

***Economic Impact*****Situation:**

The COUNTRY FEST music festival has taken place every Labor Day weekend since 1985 in Peabody, Missouri. It began as a one day event, with a different country or bluegrass music act playing every hour and a half from 9 AM until 10 PM. In 1995 it was expanded to a two day event. Originally all-day admission was \$ 20, and by 2009 it was up to \$100 for two days or \$70 for one day. Currently there are over 50 different food vendors and craft and souvenir stands along with side activities for children like a petting zoo and clowns. There are even 10 corporate sponsors.

Peabody is a town of 12,000 in central Missouri, and the event takes place on the county fairgrounds. There is ample parking (at \$5 per car) and easy access via county roads and a nearby interstate. There are five gas stations, 4 motels, 1 luxury hotel and 7 fast food restaurants within three miles of the fairground, and the facilities at the grounds include plenty of restrooms and shaded areas.

With an unemployment rate of 18% in the 300 miles surrounding Peabody, and a feeling that the prices for entertainment are too high, attendance has slipped and sponsors have slowly scaled back their involvement levels. The founder and owner of the festival is considering moving the event to a new city and has asked your team to come up with a new plan.

Instructions:

The festival founder has asked that you provide the festival with fresh ideas, be totally willing to scrap the existing festival and design a new one, or make necessary adjustments to put the festival on track for success. If that is not economically feasible, the event will need to move to a new home in a new city. The owner stipulates that the one thing that must remain the same is the focus on country music. You are to consider: times, prices, activities, sponsors, and vendors. Also, assess your target market and their needs. Is the theme and goal of the festival appropriate to the market you are trying to reach? How will current economic conditions affect your plan- and how do you adapt to it? Can you sell the area government, public and local business on the economic impact the event has on the area and the implications on the local economy if it left for greener pastures in a new community?

Your team will present your plan to the owner (judge), spelling out your ideas to make this festival a success. You will have 30 minutes to prepare, and 15 minutes to present your ideas to the judge.

Student Benchmarks:

- 1) Determine impact of economic conditions on business
- 2) Coordinate activities of business in relation to economy
- 3) Select target markets.
- 4) Determine event features and benefits.
- 5) Set ticket/event prices.
- 6) Explain how event prices, promotion, and productions adapt to economy.
- 7) Demonstrate appropriate creativity.