

Understanding hallmark event failure: a case study of a Swedish music festival

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Abstract

Purpose – Hallmark events can be very beneficial for host communities, not least due to their potential in attracting tourists. The Peace & Love music festival was the hallmark event of the Swedish city Borlänge. In 2013, the event organization declared bankruptcy and canceled the forthcoming festival. The purpose of this paper is to identify and discuss the factors that caused the failure of the 2013 Peace & Love festival.

Design/methodology/approach – The case of the Peace & Love festival is analyzed using three data sources: interviews with the former members of the event organization; secondary data describing the Swedish festival industry; and festival visitors' perspectives represented by comments on social media. An organizational ecology perspective frames the analysis.

Findings – The results of the study reveal that the failure of the event can be understood by a combination of three components: an organization in a vulnerable position, a strong new competitor entering the Swedish festival market, and uncertain visitors searching for the new place to be.

Originality/value – Very few studies have researched event failure, although the subject is a recommended priority within the field of festival studies. This study presents a thorough examination of a hallmark event failure, which contributes to this area of knowledge and provides relevant information for organizations and host cities.

Keywords Event failure, Festival industry, Festival organization, Hallmark event, Organizational ecology, Festival visitors' behaviour

Paper type Research paper

Introduction

On May 28, 2013, the organizers of the annual Peace & Love music festival, until then the largest such event in Sweden, with approximately 50,000 visitors in 2011 and 2012, declared bankruptcy and the cancellation of the forthcoming festival. The cancellation, only four weeks before it was supposed to take place, was a shock with many stakeholders affected, including 40 staff members, 6,000 volunteers, 150 contracted bands and artists, the local and external suppliers and entrepreneurs, the citizens of the city of Borlänge, and, not least, the 9,000 people who had bought tickets in advance. Many were disappointed; some showed their support and sympathy for the festival management. All wondered: how could this happen?

Getz and Page's (2015) review of event tourism research stated that the question why events fail is largely unexplored. Although event failure is a widespread and common phenomenon, only a few studies since Getz's (2002) "Why festivals fail" have specifically been dedicated to examining their causes and/or threat factors. One reason is that failures are difficult to document (Getz, 2002), while success stories are more commonly investigated (e.g. Einarsen and Mykletun, 2009).

Studying why events fail is important for several reasons. Lessons can be learned *vis-à-vis* partnership and management processes (Parent and Séguin, 2007), organization (Nordvall, 2015), and risk management (Kennelly *et al.*, 2015).

Since its birth in 1999 (attracting 900 visitors), the festival had gone through a tremendous development; ten years later it was the largest music festival in Sweden, featuring artists such as Jay-Z, Bob Dylan, and Rihanna. Gathering a crowd of 50,000 people (65 percent of whom



were defined as tourists based on length of travel, > 100 km; Heldt and Klerby, 2011) in the center of Borlänge was remarkable, given the size of the town (41,000 citizens) and a location approximately 200 km from larger metropolitan areas. The festival had evolved into what researchers refer to as a hallmark event, as defined by the following characteristics: “[...] attracting tourists; creating and enhancing a positive image that is co-branded with the destination/community; and delivering multiple benefits to residents” (Getz *et al.*, 2012, p. 52). The Peace & Love festival attracted considerable numbers of tourists, the images of the event and the city was inextricably linked, and the festival was a considerable contributor of income and generated a stronger sense of community pride.

The three data sources used to identify the factors that caused the failure of Peace & Love 2013 represent the supply side (interviews with festival managers), the demand side (analysis of festival visitors’ comments and messages on social media), and the external environment (secondary data describing the festival market in Sweden). The results from the case study are discussed *vis-à-vis* organizational ecology, one of Getz’ several theoretical frameworks for researching and explaining festival failure that has recently been highlighted (Getz and Andersson, 2016).

The paper is outlined as follows: the next section introduces research on periodic event failure. Then, the chosen theoretical frameworks are discussed. The method and result sections present the case of the 2013 Peace & Love festival. A concluding section discusses the results and their relevance for event organizations and host cities of hallmark events.

Literature review

Periodic event failure

Getz (2002) raised the question “Just what exactly is ‘failure?’”, stating that events in the public and not-for-profit sector must have other relevant standards in lieu of bankruptcy. As Getz (2002) suggested: “The perceptions of all stakeholders, including managers, supporters, participants, and the public, should be tapped in determining what is a failure” (p. 211). While the failure of one event in a city, region, or sector might be necessary for others to emerge and for innovation to occur, individual failures are an issue if the event in question holds a special status in the calendar of events, for example, as a hallmark event (Getz and Andersson, 2016).

Festival failure has been studied from different perspectives. From the view of the supply side (North American festival professionals), the five most likely sources of festival failure are: weather, lack of corporate sponsorship, overreliance on one source of money, inadequate marketing or promotion, and lack of advance or strategic planning (Getz, 2002). From the demand side (Finnish festival visitors), the factors are: commercialized and low-quality program, low-quality service, commercialism demonstrated by elevated ticket and service pricing, VIP services confronting egalitarianism, crowd control and queuing, and anti-social behavior (Kinnunen and Haahti, 2015).

Specific incidence of periodic event failure has been documented in selected studies. Carlsen *et al.* (2010) studied the failure of three European festivals. A city festival in Gothenburg, Sweden, was closed because it failed to achieve the social integration it envisioned. Excessive levels of public funds had essentially transformed the event into a drinking party for youth. An outdoor music festival in northern Norway was shut down within five years of its beginning because of bad weather and increased competition. The Edinburgh Fringe Festival faced its biggest crisis in 2008 when its online box-office system collapsed; this ultimately did not lead to the end of the festival, but instead a serious financial loss for the Fringe Society. Carlsen *et al.* (2010) focused not only on failure, but also on innovation in the study empirically based on the same festivals that were all re-launched or improved. The study highlights that failure and innovation are not separate alternatives, but should be considered as contemporaneous scenarios. Nordvall (2015) studied an attempt

to establish a new Christmas market in a Swedish mountain resort that failed because it was dysfunctional as a permanent organization and the temporary organization of each event had unsatisfactory outcomes.

Other related studies are Kennelly *et al.*'s (2015) study of the cancelation of a long-distance triathlon and why leisure events should strategically integrate service recovery techniques into risk management planning; Parent and Séguin's (2007) study of the factors that led to the Fédération Internationale de Nation canceling its contract with the 2005 Montreal Aquatics World Championships' organizing committee; Frost and Laing's (2015) study of Australian rural festivals and how to avoid burnout among volunteers; and Getz and Andersson's (2008) conceptual study of sustainable festivals (from the perspective of the organizations providing them), including theoretical conclusions on the institutionalization process for festivals.

Event failure and organizational ecology

Organizational ecology (Hannan and Freeman, 1977, 1989; Carroll and Hannan, 2000; Hannan *et al.*, 2007) tries to understand the conditions under which organizations emerge, grow, and die, and contrasts adaptive approaches because failure might be due in large part to change and variability in the industry (e.g. music festivals in Sweden) rather than to managers' poor choices. The theory has been criticized for its implicit Darwinian evolutionary assumption. In the following, we highlight some concepts and theory fragments with special relevance for event failure.

Competition and natural selection are concepts in organizational ecology *vis-à-vis* mortality in a population. Organizations compete for finite resources and the ones that are not suited to their environment die at higher rate. Regarding events, competition may concern seeking the same audience, sponsors, grants, suppliers, and/or other inputs. Competition is then a mechanism for winnowing the weakest event organizations. Competition in the form of predation is killing others in order to survive. Predation among events has previously not been reported (Getz and Andersson, 2016), but could exist if, "one event deliberately [is] seeking to steal the resources or target markets of another" (p. 14). Competition is, however, not solely a source of failure because it could result in innovation, quality improvements, and market differentiation. Occupying a niche should provide competitive advantage.

The theory fragment density dependence (Hannan and Freeman, 1977) means that the rates of birth and mortality are dependent on the number of organizations (density) in the area. As density increases, the two mechanisms of legitimation (i.e. the assumption of the creation of new music festivals) and competition are likely to increase. These two mechanisms are opposing forces, but competition is generally stronger at higher densities. From this, Getz and Andersson (2008) suggested a hypothetical inverted U-shaped curve of the founding rate in the festival population within a given environment. Their model was also added to Butler's (1980) notion of critical limits to growth, and was illustrated as a zone in which density is highest and competition is most intense. In this zone, there is thought to be more failures and fewer start-ups. Getz and Andersson (2008) also discussed the potential of temporal extension of the inverted U-shaped curve. If festival resources were deliberately increased (e.g. with more grant money) or competition decreased (through collaboration), this might allow for a larger festival population.

Another theory fragment, age dependence (Hannan, 1998) includes patterns found for risk of mortality related to age. These patterns contradict each other, which makes age a difficult variable. According to liability of newness, the risk of failure falls with age, exemplified by how new events often struggle to attract resources and attention. According to liabilities of aging, the risk of failure increases with age. This could be due to senescence, meaning internal inefficiencies. For an aging event organization, the risk of failure might be related to complacency or a conservative culture that resists adaption or cannot compromise when needed (Andersson *et al.*, 2013). As periodic events age, there is also a risk of

competitive obsolescence, meaning a growing external mismatch with the environment. The latter is linked to the concept of selective replacement, that is, young organizations that find a more effective and efficient way could conceivably replace older, less adaptable ones (Hannan and Freeman, 1989).

Another reason for failure might be organizations' structural inertia (Hannan and Freeman, 1984). This theory fragment holds that organizations' need for reliability and accountability leads to a resistance to change. Structural inertia could emerge for several reasons, for example, related to an organizational culture that holds on to its founder's vision (Schein, 1983). Although structural inertia has not been studied in event research, possible causes could be overspecialization (i.e. alternative resources are limited), not incorporating evaluation and organizational learning, or political or legal issues (Getz, 2002).

Case, data, and method

The case of the Peace & Love festival

The Peace & Love festival was established in 1999 as a movement to offset the violence that had escalated during the 1990s in the local area of Borlänge, a mid-sized town of approximately 41,000 people located some 180 kilometers northwest of Stockholm. In 2006, the festival had approximately 30,000 visitors and continued to grow; approximately 50,000 tickets were sold in 2011 and 2012. More than 6,000 volunteers were required to run the festival, including staff, artists, vendors, and others; the total number of individuals visiting Borlänge during the festival week was estimated to be more than 60,000.

Figure 1 shows the development of the number of festival visitors. Numbers were initially small, driven by festival enthusiasts. The first sign of potential for growth was after five years, when the 10,000-visitor barrier was broken. The number of visitors subsequently more than doubled in three years; by its tenth anniversary, 25,000 people visited the festival. The second stage of growth then occurred with a sharp increase in visitor numbers in the following year, when visitor numbers doubled to 50,000 in 2011. In May 28, 2013, the festival management declared bankruptcy and the 2013 festival was canceled.

Previous studies on visitors' perception of the festival confirmed the developmental trend, with 61 percent of survey respondents having recently visited the festival for the first time (55 percent in 2010) (Heldt and Olofsson, 2011). Of further note was that the number of visitors coming from outside a 100 km radius was 65 percent in 2011, with slightly lower estimates in 2010 (Heldt and Olofsson, 2011). Concerning motives for visiting the festival, the studies found that the perception that hanging out with friends and meeting new friends were important reasons.

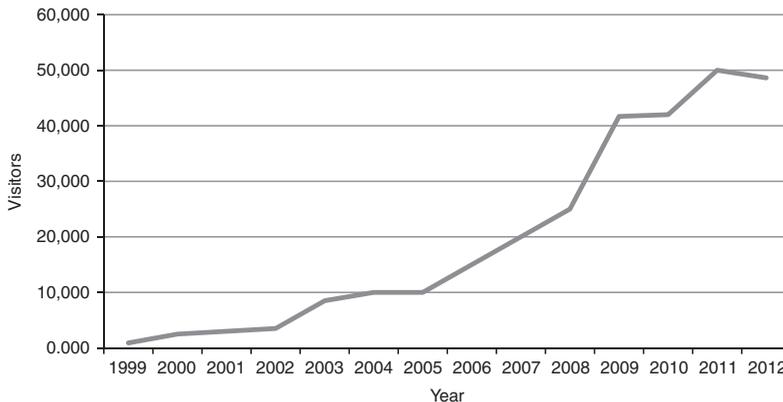


Figure 1.
Visitors to the Peace
& Love festival
between 1999 and
2012

Data

The interview data were collected using semi-structured interviews starting with the key question “Why wasn’t Peace & Love festival 2013 arranged?”. The purpose was to get the interviewees own view on the explanations to why the Peace & Love festival was canceled. Interviews were carried out six months after the canceled festival with four key members of the management: the owner, the former CEO, the chief of personnel, and the chief of sales and sponsoring. The interviews lasted 1-1.5 hours.

The secondary data describing the Swedish festival market draw heavily on Johansson (2013) and are complemented by insights from Andersson and Getz (2009) and Musiksverige (2014).

The data representing the festival visitors’ perspectives are drawn from Peace & Love’s Facebook page (www.facebook.com/PEACEANDLOVE.SE) and from the online message board Flashback Forum and specific thread Peace & Love 2013 (www.flashback.org/t1906815).

Method

The interviews were analyzed using content analysis (Krippendorff, 1980). Each interview’s textual units (i.e. the constellation of words or statements that relate to the same central meaning) referring to bankruptcy and the cancelation were coded and summarized in a spreadsheet. Categories were created that responded to the main research question. The tentative categories were discussed by two researchers and revised, which resulted in agreement of five categories and 56 sub-categories. The final results mainly highlight the sub-categories shared by several respondents or sub-categories that were given a greater weight by some particular respondent.

The social media used for gathering data were chosen using the following criteria: relevance, interactivity, substance, heterogeneity, and data-richness (cf. Kozinets, 2010, p. 89). In other words, these websites were identified as the most relevant internet forums where festival-goers extensively discussed Peace & Love and its closure. Other sites that included similar discussions (such as fragbite.se and aftonbladet.se) were also pertinent, but were not chosen, as they were less substantial and data-rich.

Peace & Love’s Facebook page was available to the public and the data collected were the comments posted by users attached to the festival’s status updates from October 23, 2012 (first band release) to June 5, 2013 (last status update concerning Peace & Love 2013). The total number of captured comments was 3,214; comments were saved as Microsoft Word files.

The Flashback Forum is currently Sweden’s largest public and anonymous online message board, with about 930,000 members in December 2014, who had posted approximately 48.6 million messages. The thread Peace & Love 2013 had a total of 1,251 posts/messages when the discussion ended in November 2013. Those posts/messages were collected and saved as PDF files.

The social media data were analyzed using an analytical coding-based method (Kozinets, 2010). The initial analysis focused on the comments and posts/messages posted after the festival declared bankruptcy. The data were manually coded and categorized according to the question of why did not Peace & Love sell more tickets. Quotes were also recorded that were considered representative of a particular category. Then the focus shifted to the data posted before bankruptcy, and a number of questions were created based on the content of the data and its relevance to the main research question. Those questions were: What were the reasons for the decreased interest in the Peace & Love festival? What were the reasons for not buying tickets to the festival? How was a potential bankruptcy discussed? Why did forum members choose the Bråvalla festival instead of the Peace & Love festival? Why were not Peace & Love headliners attractive? The results were coded and categorized, and sub-discussions were condensed and compiled in chronological order to identify patterns, similarities and differences.

In order to protect the identities of the persons whose posts/messages we collected, no names or online pseudonyms were recorded. Quotes used in the results section were translated from Swedish to English, which means entering these quotes into a search engine will not lead to a specific web link.

Creswell (2007) recommend the use of at least two validation strategies to document the accuracy of studies. The strategies used in this research was triangulation (the use of different sources) to provide corroborating evidence and rich, thick description (detailed description of the case) to enable readers to determine whether the findings can be transferred to other settings because of shared characteristics.

Results

Festival market industry

The Swedish festival industry has achieved remarkable growth since 2000. The total number of visits to the ten largest Swedish festivals has more than doubled in absolute numbers since the turn of the millennium (see Figure 2). In 2000, the largest festival in Sweden was visited by 25,000 visitors, while to the largest in 2013 was visited by more than 50,000 unique visitors. In 2013, Swedish concerts and festivals had a total turnover of €0.4 billion, and the growth rate was estimated to average 9 percent over the period between 2010 and 2013 (Musiksverige, 2014).

However, structural changes in the festival industry during the last five years have taken place. Several of the ten largest festivals have gone bankrupt and closed. The largest festival in 2005, Hultsfredsfestivalen (with 31,800 visitors) went bankrupt in 2010. Another big festival, Arvikafestivalen, with annual visitation numbers between 15,000 and 20,000, welcomed visitors for the last time in 2010 before also going bankrupt. When Peace & Love announced bankruptcy in 2013, newspaper headlines announcing a death in the Swedish festival industry were seen frequently. However, Johansson (2013) concluded that the term “festival death” seems to be exaggerated, since his study indicated that the number of paying visitors of the largest festivals continues to increase. New festivals have started and replaced those that were shut down.

There has also been a shift in the organizational form or ownership of festivals. All three festivals mentioned above – Hultsfred, Arvika, and Peace & Love – started as associations with non-profit, idealistic motives. From the mid-2000s, new entrants to the Swedish festival industry were seen, as well as international music companies such as Live Nation and FKP Scorpio. The festival market can be described as becoming more professional, and

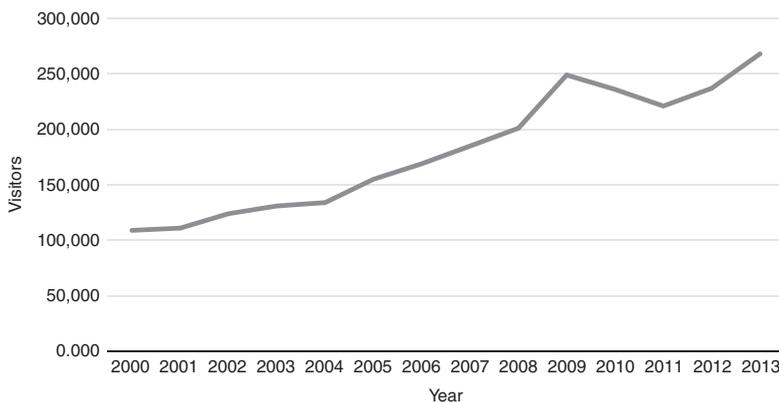


Figure 2.
Visitors to the ten largest commercial festivals in Sweden, 2000-2013

Source: Johansson (2013)

competition has indeed increased. Additionally, given that Live Nation is the main company promoting artists to independent festivals, the issue of market power becomes evident. The likely impact of this shift is supported by Andersson and Getz's (2009) study of private, public, and not-for-profit festivals, which showed that different organizational forms and ownership have an effect on economic measures that are important for long-term economic viability, such as revenue sources, cost structure, and corporate sponsorship.

In sum, the structural shift in the Swedish festival market has gone from idealism to professionalism. The increase in market competition during the last decade comes not only from an increase in number of festivals, but also from the shift in ownership, with international music companies entering the festival scene.

Festival managers

Based on the content analysis of the interviews, the explanations for the festival's bankruptcy in 2013 (according to the festival managers) could be sorted into five categories: 2012 breakpoint, economy, organization, product, and competition.

2012 breakpoint. All respondents agreed that the 2013 bankruptcy was affected by incidents and processes that took place in previous years. In particular, they pointed to the 2012 festival as a distinct factor for the outcome in 2013. One specifically claimed that, "it was at that time it fell" (Resp. 3). The 2012 festival resulted in a serious deficit, which was a result of higher costs for artists, production, administration, and side projects, while the number of visitors – and consequentially, revenues – declined compared to the previous year. According to respondents, the situation was related to the way the top management was changed for the festival during 2011-2012. After a successful festival in 2011, the new top management believed that the festival in 2012 would once again grow in number of visitors, as it had happened every year. The budget was set for a break-even of 55,000 visitors, but only 48,000 visitors attended. After the 2012 festival, the organization found itself in a crisis, with a deficit of €1.4 million. Thanks to the suppliers deferring their debts and the municipality contributing with a cooperation agreement, the organization could start planning the 2013 festival. However, there were still debts to pay through an installment plan.

Economy. The 2012 deficit was a major contributor to the 2013 bankruptcy. During the Spring of 2013, when the festival sold fewer tickets than expected, liquidity was so bad that the organization could not keep to their payment plan, which then forced them to go into bankruptcy. Respondents mentioned three reasons for the economic collapse: first, the traditional business model within the festival industry, in which high costs are paid and income is received during a very short time. This makes the organizers financially vulnerable, especially if the festival unexpectedly loses visitors and therefore ticket revenues. Second, the organization never saved surpluses from previous festivals. Peace & Love started as a non-profit organization, and was developed to be a business, but never had a profit intention. The surplus generated over the years was used to "do good things"; that is, to start their own charitable organization, create sister festivals in Chile and Cuba, produce a magazine, run a cafe, start an artists' agency, and more; these activities intended to spread a message of diversity, solidarity, and understanding. Third, the organization suffered from a lack of financial control. This was particularly evident in 2012, when the artist budget increased substantially despite uncertainty regarding revenue. Other administrative expenses also increased when the new CEO wanted to professionalize the organization.

Organization. Changes that occurred in top management prior to the festival in 2012 were discussed by all respondents as an explanation for its failure in 2013. The previous manager quit, and a CEO was appointed in autumn of 2011. The chairman moved away from Borlänge and became more distant from the operations. Additionally, the founder of

the festival (and the sole owner of the company) became occupied with other projects. The new CEO was trying to professionalize the organization and implemented total restructuring of the business (festival and other projects). One change was that the flat organizational form disappeared, and was replaced by a more hierarchical structure. Respondents indicated that there was a distance between the staff and the new top management. One description of the new CEO's leadership style was: "[...] he sat furthest away, behind a closed door, was only in the office two days a week. It was a bit of a shock [...]" (Resp. 3). Another respondent liked this restructuring, but noticed that a conflict arose between the CEO and the founder/owner. Another one argued that the changes in leadership positions before 2012 damaged the organization in terms of closeness, feeling, and responsibility, which contributed to the deficit in 2012 and the subsequent bankruptcy. The newly appointed CEO quit after the 2012 festival. The festival functioned organizationally better during the planning for the 2013 edition (including a new, appreciated festival director), but could not avoid bankruptcy.

Peace & Love peaked in 2011, and then stagnated in 2012. One respondent argued that the simple explanation for the bankruptcy was that the festival reached the top and did not know how to proceed; there was an uncertainty that can be understood by the lack of an explicit vision and goals. Over the years, there were several attempts to agree on a common vision, but the work was never completed. The organization also lacked a functioning board that could provide guidance. An opinion raised during interviews was that a good structure for implementing the top managers' interests was lacking. This also had to do with the perceived problems regarding the ownership structure of the festival and other projects. The one who had the most power (the founder/owner) and who should have focused on the major issues was sometimes engaged in personnel details, and he also carried out some projects with the lack of support among employees. Although the owner was a popular enthusiast and entrepreneur, it was sometimes difficult for the personnel to manage the position of power he held.

One respondent believes that problems emerged as the festival and other projects grew at all levels, including financially; that this was an ideological organization with people who had problems when the economy became extreme. There were several cases of staff fatigue over the years, and the organization was not ensuring their employees' needs. At the same time, there was a sense of satiety. The respondent believes that the way the organization worked became too static, too much "copy and paste"; that the energy and spirit relented – something the respondent argued was devastating for such an ideological organization.

Product. One respondent believes that an explanation for the declining interest in the 2013 festival was that it would be conducted within a smaller budget, without lowering the price to the visitors. Another respondent discussed whether they should have focused more on the festival campsite. The organization had data from previous years showing that the 30,000 camping guests spent 80 percent of their time at the campsite; nonetheless, the campsite was never prioritized. At the same time, Peace & Love wanted to be innovative and did considerable renewal work. One respondent wondered if this was counterproductive at times, since it took so much time from other things, such as discussing goals and strategy.

The respondents also argued that the festival audience was not loyal, quickly turning its attention to other options. They also believe that there was some uncertainty among Peace & Love visitors, who were waiting to buy tickets just in case the festival would be canceled; this was probably because of the negative publicity that had been circulating after the previous festival.

Competition. According to respondents, a very important factor for the bankruptcy in 2013 was the competition from Brävalla festival, held outside Norrköping and organized by the German company FKP Scorpio; one respondent believes that this was the most

important factor. Bråvalla, which had a similar concept and took place during the same weekend, took not only visitors from Peace & Love, but also artists and bands due to its greater financial muscle. According to one respondent, Bråvalla's management asked the Peace & Love organizers to change the weekend of the festival, but they were too proud to do so. Another respondent believes that not changing the dates was a tactical failure. Another respondent did not think that Bråvalla was the determining factor, but that the situation generated internal stress at Peace & Love.

Festival visitors

Why Peace & Love failed according to festival visitors. There was a massive response when the Peace & Love management communicated the bankruptcy and the cancellation of the festival on their Facebook page. The three status updates concerning the cancellation (May 28 and 29, and June 5) received 981 comments from ticket holders, people who had planned on buying tickets, people who had not planned to visit the festival, and others. Out of these comments, there were 147 expressing ideas and beliefs about why the festival had not sold more tickets. More than half of the commentators (80 comments) explained the poor sales by saying that many chose to visit Bråvalla (see Table I). For example, one person wrote: "Probably because Bråvalla will be the same date and have much greater artists and bands than the P&L has booked so far." Other explanations discussed were that the line-up of artists and bands was not sufficiently attractive[1], that people had chosen other festivals (besides Bråvalla), that tickets were too expensive, or that Peace & Love had become too big.

By analyzing the comments posted on www.facebook.com/PEACEANDLOVE.SE before the cancellation was announced, we can also gain an insight into why potential visitors did not buy tickets. The status updates posted from October 23 (first band release) to May 27 (the day before cancellation) received 2,233 comments. Out of these, 68 commentators directly explained why they were not going to buy a ticket to the Peace & Love festival. Half of those said they would visit Bråvalla instead, and one-third complained that the artists were not attractive enough. Among the other comments, some said they did not want to buy tickets due to concerns about a potential cancellation of the festival.

The 2013 Peace & Love festival and its bankruptcy were vastly discussed on the Flashback Forum. The thread/topic Peace & Love 2013 received 1,251 posts/messages in total (the first on July 2, 2012, and the last on November 4, 2013). The forum members who contributed to the conversation can be understood as people with a special interest in Swedish music festivals in general, and in the Peace & Love festival in particular. The bankruptcy did not come as a shock to those forum members; in fact, it was predicted. The first post that raised the question about a potential bankruptcy is dated August 6, 2012 (11 months before the planned festival). This first post was followed by 34 more (from September to May) that discussed the risk of festival cancellation and organizer bankruptcy. Some posts consisted of direct recommendations not to buy tickets, because money could be hard to get back after a bankruptcy. This specific discussion caused some festival-goers not to buy tickets. For example, one forum member

Table I.
Comments and posts on the Peace & Love Facebook page and Flashback Forum – Peace & Love 2013 after the declaration of bankruptcy

Explanations on Facebook	Number of comments	Explanations on Flashback Forum	Number of posts
People chose Bråvalla festival	80	People chose Bråvalla festival	17
Line-up not attractive enough	23	Line-up not attractive enough	16
People chose other festivals	13	Too strict rules	15
Tickets too expensive	9	Concerns for festival cancellation	13
Festival is too big	9	Too many young visitors	11
Other	13	Other	23
Total	147		95

wrote on May 30: “I really didn’t believe him [other forum member, A/N] when he showed his calculation, I questioned it. But it got me to start thinking anyway, and I showed my buddies. It ended up that we didn’t buy any tickets.”

The actual cancellation of the Peace & Love festival was also greatly discussed on Flashback Forum after bankruptcy. Forum members wrote 349 posts between May 28 and June 5. Of these, 95 posts contained ideas, elaborations, and explanations of why the festival did not sell more tickets. Although the Brävalla festival was most frequently identified as the main reason (17 posts), followed by an insufficiently interesting line-up (16 posts), the picture somewhat differs from the comments found on Facebook (see Table I). According to forum members, too-harsh visitor rules was another reason why some avoided the festival (15 posts). These members felt that the many pat-downs at the entrances were excessive (which also created hour-long lines). A general concern for the potential cancellation of the festival was mentioned in 13 posts as the reason for poor ticket sales. Some members (11 posts) argued some of the older visitors (who lived at the camp) had become tired of the festival because there were too many young visitors behaving immaturely.

The reasons for the decreased interest in Peace & Love. The Flashback Forum members had experienced a decreased interest in the Peace & Love festival, and discussed this with each other. Such discussion occurs in 23 posts (August-May). Forum members believed that the strong interest in the Brävalla festival was at the expense of a decreased interest in Peace & Love, and talked about a knock-on effect, where people did what everyone else was doing. The mass had turned from the Peace & Love festival, attracting more people to Brävalla. Forum members argued that this was not surprising, as they perceived many visitors to the Peace & Love festival to be disloyal, especially young visitors who quickly switch to another festival when a cooler option appears. They also talked about a general desire to experience something new; that is, even those who had been loyal to Peace & Love started to look around for other festivals in Sweden and abroad.

Why did the Peace & Love festival fail?

In this study, we find that three distinct parts/factors can explain why the Peace & Love festival failed. These three parts are discussed below in order to shed some light over the festival’s failure.

An organization in a vulnerable position. Though Peace & Love’s history of development from 1999 to 2013 resembles a typical life cycle curve, with periods of development, growth, maturity, and decline, it is particular to a non-profit organization, with idealistic visions of going through a gradual transformation into an increasingly professional organization with no intentions of becoming (overly) commercial. At the festival’s 2011 peak, two serious shortcomings can be identified in the company/organization that hampered further development. The first shortcoming was that the company had not displayed sound financial practice by building up a financial buffer for when the peak year had passed, and the growth in visitor numbers turned into a decline. Although thinking economically was not in the nature of the organization, the consequences proved to be devastating. The second shortcoming was that the festival had not completed the work on vision, goals, and strategy for the organization, resulting in a lack of instruments to move forward in the coming period of stagnation. As a result, 2012 became a fateful year. The board believed that the CEO appointment was the next step, but the recruitment created turbulence in the organization. Consequently, organizers were forced to plan a smaller festival for 2013, which turned out not to be competitive when a new, strong competitor appeared.

New, strong competitor. The choice of the Brävalla festival to book the same weekend and to target the same kind of audience contributed to the failure of Peace & Love. It was not surprising that a new festival appeared, nor that it was produced by a major international

company with clear commercial interests since the Swedish festival industry has been growing for several years. What made Bråvalla strong was that it was owned by the largest festival organizer in Europe (FKP Scorpio), who had the financial muscle and confidence right from the first year to establish a large festival that would survive tough competition.

Uncertain visitors searching for the new place to be. When Bråvalla was launched as Sweden's new big music festival, many potential Peace & Love visitors were faced with a choice. Many chose Bråvalla because it was perceived as having better artists. Moreover, Bråvalla was a new, big, and exciting festival, with a growing hype around it and when people attracted people, Bråvalla was the new place to be. Visitor uncertainty was manifested by a change in visitors' purchasing behavior: they did not buy tickets in the way that could be estimated from previous years. The widespread knowledge that the Peace & Love Company had a backlog of economic problems (via newspaper articles and several viral posts) as well as a history of similar festivals in Sweden going bankrupt were two factors that contributed to this uncertainty.

Discussion

Understanding the failure from an organizational ecology perspective

The failure was partly a consequence of density dependence and the number of large music festivals in Sweden. The density has increased in Sweden during the last years, as have legitimation (the creation of the Bråvalla festival) and competition (several examples of festival failure). The hypothetical inverted U-shaped curve of the founding rate in the festival population suggested by Getz and Andersson (2008) may be a relevant illustration of the Swedish festival industry. There is probably a zone of critical growth limits that the music festival population in Sweden may have entered, including the existence of more festival failures.

The case can be interpreted as death by natural selection. It seems that the current environment (Swedish festival market) is disadvantageous for festivals with idealistic motives and limited commercial interests. The environment itself can be described as a free market with few regulations. The studied case and the shift in the national industry show some evidence that this type of festival fails more than others. A related reason was how the festival failed to occupy a unique niche within the crowded event calendar. According to the festival visitors, the Peace & Love festival was considered similar to the Bråvalla festival (and other music festivals). For hallmark events to not target niche markets can be a strategic mistake (Getz *et al.*, 2012).

The failure was also caused by the direct competition from the Bråvalla festival. The two festivals competed for finite resources (supply of artist and similar audience) and Bråvalla was better suited to the environment (financial muscles, new, more attractive program). What is remarkable is that the behavior of Bråvalla (booking the same weekend) resembled competition in the form of predation, deliberately stealing the resources and target market of Peace & Love (cf. Getz and Andersson, 2016).

According to age dependence, the failure can also be explained by its relative aging organization. Signs of senescence (satiety, lost energy, and spirit) and obsolescence (visitors' decreased interest) might explain its vulnerability when competition increased. The inability to change and adapt (e.g. financial practice or changing festival dates) could also be explained by structural inertia. The organization did not adequately adapt to changes in the environment, there were few signs of learning, and the culture was much influenced by the founder's vision. The failure of the Peace & Love festival and the entry of the Bråvalla festival (the largest festival in Sweden during its first year) can thus be interpreted as the selective replacement of organizations.

How the results relate to previous findings

The results differ from the findings provided by Getz (2002) and Kinnunen and Haahti (2015). The five most likely sources of festival failure in the North American context

do not apply to the studied case. Competition was, however, an important factor in Getz' study (although not in the top five) and was also reported in Carlsen *et al.* (2010) as a reason for festival failure in northern Norway. Furthermore, some of the factors that might cause festival failure in the Finnish context are not consistent with our findings. Kinnunen and Haahti (2015) found demonstrated commercialism to be problematic, but when people chose Brävalla instead of Peace and Love, it should have been obvious that this was the more commercialized festival. The findings in our study are in line with previous studies by Parent and Séguin (2007), who identified that no single factor explained the failure of their case; rather, failure was the result of a combination of factors.

Implications for event organizations and host cities of hallmark events

Three specific implications are proposed for tourism organizations and hallmark event host cities. The first is that the event should be embedded in the host city. This could be done by integrating a degree of public ownership and control. Regardless of the structure for ownership and risk-taking, hallmark events should consider shared responsibilities between commercial, voluntary, and public stakeholders (e.g. through seats on the boards of directors). Setting up a monitoring and advisory group could assure full accountability to stakeholders, especially regarding the business model, financial control, and risk assessment.

The second implication is that evaluation of the event's attractiveness should be prioritized. The success of a hallmark event depends on its function as an attraction, that is, being a unique and quality experience for tourists as well as for residents. Regardless of chosen method and technique for evaluation (survey, focus group, social media analysis, etc.), decisions must be made for the results to be useful.

The third implication is that the event organization and its stakeholders should ensure their ability to adapt to changing conditions. This could be done by encouraging and rewarding innovation and creativity in all aspects of event design and management, and introducing new members in the organization to keep energy and spirit alive. Engaging in a network of similar events should help monitoring and forecasting trends and influencing factors.

Conclusion

The purpose of the present study was to identify and discuss the factors leading to the failure of Peace & Love 2013. The case of the Peace & Love festival was analyzed using three data sources: interviews with former members of the festival organization, secondary data describing the Swedish festival industry, and an analysis of festival visitors' comments on social media. The results indicate that failure can be understood as a combination of three components: an organization in a vulnerable position, a strong new competitor entering the marketplace, and uncertain visitors searching for the new place to be.

Using organizational ecology as a theoretical lens illuminated the conditions under which Peace & Love festival failed. Theory fragments and concepts such as density dependence, age dependence, structural inertia, and selective replacement were used to assess the failure.

Future research directions

Although research on event failure is a priority within the field of festival studies, at this point it is difficult to see specific patterns or to make comparative conclusions, since research on the subject is very limited. There is an obvious need for more studies that tackle the question of why events fail and what actions can be taken to prevent such incidents. One particular issue of importance is to study alternative funding models for events. Crowdfunding techniques have been proposed as methods to reduce

the financial risks associated with uncertainty in ticket sales, but do they work for hallmark events? Another potential issue is to focus on festivals that have changed from non-profit organizations into bigger festival companies. What is the best way to weather such a transformation?

Note

1. The headliners of Peace & Love 2013 were supposed to be Depeche Mode, Queens of the Stone Age, and Pet Shop Boys.

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