6. What elements of a festival do you find really important, and should not miss at a festival?  
The camping ground should be weather resistant, so that you can still camp even if it rains all the time.  
It is also important that you can get water from the tap for free at the camping ground.  
Furthermore the prices for food and drinks should not be too high (3,50 or even 4 euro is too much for a beer)  
Clean toilets are also important.
7. Which aspects do you value, but do you not see as necessary? &
8. Which elements do you find superfluous?  
Often I don't see the reason for some security rules, like why can I bring a 1 liter tetra pack, but not a 1,5 and why can I bring a big barbecue, but not spirit? Rules should be logical, otherwise it is just annoying.
9. Which elements do you miss at festival, what could add additional value according to you?  
I don't miss anything, for me it is nice to have a weekend which I can spend with my friends, music and beer.
10. What do you like about DEICHBRAND?

I like the concept that bands do not play at the same time, like that you do not miss anything

11. What do you dislike? What would you change about DEICHBRAND?

It was hard to get there. I came with the train and there was a shuttle bus, but it did just go once an hour and it was crowded.

12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

Often you hear about festivals from friends or other people, I am also searching sometimes for new events, therefore I check websites. I do not receive any newsletters.

13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?

I like to hang with my friends, and my girlfriend at home, sometimes we go out. I also play the guitar and play volleyball.

14. How much are you willing to pay for a fun weekend/day/night out?

I would pay about 150 euro, if they musical offer is good, I see festivals as a vacation.

15. How does your perfect event look like?

Different kinds of bands should play, but not at the same time. The camping should be close to the infield and it is important that you can have a good view to the stages.

16. What kind of ideas do you have that would improve a festival according to you?

It would be nice to have a little pause during noon, so people could get back to the camping ground or watch a movie. So it would be nice if there would be old school movies which are well-known and popular.

#### Lead users who also visited DEICHBRAND

Björn, works at many different festivals as a promoter, but also visits festivals sometimes with his friends

1. Which festivals have you been visiting in the last years?

Many: Wave Gothic, Rock im Park, Deichbrand, Dittmarscher Rock, Omas Teich, Hurricane, Rock am Ring, In your Head, Rock Hard etc.

2. Why did you select these festivals?

Often does not have a choice because of he works there, privately it does not matter as long as his friends want to go.

3. Why do you find these festivals better than others?

I like metal festivals and the Hurricane, because many older people do visit these, and those people are not that drunk and do behave better

4. Are there festivals you just visited once, or several times, but stop to visit them?

-no

5. Why did you stop?

--

6. What elements of a festival do you find really important, and should not miss at a festival?

It should be easy to get there, and it is important to me that it is not far away. And I like it if you can park your car on the camping ground.

7. Which aspects do you value, but do you not see as necessary?

The musical offer does not matter that much to me. But if course music should not miss.

8. Which elements do you find superfluous?

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9. Which elements do you miss at festival, what could add additional value according to you?

I like to be entertained and to be active at festivals. It is nice if you can do sports and bungee jumping

10. What do you like about DEICHBRAND?

I liked it because we did not have to walk long ways, the atmosphere was good (mainly because I was with my friends) and Security could answer.

11. What do you dislike? What would you change about DEICHBRAND?

The toilets could be better (cleaner)

12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

I go where my friends want to go.

13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?

I like sports, like soccer, running, fitness and I like to party, play cards and I like good food.

14. How much are you willing to pay for a fun weekend/day/night out?

Does not matter, if my friends I willing to pay for it, I am in as well.

15. How does your perfect event look like?

I would like more sports and entertainment (games and stuff)

16. What kind of ideas do you have that would improve a festival according to you?

--

### Lead user who have not been visiting DEICHBRAND

Jan, worked for a big festival production in the past

17. Which festivals have you been visiting in the last years?

Hurrincance, Dockville, Splash, Highfield & Area4

18. Why did you select these festivals?

Splash – I got a ticket for free

Dockville – Was close to my home, and I liked that there was a lot of art and crafts, you could also participate

The others I visited because of the good musical offer

19. Why do you find these festivals better than others?

I like the Highfield festival most, because it is small, family like atmosphere, and there was a lake for swimming

20. Are there festivals you just visited once, or several times, but stop to visit them?

Rock am Ring

21. Why did you stop?

, it was too big, and I did not like the location, it was not pretty

22. What elements of a festival do you find really important, and should not miss at a festival?

Good musical offer, newcomer bands, good infrastructure, supports charity, personal, cozy and relaxed, nice surrounding

23. Which aspects do you value, but do you not see as necessary?

Many different food stands

24. Which elements do you find superfluous?

--

25. Which elements do you miss at festival, what could add additional value according to you?

Camping supermarket with cheap beer, and other stuff so that you do not have to carry everything, possibility for people to get free access for some hours of work, green camping is nice.

26. Do you know the DEICHBRAND festival?

Yes.

27. Why did you not visit DEICHBRAND, yet?

Was too busy, to many other festivals

28. Would you consider to visit it in the future?

- Definitely



29. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?  
- I know many of them from work, I just check the musical offer and then decide where to go.
30. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?  
I like snowboarding and soccer
31. How much are you willing to pay for a fun weekend/day/night out?  
For my perfect festival I would pay 50-60 euro, but I also pay 120 euro for a festival with a good musical offer.
32. How does your perfect event look like?  
A small festival, without barrier, give responsibility to visitors, less security, just one or two stages.
33. What kind of ideas do you have that would improve a festival according to you?  
Soccer play, bungee jumping, at a lake, do water sports.

#### Lead users who also visited DEICHBRAND

Max

1. Which festivals have you been visiting in the last years?  
Hurricane, Rock am Ring, DEICHBRAND, Appletree Garden
2. Why did you select these festivals?  
I go every year to Hurricane and Rock am Ring, the musical offer is important and I also listen to what my friends want
3. Why do you find these festivals better than others?
4. The good thing with Hurricane and Rock am Ring is the good musical offer, but I don't like the size of the festival. Others like DEICHBRAND are smaller and more personal, but the musical offer is not that great. I would pay more for a small festival with a good musical offer and I think other would, too.
5. Are there festivals you just visited once, or several times, but stop to visit them?  
Not yet, but I am thinking about not visiting DEICHBRAND again
6. Why did you stop?  
Because organization was bad, they should communicate better if something goes wrong and also long lines and other problems could be avoided.
7. What elements of a festival do you find really important, and should not miss at a festival?

2-3 good popular bands, good camping ground, with paths which can also be used after rain, possibility to party, enough sanitary facilities, different kinds of food.

8. Which aspects do you value, but do you not see as necessary?

--

9. Which elements do you find superfluous?

--

10. Which elements do you miss at festival, what could add additional value according to you?

Swimming pool, open air cinema in the evening, electricity everywhere

11. What do you like about DEICHBRAND?

Shorts paths/ways, bands do not play at the same time, small and personal.

12. What do you dislike? What would you change about DEICHBRAND?

There should be streetlights in the evening, the structure of the camping ground should be visible (where I am standing), I would add digital information boards, and organization should be prepared for bad weather.

13. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

- I often visit the same festivals, and I hear for friends and other people about different festival, I do check the musical offer of a festival if it got my attention

14. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?

Cycling, politics, partying & listening to music

15. How much are you willing to pay for a fun weekend/day/night out?

200 euro

16. How does your perfect event look like?

2-3 headliner, big camping ground on grass, cheap beer, early arrival possible

17. What kind of ideas do you have that would improve a festival according to you?

- Good communication, show on a big digital board if you still have access to the areas in front of the stage.
- Parking on the camping ground
- Shuttles from the camping ground to the stages
- Proper ways to walk (rubber or plastic mats)
- Supermarket
- Axe-showers
- More give-aways

- Food delivery on the camping ground
- Festival radio

### Lead users who also visited DEICHBRAND

Steffen (30)

1. Which festivals have you been visiting in the last years?  
Hurricane, Deichbrand, Dockville, Omas Teich, Highfield
2. Why did you select these festivals?  
Hurricane – close to home  
Oma's Teich – small and comfortable reach  
Deichbrand – small, stages next to each other but not used at the same time, short ways to walk
3. Why do you find these festivals better than others?  
- Check nr. 2
4. Are there festivals you just visited once, or several times, but stop to visit them?
5. Why did you stop?  
I would stop if a festival gets too big and if the distance is too far.
6. What elements of a festival do you find really important, and should not miss at a festival?
  - Places to hang and relax, a lot of free space, little bars etc.
  - Hygiene (Shower tents, etc.)
  - Easy walking distances
7. Which aspects do you value, but do you not see as necessary?  
---
8. Which elements do you find superfluous?
  - Give-aways
  - garbage deposit
9. Which elements do you miss at festival, what could add additional value according to you?
  - better system for garbage: waste containers everywhere (which will be emptied during calm hours), reduce garbage creation
  - nice security people, who know how to handle festival visitors
  - If food stands and bars would be more spread, so that you do not have to walk far.
  - Cheaper food and drinks (I think people would buy more and waste less)

- Bakery and Coffee on wheels at the Camping ground
10. What do you like about DEICHBRAND?
- Easy walking distances
  - Possibility to play Volleyball
  - Not that crowded
11. What do you dislike? What would you change about DEICHBRAND?
- Unfriendly and unskilled security, security should have festival experience
  - 3<sup>rd</sup> wave breaker is superfluous,
  - Rules must make sense (Why are some rules handled strictly and other are not?)
12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- word of mouth recommendation
  - checking musical offer
13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?
- Girlfriend, soccer, making music (DJ), visiting concerts
14. How much are you willing to pay for a fun weekend/day/night out?
- would pay even more than 150 for a festival, but too expensive for students, does not understand why the prices went up so strongly during the years.
15. How does your perfect event look like?
- Weather is important, and if not organization should be prepared (advice, prepare walking paths up front), easy walking distances, mix of different kind o
16. What kind of ideas do you have that would improve a festival according to you?
- Bakery and coffee on wheels
  - Parking on the camping ground and sleeping in cars allowed, camping next to caravans should be allowed
  - Garbage bins everywhere
  - No fences
  - Selling food cheaper, but therefore selling more and wasting less (many people buy too much grocery upfront)
  - Sitting and relaxing areas all over the festival ground, also on camping

#### Lead users who also visited DEICHBRAND

Olaf (38), visits every year one festival

1. Which festivals have you been visiting in the last years?

- DEICHBRAND, Hurricane, Rock am Ring
2. Why did you select these festivals?
    - Everybody goes to Rock am Ring, therefore I tried it as well
    - Hurricane is close to home
    - DEICHBRAND – The line up was appealing
  3. Why do you find these festivals better than others?
    - Hurricane is close to home, and the musical offer is very good, the queues also very short for toilets and drinks
    - I like the Green Camp very much at DEICHBRAND
  4. Are there festivals you just visited once, or several times, but stop to visit them?
    - Rock am Ring
  5. Why did you stop?
    - It is to big and the walking distances are too far.
  6. What elements of a festival do you find really important, and should not miss at a festival?
    - different food stands, water from the tap everywhere
  7. Which aspects do you value, but do you not see as necessary?
    - hot showers
  8. Which elements do you find superfluous?
    - Some security rules (e.g. no PET bottles at the infield etc. )
  9. Which elements do you miss at festival, what could add additional value according to you?
    -
  10. What do you like about DEICHBRAND?
    - Green camp, garbage deposit, fast reaction on bad weather conditions
  11. What do you dislike? What would you change about DEICHBRAND?
    - Wave breakers were implemented badly
    - It was hard to find important information on the website, like the musical offer and the map of the festival area
  12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
    - word of mouth-recommendation (of friends)
  13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?
    - Table tennis (two jobs)
  14. How much are you willing to pay for a fun weekend/day/night out?

- max. 120, but if there are a lot of other activities to do I would pay up to 200 euro)
15. How does your perfect event look like?
- good music, friends, other activities to do
16. What kind of ideas do you have that would improve a festival according to you?
- Swimming pool
  - Other activities like sports, crafts, etc.
  - Selling drinking bags on the infield, selling rain ponchos

### Lead users who also visited DEICHBRAND

Johannes (student)

1. Which festivals have you been visiting in the last years?  
DEICHBRAND, Haltestelle Woodstock, Force Attack, Metal Fest, Resist to Exit
2. Why did you select these festivals?  
Because of the musical offer or friends suggested it
3. Why do you find these festivals better than others?  
I like festivals in general, but I like Haltestelle Woodstock in Poland the most, because it is very different. It is for free, but it is also better. It is like one big party with live-acts, there are well-known bands, but people are so relaxed that they always party whether there is a famous band performing or an infamous one. The feeling there is very different, the people are so much nicer and more relaxed there.
4. Are there festivals you just visited once, or several times, but stop to visit them?  
I would not go to DEICHBRAND again.
5. Why did you stop?  
Organization was bad. The camping ground is too small, the wave breakers on front of the stages are not implemented wrong and security did often overreact. They did not know how to handle festival visitors, everybody wants just have fun, so they should be treated with respect. There should be more (skilled) personal in general.
6. What elements of a festival do you find really important, and should not miss at a festival?  
A relaxed atmosphere is important, this is easier if the festival is organized well. For me it is important that I am there with my friends. I prefer it if there is a lot of variation in the offer, different kind of bands and DJs, and it is also nice if there are other activities to do.

7. Which aspects do you value, but do you not see as necessary?  
Bungee jumping, Piercing shops and exotic food.
8. Which elements do you find superfluous?  
- -
9. Which elements do you miss at festival, what could add additional value according to you?  
Spontaneous performances, alternative activities to the main program, bus which plays techno music.
10. What do you like about DEICHBRAND?  
- Relaxed audience, very different and good bands
11. What do you dislike? What would you change about DEICHBRAND?  
- bigger camping ground, better organization and communication, wave breaker should be implemented better, more employees
12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?  
- word-of-mouth recommendation
13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?  
- play music and perform, partying
14. How much are you willing to pay for a fun weekend/day/night out?  
- 100-150 euro
15. How does your perfect event look like?  
-The program would have a lot of variety (all kinds of music, e.g. electro, metal, rock & pop)  
- There should be a lot of space  
- it would be on a hill  
- foods stands with different kinds of food and beer  
- 2-3 days of music  
- camping allowed everywhere
16. What kind of ideas do you have that would improve a festival according to you?  
- Contests and jam-sessions at the festival  
- Artists from all areas: music, movies, documentaries, fire, sculptures, crafts, etc.  
- Do-it-yourself arts and crafts, possibility to participate in creating something

## Lead users who also visited DEICHBRAND

Kim (thinks that people go to festival to meet boys and girls)

1. Which festivals have you been visiting in the last years?  
Hurricane, Wacken Open Air, Dittmarscher Rock, RD Rock, DEICHBRAND and several smaller ones.
2. Why did you select these festivals?
  - Hurricane – it is a tradition, my friends and I go there every year
  - Wacken – The atmosphere is good, people are older and behave better than at big rock festivals
  - I like small festivals and I like the festival experience in general
3. Why do you find these festivals better than others?
  - I like small cozy festivals
  - Wacken is nice, because there are also other things to do like a market with stuff from the Middle Ages
4. Are there festivals you just visited once, or several times, but stop to visit them?  
--
5. Why did you stop?  
--
6. What elements of a festival do you find really important, and should not miss at a festival?
  - Fun, good food, alcohol, good night rest (I would pay extra for better sleeping comfort)
7. Which aspects do you value, but do you not see as necessary?
  - Security is necessary, but should be skilled and friendly
8. Which elements do you find superfluous?
  - fights at a festival
9. Which elements do you miss at festival, what could add additional value according to you?
  - Program next to music performances, like other performances of artists (e.g. light shows during the night)
10. What do you like about DEICHBRAND?
  - I was there once for a short time, cannot say anything positive or negative about it, but I would go again.
11. What do you dislike? What would you change about DEICHBRAND?  
--
12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?



- Word-of-mouth recommendations, websites, you know which festivals are close to home
13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?
    - Soccer and partying
  14. How much are you willing to pay for a fun weekend/day/night out?
 

Max. 100 (Currently pays 120 for the Hurricane and even rents a caravan for the festivals)
  15. How does your perfect event look like?
    - Everybody wears costumes, soccer competition, some activities and things to see.
  16. What kind of ideas do you have that would improve a festival according to you?
    - Everybody should wear costumes, different kind of markets at festivals would be nice.
    -

#### Lead users who also visited DEICHBRAND

Annika (26),

1. Which festivals have you been visiting in the last years?
 

DEICHBRAND, Dockville, Hurricane, Campus Invasion, several one-day festivals in Hamburg
2. Why did you select these festivals?
  - Close to home.
3. Why do you find these festivals better than others?
  - Hurricane – well organized, but too big
  - Dockville – The set-up was very nice, it was very cozy en nicely decorated, it provided a hippie atmosphere, I liked that very much, it was just one music style, but there very very diverse things to see and to do, you could relax in a little cozy barn, and there was an intimate place were poetry slammers performed.
  - DEICHBRAND – This festival was very awesome, but I think that was because I had so much fun with my group of friends, and we met so many nice people, I also liked that it was quite small.
4. Are there festivals you just visited once, or several times, but stop to visit them?
  - I would not go to the Hurricane anymore, although I have visited it for several years.
5. Why did you stop?

- The festival is like a village party, people there do not come for the music anymore, and they just want to get really drunk. It is also very crowded everywhere, I do not like that. Earlier it was not that crowded, and the excessive drinking was less.
6. What elements of a festival do you find really important, and should not miss at a festival?
    - friends, a good atmosphere and music.
  7. Which aspects do you value, but do you not see as necessary?
    - bungee jumping.
  8. Which elements do you find superfluous?
    - Binge drinking, same fast-food stands at every festival, visitors who do not come to a festival to enjoy the music, big party tents without any flair, an obvious offer for the masses without any eye for the detail.
  9. Which elements do you miss at festival, what could add additional value according to you?
    - Poetry slam (in a cozy, nice corner)
    - Make different cozy corner to relax
    - Show art and possibility to buy art things
    - Decorate in hippie style
    - Healthy, interesting food
  10. What do you like about DEICHBRAND?
    - That it is a small festival.
  11. What do you dislike? What would you change about DEICHBRAND?
    - obvious commercial intentions
    - too crowded
  12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
    - I actively search for all kinds of events on the internet, I am often the one who tells friends about parties and festivals and persuades them to go.
  13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?
    - I go out a lot and I like fitness.
  14. How much are you willing to pay for a fun weekend/day/night out?
    - 80-90 euro
  15. How does your perfect event look like?
    - A lot of space, not too crowded a hippie atmosphere, healthy food, nice markets.

16. What kind of ideas do you have that would improve a festival according to you?
- open stage, let people perform if they want
  - Invite arts of all areas to make the festival more interesting and more beautiful.

#### Lead users who also visited DEICHBRAND

Toni (28)

1. Which festivals have you been visiting in the last years?
  - DEICHBRAND, Open Ohr, Highfield, Hurricane, Wilwaring, RD Rock, Dockville, Haltestelle Woodstock
2. Why did you select these festivals?
  - Friends wanted to go, or I really liked the musical offer.
3. Why do you find these festivals better than others?
  - I like small festivals, where relaxed people come, but you can have fun. If there are less people there are often also less problems.
4. Are there festivals you just visited once, or several times, but stop to visit them?
  - Hurricane.
5. Why did you stop?
  - It got too expensive, not just the ticket, but also food and drinks. The musical offer got boring, as every two years the same bands are performing.
6. What elements of a festival do you find really important, and should not miss at a festival?
  - It is important to me that I am with my friends and that there is good music. I also find it important that I can bring my own drinks.
7. Which aspects do you value, but do you not see as necessary?
  - Electricity in order to recharge your mobile phone, decoration & art.
8. Which elements do you find superfluous?
  -
9. Which elements do you miss at festival, what could add additional value according to you?
  - Film, theatre, cabaret
10. What do you like about DEICHBRAND?
  - The camping ground was nice, the food offer was varied, I would visit it again.
11. What do you dislike? What would you change about DEICHBRAND?
  - I found the green camp and the friendship camping superfluous. I also did not like that the staged were next to each other, and the wave breakers in front of

the stages did not make sense. Security was not very skilled, I heard many people complain about how they were treated by security.

12. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
  - Stories from friends, sometimes I see posters hanging and I check on websites.
13. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out? Do you have any Hobby's?
  - I do climbing, drawing, reading. Sometimes I play the guitar and do juggling.
14. How much are you willing to pay for a fun weekend/day/night out?
  - 80 euro.
15. How does your perfect event look like?
  - Good weather, good music and I am with my friends.
16. What kind of ideas do you have that would improve a festival according to you?
  - Workshops to improve music skills, like playing the guitar, or drumming
  - A corner where you can play chess
  - Other fun activities, like a bouncing castle, trampolines, or parcours.
  -

#### Lead who have not been visiting DEICHBRAND

Johan (24), Artist

17. Which festivals have you been visiting in the last years?
  - Green Vibrations, Wonderland, Stenwedder Festival, Haltestelle Woodstock
18. Why did you select these festivals?
  - If my friends go I like to go as well, of course I am happy if I can listen to my kind of music, but it is more important that my friends go.
19. Why do you find these festivals better than others?
  - The atmosphere is nice, there are no fights and aggression at the festivals I like to visit
20. Are there festivals you just visited once, or several times, but stop to visit them?
  - I stopped to visit several festivals.
21. Why did you stop?
  - After a while festivals can get boring because it is every year the same
  - My own music taste did also change, so I also changed the events I visit
22. What elements of a festival do you find really important, and should not miss at a festival?

- it should not be too expensive, I like different kinds of food, camping should be close to the stages. I also like large festivals, but it should not be crowded.
23. Which aspects do you value, but do you not see as necessary? &
  24. Which elements do you find superfluous?
    - I think that it is unnecessary to have extra treating for VIPs
  25. Which elements do you miss at festival, what could add additional value according to you?
    - I would like it if there are also smaller stages with unknown bands, DJs and Jam-Sessions
  26. Do you know the DEICHBRAND festival?
    - No
  27. Why did you not visit DEICHBRAND, yet?
    -
  28. Would you consider to visit it in the future?
    -
  29. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
    - word-of-mouth advertisement and I search for information on the internet
  30. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
    - I make art and visit galleries, I like to party, I spend time with my girlfriend, and I like mountain biking
  31. How much are you willing to pay for a fun weekend/day/night out?
    - About 80 euro
  32. How does your perfect event look like?
    - I don't know.
  33. What kind of ideas do you have that would improve a festival according to you?
    - it is nice if there are several things to do, and if there are big and small stages.
    -

#### Lead who have not been visiting DEICHBRAND

Roos (23), student, is really interested in music, crafts and design

17. Which festivals have you been visiting in the last years?
  - Lowlands, Oerel, De Beschaving, Into The Great Wide Open, Melt, Sziget, Rock im Park, De Parade, Magnet Festival
18. Why did you select these festivals?

- I like the atmosphere at these festival, and the musical offer is important
19. Why do you find these festivals better than others?
- Some of them I like because there is a lot to do and it looks nice, at some they also offer theatres or other performances and activities, I like it if there is art and I can do crafts myself, it is nice if you can discover things
  - The one I like most is on an island, this contributes highly to the atmosphere
  - But also festivals like Lowlands are nice, as there are so many people, and there is so much to see and to do.
20. Are there festivals you just visited once, or several times, but stop to visit them?
- Lowlands & Rock im Part
21. Why did you stop?
- It got to mainstream, everybody goes their nowadays, therefore it seems less special to me. And you also have to be very quick if you want to buy a ticket.
  - Rock im Park is not very special, there is just music performances and nothing else to do, the location is boring as well.
22. What elements of a festival do you find really important, and should not miss at a festival?
- I like diversity, there should be different kind of artists, the location should be pretty and special, different food should be offered and the organization should have an eye for the detail. There should be art, crafts and music everywhere.
23. Which aspects do you value, but do you not see as necessary?
- I like it if there are spontaneous shows, in places where you would not expect it.
24. Which elements do you find superfluous?
- I do not need merchandize, and often the music is to loud
25. Which elements do you miss at festival, what could add additional value according to you?
- different interactivities, like making arts & crafts
  - different additional shows
  - Discussions about scientific topics or explanation of interesting stuff
  - Surprise shows
26. Do you know the DEICHBRAND festival?
- No
27. Why did you not visit DEICHBRAND, yet?
- 
28. Would you consider to visit it in the future?
-

29. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- word-of- mouth
  - and when I search for music and bands on the internet I see where they perform, I also see it on Facebook, after I liked an artist.
30. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- Surfing, listening to music, going to concert regularly, drawing, making crafts, spending time with friends
31. How much are you willing to pay for a fun weekend/day/night out?
- 100-150 euro
32. How does your perfect event look like?
- On an island, with a nice surrounding, about 20.000 visitors, a lot of space, but arts and crafts everywhere, so it does not get boring, it should be diversity within music, and different arts and activities. I like to participate as well.
33. What kind of ideas do you have that would improve a festival according to you?
- a discount card for additional shows, like this you have extra option, but these are cheap
  - an APP with funny stuff, which you can use during the whole festivals, like you can save you emotion at different places
  - Discussions about science
  - Making crafts in groups
  - Change market, where you can change clothes and other things in an organized way.
  - Big and small performances, let artists perform twice, one time on the big stage and another time in a different smaller way.

#### Lead who have not been visiting DEICHBRAND

Peter (24), student

17. Which festivals have you been visiting in the last years?
- Tomorrow Land, Sziget, Melt, Fusion, Lief, Awake Fest, Awakenings, Freshtival
18. Why did you select these festivals?
- I saw awesome stuff in the media about them, they are mostly huge and spectacular, I like to go to other countries for festivals, because it is more like an adventure.

19. Why do you find these festivals better than others?
- They are new for them, most of the time I visit a festival once, and then I have seen it. If everybody I know goes there I do not like it anymore, but at the time I visit them they are new for me and the mass.
20. Are there festivals you just visited once, or several times, but stop to visit them?
- e.g. Sziget
21. Why did you stop?
- I would not go there again, because to many people I know I going there now, there is not much to discover anymore for me.
22. What elements of a festival do you find really important, and should not miss at a festival?
- I like to discover new things, festivals must not all me alike, it is nice if you feel like you are entering a new culture.
  - It is also important to me that you can get water from the tap everywhere.
23. Which aspects do you value, but do you not see as necessary?
- Toilets should be clean and there should be enough.
24. Which elements do you find superfluous?
- 
25. Which elements do you miss at festival, what could add additional value according to you?
- clean toilets and water from the tap everywhere.
26. Do you know the DEICHBRAND festival?
- Head about it.
27. Why did you not visit DEICHBRAND, yet?
- Not interested.
28. Would you consider to visit it in the future?
- Maybe some day, you never know.
29. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- word-of-mouth recommendations
  - I check often (music) videos on youtube, and sometimes you see a nice party in the background, like this I can get an impression of the atmosphere at a festival.
30. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- Longboarding, windsurfing, climbing, running, partying, spending time on the computer, reading



31. How much are you willing to pay for a fun weekend/day/night out?  
 -150-200 (but actually there is not really a limit)
32. How does your perfect event look like?
- Different activities would be integrated (e.g. surfing, bungee jumping)
  - The music should be diverse, there should be several stages, but one stage should present on kind of music
  - The festival should be well decorated
33. What kind of ideas do you have that would improve a festival according to you?
- water for free
  - innovation

#### Current non-customers of the festival industry

Nina (20)

32. Why do you not visit festivals?
- I wanted to but I did not have enough money and the summer is often very busy.
33. Are there any obstacles?
- Time and money
34. What should be changed in order to persuade you?
- -
35. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- I looked up the musical offers of festivals on the internet
36. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- gun shooting, dancing, theatre playing (I would not want to do this stuff at festivals)
37. How much are you willing to pay for a fun weekend/day/night out?
- 100-150 euro
38. How does your perfect event look like?
- good weather, famous bands, no fights
39. What kind of ideas do you have that would improve a festival according to you?
- -

#### Current non-customers of the festival industry

Birte

32. Why do you not visit festivals?

- I do not like camping when weather is bad. I am afraid that I would have to sleep in a wet tent all weekend long. When I really think about it I am not sure why I did never go, now that I heard so much from friends about it, I decided that I also would like to go in the future.
  - You know never up front how the weather will be, that is a problem for me.
33. What should be changed in order to persuade you?
- If there would be something that I would know for sure that I have a dry place to sleep, that would persuade me. It is also nice if you can find some places during the day where it is dry.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- I heard many times from friends about festivals.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- I play soccer and I like to party.
36. How much are you willing to pay for a fun weekend/day/night out?
- I would be willing to pay 100 euro for a weekend, I do actually think that festivals are quite cheap for what they offer.
37. How does your perfect event look like?
- I would like a small festival, where I could park my car next to my tent, so that I do not have to carry my stuff and it will stay dry also. Furthermore it would be great because then I could even sleep in the car, in case my tent gets wet.
  - Furthermore I would like some activity like human-kicker
  - And clean toilets would be great, I would even pay for it each time I visit them.
38. What kind of ideas do you have that would improve a festival according to you?
- They should sell ponchos everywhere on the festival ground
  - Some rain cover which you could by for your tent, if it rains would be great
  - Maybe they should offer containers with beds, which you can rent with you friends, a mirror in there would add additional value. Electricity would be good, too.

### Current non-customers of the festival industry

Fleur (35)

32. Why do you not visit festivals? Are there any obstacles?

I do not like the music and I definitely do not want to sleep in a tent.

33. What should be changed in order to persuade you?

If I could sleep on a mattress, somewhere inside (even a container) I might go, and it would be great if there would be a place where they have DJ's who play all kinds of music like in a discotheque. Also proper and clean toilets could persuade me.

34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

Of course people tell you about festivals, but I also checked the websites of two festivals in order to find out more about them.

35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?

- I like to party, I travel, I like food and I do sports like Pilates and spinning.

36. How much are you willing to pay for a fun weekend/day/night out?

- For a three day festival I would pay 80-100 euro.

37. How does your perfect event look like?

- not too crowded, organized in the sense that there are no long queues and that there is a space where I can set up my sleeping place, so I do not have to search for a little space on the whole ground. It should be peaceful and the atmosphere should be relaxed and fun.

38. What kind of ideas do you have that would improve a festival according to you?

- I would like a diverse offer: different kind of music, old and new bands, workshops how to learn or to improve to play an instrument, dance shows and workshops, etc.

### Current non-customers of the festival industry

Elke (55)

32. Why do you not visit festivals? Are there any obstacles?

- Because nobody of my friends go. I would love to go, but if nobody else goes or asks me I don't go on my own.

33. What should be changed in order to persuade you?

- I would even go with younger people, if my friends go I would go, too. So maybe advertising should be changed, so that people know that it is also organized for older people. I like it if the group there would be a mix of younger and older people.

34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- You see stuff on television and in the newspaper. If I see something I am always quite interested.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- I like parties, sports (aqua-cycling), horse riding, gardening and reading
36. How much are you willing to pay for a fun weekend/day/night out?
- I think just for the ticket 100 euro, but all-inclusive I would pay about 300 euro.
37. How does your perfect event look like?
- It would be three days, I would like it if there were different other activities as well, like entertainment and fun-activities, I would like it would look nice, so some decoration would be nice.
38. What kind of ideas do you have that would improve a festival according to you?
- I would not care too much about the music, but it would be cool if there would also be a tent or something with more mainstream, party music for dancing.
  - It would also be nice if there were cozy places where you can sit.

#### Current non-customers of the festival industry

Annette (46)

32. Why do you not visit festivals? Are there any obstacles?
- I am not interested in festivals anymore, I feel too old. I would not like to camp, the loud music would probably annoy me after a while and I am quite busy already, so I do not have a lot of free time.
33. What should be changed in order to persuade you?
- I think I would not go anymore, but if the offer would be really diverse, so that I could also do a lot of stuff and experience different things, then I might be interested.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- I know about some festivals from my children and other people, but I never search for information.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?

- I like to visit concerts, cycling, gardening, and reading
36. How much are you willing to pay for a fun weekend/day/night out?
- I have really no idea.
37. How does your perfect event look like?
- Music would not be too loud, I could sleep in a house with a bath, there would be a market and different exhibitions. Maybe little corners where you can hang for a while.
38. What kind of ideas do you have that would improve a festival according to you?
- I should be more luxurious.

### Current non-customers of the festival industry

Marlies (59)

32. Why do you not visit festivals? Are there any obstacles?
- I have little time, and I am just not that interested in that kind of activities
33. What should be changed in order to persuade you?
- I do not think anything could be changed in order to persuade me, but well if good friends of mine would go and ask me to join, I probably would go, but I would not sleep in a tent I think. I would visit for a day maybe.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- No, I heard about festivals from my kids, and I saw some things on television, but I do not search for information.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- I like to visit expositions and presentations/discussions on interesting topics. And I like to have my friends over for dinner and drinks or visit them.
36. How much are you willing to pay for a fun weekend/day/night out?
- For weekend trips I spend sometimes 200 euros, I do not know what I would pay for a festival, probably less as I am not that interested.
37. How does your perfect event look like?
- It would be in nature, there would also be stuff exhibited, and I would like happy dancing music from the 60s, 70s, and 80s.
38. What kind of ideas do you have that would improve a festival according to you?
- -

### Current non-customers of the festival industry

Jörg (39)

32. Why do you not visit festivals? Are there any obstacles?  
 - I do not like crowds.
33. What should be changed in order to persuade you?  
 - No, there are too many people at festivals, I would not like it.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?  
 - Of course you hear about them from friends, on the radio and on television they show stuff about festivals.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?  
 - Sometimes I visit with people from a "country club". Furthermore I work a lot and I have a little child, so I do not have time to do other things.
36. How much are you willing to pay for a fun weekend/day/night out?  
 - I do not like to spend much money on events, so I do not know. If I have the choice I just meet up at home with my friends.
37. How does your perfect event look like?  
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38. What kind of ideas do you have that would improve a festival according to you?  
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#### Current non-customers of the festival industry

Andrea (42)

32. Why do you not visit festivals? Are there any obstacles?  
 - I have little time, but I am also a bit afraid of the toilets. I really cannot use a dixi toilet or a dirty toilet.
33. What should be changed in order to persuade you?  
 - If I would know for sure that there were clean toilets, I would visit a festival if my friends would also go. I do also think that if people would know that there are clean toilets, that they would buy more drinks.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?  
 - I saw stuff about festivals on the television and friends told me about it.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?  
 - I have kids and I like to exercise from time to time. If there is a party I am also in for that.

36. How much are you willing to pay for a fun weekend/day/night out?

I am not you I think I would pay about 100 euro for a weekend, maybe a bit more if I am sure that it is really good.

37. How does your perfect event look like?

- Clean toilets, enough space and nice people

38. What kind of ideas do you have that would improve a festival according to you?

- It would be nice if it would be somewhere where the surrounding is nice, and if it would be a place where are already facilities like toilets and maybe even beds.

### Current non-customers of the festival industry

Hilke (25)

32. Why do you not visit festivals? Are there any obstacles?

- I do not like camping, I like a proper bed and a bathroom is very important to me.

33. What should be changed in order to persuade you?

- If I could rent a vacation house, which belongs to the festival area, so I do not miss anything, then I would like to go. It would also help if I would know that there are clean toilets everywhere.

34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?

- word-of-mouth information and recommendation by friends.  
- I also checked websites once or twice.

35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?

- Partying, going to the cinema, doing sports

36. How much are you willing to pay for a fun weekend/day/night out?

I would pay about 150 for a weekend.

37. How does your perfect event look like?

- A festival in a vacation park with bungalows and small houses, where you have your own bathroom with friends. The festival should be within and around the vacation park. Like this you have a nice surrounding, and if you do not want to sleep in a tent or caravan you are not excluded from the event.

38. What kind of ideas do you have that would improve a festival according to you?

- day tickets for festivals  
- festival in a vacation park.

### Current non-customers of the festival industry

Thorsten (30)

32. Why do you not visit festivals? Are there any obstacles?
- There are too many people, it is too crowded and I do not like camping.
33. What should be changed in order to persuade you?
- If there were really good bands, I would see the bands really good, and I would feel like I would be treated like a VIP I would go.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- I was curious about the Hurricane festival, so I search on google about it, and checked the location online.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- I like wellness, travelling and hunting.
36. How much are you willing to pay for a fun weekend/day/night out?
- I would pay 150-200 for a day.
37. How does your perfect event look like?
- Easy walking distances, no dirt, no queues, good sight on the stage, good/well-known bands.
38. What kind of ideas do you have that would improve a festival according to you?
- They should offer hotel rooms and a shuttle bus from the hotel to the festival.

### Current non-customers of the festival industry

Kathrin (28)

32. Why do you not visit festivals? Are there any obstacles?
- Too many people, too crowded.
  - I do not like camping
  - I want a clean toilet, and I want not only to take a shower myself, but I would also appreciate if others would not stink.
  - I do not want to carry a lot of stuff from my car to the camping
  - I do not want to pay for 4 days of music and just be there for 2,5 days, as I am not willing to take an extra day-off from work.
33. What should be changed in order to persuade you?



- It would be good if you can rent a sleep-container up front, so that you also know where you are sleeping exactly
  - There should be less garbage
  - I would like day- or evening-tickets.
34. Do you get any information about festivals during the year or do you search for any information about festivals? If yes, how do you receive information?
- Friends asked me several times, there are two big festivals around my home spot, I might have gone for a day, but I checked the musical offer upfront, and I did not find it appealing enough.
35. What else do you do in your leisure time, for example when you want to spend a weekend, a day or a night out?
- I like partying and I hunt.
36. How much are you willing to pay for a fun weekend/day/night out?
- I would pay 50 euro for a day.
37. How does your perfect event look like?
- Different activities to do, music and the possibility to visit for a day or at least a nice place where I can sleep on a bed.
38. What kind of ideas do you have that would improve a festival according to you?
- I would like interactive plays or other things, that would facilitate to meet new people.

Appendix D: Business model created together with the managers

