

Success Measures for Micro-Business Entrepreneurial Attendees at Significant Events: Two Case Studies from the World's Largest Music Industry Event

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Abstract

The academic and popular business literature has much to say about 'success' and what a good thing it is to pursue. In more recent times there has been increasing attention to performance measures, KPI's, and both financial and marketing metrics. Much of this, however, has been focussed on medium to very large trading companies and public sector entities who must increasingly justify themselves in an atmosphere of growing economic rationalism. There is much less known about entrepreneurial micro-business "success", especially when it is connected to participation in a special Event where objectives are more in terms of initial exposure, credibility, promotion, distribution and networking rather than an immediate trading opportunity that can be measured fairly well in the accounts.

This paper will discuss this context using a case study approach that looks at the involvement of 2 artists, Shane Nicholson and 'End of Fashion', both managed by "OneLouder Management", in the South by South West Music Festival and Conference in Austin, Texas, the world's largest music industry event. The paper looks at what literature there is on the main performance and success metrics and the main factors that have been associated with success/failure, and then comments on these in relation to the objectives that were set by the artists' managers for the event as well as any measures of possible success that they had identified. The paper also examines the specific criteria more closely aligned to entrepreneurial efforts to enhance the careers of creative artists in an international event environment. Here the paper attempts to integrate some of the literature on 'success' in international new product/service launches, in celebrity marketing, and in event involvement. The 2 cases suggest that, rather than being dwarfed and rendered insignificant, a micro-business can achieve most of their objectives and considerable success in attending a large event provided they set realistic but challenging goals, give meticulous attention to detail, give as much attention to pre- and post-Event work as the event itself, and utilise the fundamentals of both small business management and celebrity marketing, both within the micro-business' particular industry but also the general principles available in the literature.

Introduction

“Success” and “failure” permeate the vernacular and mythology of most societies, though to varying degrees [Hofstede 1980, McClelland 1961], and thus the metrics used are often culture specific. This paper considers this important topic within an Australian and western capitalism bias. The attention given to success is nowhere more intense outside sport and politics than in business and entrepreneurial ventures. Whether there is a single scorecard orientation, usually focused around measures of shareholder success such as ROI, ROE, ROA, Dividend Yield, PE Ratios and so on [Friedman, 1962] or the so called Balanced Scorecard [Missouri Business Development Centers (MSBDC), 2005], we still observe differences of opinion about what constitutes ‘success’ as probably the most common theme. In recent times there has been increasing attention given to performance measures, KPI’s, and both financial and marketing metrics [AMI, 2004, Harris et al, 2001]. Most of this is, however, focused on medium to very large trading companies and public sector entities. There is much less known about entrepreneurial micro-business ‘success’, especially when that business is in intellectual property and creative arts services and also when it is connected to participation in a special event where objectives are more in terms of initial exposure, credibility, promotion, distribution and networking than an immediate trading opportunity that can be measured fairly well in the accounts.

Yet there must be innumerable small businesses across the globe grappling with what entrepreneurial success means [and should mean] to them generally, and when participating in a special industry event in particular. This becomes even more intriguing when one includes the complexity of motivations, expectations, and personal objectives of the artists, and the manager, irrespective of their business goals. One can add to this the extra, not inconsequential, matter of the relationship between the artists and the managers both before and during the event. Anecdotal and empirical evidence from entrepreneurs after event involvement has been elusive in a search of the literature, and thus suggests a gap that needs to be filled. The literature on event evaluation appears to be almost exclusively focused on the evaluation of the event from the organiser’s perspective, with only passing comment that the event’s main customers – the attendees – should be satisfied. (Note that, in this paper, while an ‘attendee’ might often be just as much a ‘fan’ or ‘punter’ in the sense of being there for the enjoyment of the event, the emphasis here is on the entrepreneurial music business itself). This also suggests this gap in our knowledge, and it is the intention of this paper to help fill it.

Methodology

The methodology chosen for this paper is a combination of desk research and case study research. The former involved a search for any literature specifically on the identification and assessment of entrepreneurial objectives and success by attendees at special events, and of any other information generally on strategic success and performance metrics of agreed success. The case study research involved in-depth interviews with the management (OneLouder Management) of two Australian acts, Shane Nicholson (an acoustic-country solo artist) and ‘End of Fashion’ (a rock band) and their participation in the 2004 South by South West International Music Industry Conference in Austin, Texas [in the case of the first artist, the analysis covers participation in both 2003 and 2004].

'South by SouthWest' [SxSW] is the largest music industry event in the world, seeing as it has over 10,000 global attendees and over 1,000 showcasing artists performing around the clock in over 50 official venues over 5 days and from most territories (not counting the many unofficial bands and buskers), and is focused mainly on discovering, launching and developing music acts of all genres in North America [by far the largest consumers of musical products and services]. This is a challenging environment for any micro-business, especially as the music industry is dominated by extremely powerful recording and media companies on the one hand, and an enormous array of strongly competing individuals on the other in terms of getting "signed".

The approach taken by this paper is to organise the paper around a good range of success/failure contributions in the general literature [seeing as the specific literature on the evaluation of success of the event by the entrepreneur is not well developed at all], and then to discuss the two case studies within that framework. This approach is more logical for an academic paper, as the objective is not to try and assess the managers of the acts but rather to see where and how their assessment of success at the event supports or exposes weaknesses in the literature we do have.

Event Evaluation

Event evaluation is focused, quite naturally, on the perspective of the organisers and sponsors [Allen, O'Toole, Harris and McDonnell 2005, Der Vartanian 1997] and/or the community [Allen et al 2005, Harris, Jago, Allen and Huyskens 2001, Dwyer and Forsyth 2004, Carlsen 2004, Der Vartanian 1997] seeing as they are the ones with most at stake. Few, if any, entrepreneurial attendees will ever be financially or artistically 'destroyed' or 'crippled' by any one event, and therefore their need for advanced knowledge is not as urgent. After all, most artists and their managers who have been disappointed with an event will 'shrug their shoulders' and 'put it down to experience'. Of some relevance to the present paper is the evidence cited by all the above experts that many events do not live up to the expectations made about them, do not deliver the economic benefits claimed, and that 'evidence' of success is too often uncritically allowed and accepted. This could logically mean that if events may not be as successful as they are alleged to be for the organisers, sponsors and communities, then this could well flow on to both less success for entrepreneurial attendees and also perhaps an equivalent overstating of success by these attendees too.

SxSW and the state of the Music Industry

It has been stated earlier that SxSW is the largest music industry event of its type. It would be expected that this combination of sheer numbers in the most lucrative and competitive world markets would mean an intensity of competition that is probably unrivalled anywhere else in the industry (with the possible exception of the 'Midem' event in Europe). In turn, when one bears in mind that the music industry has been showing significant declines in total sales over the last few years and that when this is added to the recent rash of mergers between and within the major record labels and their major pruning of their artist rosters, this would indicate that there is probably a decline in

interest in signing new acts at SxSW. The combination of all these forces cannot create an environment conducive to 'success' for any particular 'hopeful' on the laws of probability. Thus we must expect fewer signs of entrepreneurial success at such events, and the actual measures of success might well be more subdued [as well as the objectives and expectations of the attendees too, of course].

At the same time it should be noted that SxSW attendance figures have increased over its almost 20 years of operation [SxSW website]. This could mean that attendees have "voted with their feet and wallets" by continually coming back [presumably because they may well have perceived having had some 'success'], but it could also be that either individuals came back because 'success' had eluded them so far yet they did not want to give up on their investment in the event, or it could be that there is also a high turnover and replacement of attendees as some or many of the previous aspirants exit in disappointment while the hopefuls are greater in number. The event's website does not give any statistics in this regard. Certainly we do know that the supply and demand dynamics of SxSW would be tight for any one attendee and that any 'success' however small would be a significant achievement and hard won.

Performance Measures in the context of micro-businesses and small-to-medium enterprises [SME's]

Philips, Tan Tsu Wee and Shanka [2003, p2455] report that "there has been considerable attention paid to the adaptation [of the balanced scorecard and other similar integrative performance measurement systems] to large corporations and government organizations around the world". They (as well as Hudson et al [2001] elsewhere) go on to emphasise that "the unique characteristics of SME's suggest that a different set of issues arise when attempting to develop and implement performance measurement systems in this context". The Missouri Small Business Development Centers [2005] disagree about the suitability of a balanced scorecard approach for only large entities and actually recommend it to SME's. Here they urge SME's to focus only on the key value drivers in the 4 areas of finance, customers, internal effectiveness of their operations, and the learning that supports innovation, change and growth. While the artist managers made no reference to using any formal balanced scorecard, it was clear that they were not only interested in financial profits. For example, deals of various sorts that would lead to vital financial returns were targeted, but also the building of ongoing relationships with customers and industry partners was just as important in their plans. They also expressed clear objectives to fine-tune their internal operations with regard to dealing with the US market, and also to learn more 'export marketing' skills in the process. So in this sense, they were in fact applying an elementary balanced scorecard approach. Perhaps the artist managers in this case study, and others who participate in significant events could gain more insights if they were to use the balance scorecard more extensively.

When asked to compare measures of success for small business as opposed to large business, consultant Gail Blanke answered that "major corporations measure their success in terms of shareholder value, which is appropriate. Small businesses measure their success in terms of identifying a unique selling proposition. A lot of small business

owners want to make a difference too.... And they're driven by passion". [Byron 2004, p R10]. This observation was clearly noticed in the case of OneLouder Management, who strongly emphasized their unique aspect to artist management and their intense passion for their work and their artists' success in those territories agreed upon at, and either side of, SxSW.

In another Special Report on measures of success by the Wall Street Journal [Bounds, 2004, R1], it was reported that a major recurrent measure of entrepreneurial failure is that they just "don't stick with it". This stick-ability measure is also characteristic of the management team in the case study, as evidenced by their astute handling of the information flow over some considerable time between contesting record labels so as to get a superior contract for one of the artists.

Financial Metrics

The literature on micro-business, SME and entrepreneurial success suggests that the most common financial metrics are profit, ROI, new sales, contracts signed, firm sales/contracts verbally agreed to but not yet signed, and any improvements in cash flow and indebtedness of any kind [Phillips, et al 2003]. Due to confidentiality issues of not only the artist managers but also their artists and partners, it was agreed that these would not be divulged. One can say that the artist management company and the artists in this case were very mindful of each of these measures of financial success. In addition, they had done their 'sums' on SxSW involvement, potential royalties, existing cash flows, possible government grants, sponsorship going-rates and other dollar metrics of relevance. This is an area of the academic literature that will be difficult to ever fill in any detail due to the nature of micro business.

Marketing Metrics

Amongst the more common metrics of marketing performance in any situation have been the following:

Profits, sales revenue, market share, new products, customer complaints and returns, customer inquiries, client referrals, service quality, sales employee performance [Phillips et al, 2003]; and the \$ value of a particular customer, customer churn/turnover rate, customer satisfaction ratings, and brand awareness scores [Reibstein, 2004].

In a recent major review of marketing metrics by the Australian Marketing Institute [AMI, 2004, p 2], which involved substantial surveying of CEO's and Marketing Directors, the AMI concluded that the main marketing "metrics should be linked to strategy, and should include as a minimum four key elements: return on marketing investment, customer satisfaction, market share in targeted segments, and brand equity".

They then elaborated on this by identifying the key metrics for best practice used by leading organisations, and thus those listed below are clearly from larger businesses. This study and this author have not been able to find an equivalent listing for SME's, micro-

businesses or entrepreneurial ventures, so some adjustment and reinterpretation of the larger firm findings will be required. In terms of financial marketing metrics they identify sales, profit, and relative share of marketing investment. With regard to brand equity metrics, the main ones are relative brand market penetration; relative brand perception, affinity and familiarity scores; relative brand availability in retail outlets; and relative brand loyalty, churn and retention. As for marketing innovation metrics they list measures of commitment to strategic goals; measures of how innovative the culture is such as the level of a learning organisation and 'a freedom to fail' in experimenting for the customers benefit; and innovation outcome measures such as the number of new initiatives, new products launched and the percentage of total revenues from recent new launches. Finally, there are sales employee-based metrics such as measures of customer empathy and service, the perceived adequacy of resources supporting the sales effort, and so on. These metrics are clearly oriented towards larger, more highly structured businesses, so one can only hypothesise on which could be useful and feasible as measures of entrepreneurial micro-business success. In the case study this level of quantification of marketing performance was not mentioned (though activities within these categories were indirectly alluded to in the interviews), and this is likely in most micro businesses where the cost-benefit to research and do the metrics are unlikely to be worthwhile. Nevertheless, as these small businesses progress in size and sophistication, they ought to consider those metrics that are the most valuable and achievable within their resources.

The Celebrity Marketing Process

Rein et al (1987) point out in their seminal work on celebrity and visibility that "performers achieve stardom not as a result or irrepressible talent or accident, but because of a strategic process...Although they scarcely ever perceive what they are doing as a marketing process...(it) is precisely that: studying a sector's audience, then searching for the right attributes and characteristics to distinguish their clients or themselves from the competition".(p 65)[see also Kotler and Scheff 2000]. They go on: " a claim of luck is also used to mask strategies that successful professionals would rather not discuss"(p 189). In the PWC Consulting Entertainment Division's report on survival in the attention economy (and few would contest that both the US music market and the SxSW event qualify as attention economies), they advise the following strategies; influence is as important as control, connect well with customers (trade and end-users) as free communities, look early for new revenue streams, target strongly with your promotions, make pricing dynamic and flexible, move internationally earlier rather than later, share the investment risk where possible, only deal with technologies and standards that work reliably, learn from other's mistakes, and exploit change as industry operators converge and merge (Berman and McClellan 2002).

In the case study in question, the management were meticulous about this strategic planning and keeping it to themselves; they carefully researched their potential North American and British partners well in advance, and worked out what each would probably request. They carefully positioned their 2 acts as ideal solutions for these potential partners, created some competitive tension, and then managed the 'bidding war' that is the dream of every manager and their artist. Once the partner was selected and the

agreement reached, the management team then wisely had in place a preliminary celebrity marketing plan (though not a written formal Marketing Plan as such) which could be worked on together with the new label and distributors, publicists etc as a team.

In the case of 'End of Fashion', showcase opportunities were pitched for and taken up in the US (SxSW and selected cities) and in Britain, along with eight weeks solid touring (Murphett 2004), so as to move internationally as soon as feasible. "End of Fashion" in fact signed with EMI worldwide prior to SxSW, the fear of other attractive offers being made to the band's managers at this Event proving a key catalyst and incentive for the signing on good terms for the band. This had been part of the pre-event strategic plan. Very importantly, the objective was to get EMI Australia, lots of A & R/ new talent people, music journalists and others excited, in particular so as to get EMI Worldwide to get a strong sense of ownership of the band and the plan for the overseas territories (especially EMI North America in the case of SxSW). With the credibility of the SxSW showcasing and 'buzz' within the US, the plan then involved shows in London to get EMI (UK) and Parlophone as excited and involved. Thus they recorded their first EP and travelled overseas (including SxSW) before doing an Australian tour and debuting a local album, such was the wish to break internationally and quickly (as 'Jet' had done before them). The other major objective was to achieve a good publishing deal worldwide, and so many EMI publishers were invited to their showcase. While this was not achieved, EMI recommendations to their Australian branch were accepted for that territory, and this was clearly leveraged out of their high SxSW profile. An offer was made by one US publisher, and thus new revenue streams in terms of export dollars from overseas publishing are very likely. For 'End of Fashion', the primary objective in the Marketing Plan was "to connect with the trade at SxSW and elsewhere, not the punters (potential fans) necessarily, but next time we'll do more shows" (band manager). Incidentally, the band did apply and get accepted for SxSW 2005, but due to a clash in recording opportunities, shows and bad flight timing, they and their management have put non-SxSW matters ahead in their priorities. One can conclude from this that, despite the past success associated with the SxSW event, the band and their management did not regard it as an absolute necessity to attend again. It is worth also mentioning that the international part of the strategy for both acts was enhanced by obtaining suitable international lawyers while at SxSW.

In the case of Shane Nicholson who was further down the track of his international launch, the primary objective at SxSW 2004 and the scheduled 3 week tour was to substantially support the US release of his EP, and be clearly seen doing so. Very close attention was given in the marketing planning and program to liaising with his Seattle-based record label, Virt Records (won at SxSW 2003), and the local distributors, radio stations and venues. The strategy was focussed on finding the ones with the most potential and leverage. This resulted in his appropriately named song "Nice to be here" becoming the 5th most played song on a leading targeted radio station against many established artists with much larger budgets. They did not achieve their objective of an agreement with a good Booking Agent, but one was obtained later out of a referral from their label at the event. Also at SxSW a sponsorship deal was signed with a New York clothing company who wish to keep supporting him with a (new revenue stream) fee

while he wears their branded clothes. At the event a co-songwriting deal was signed with a top LA writer, with the planned release of one of the songs in the lucrative German market (thus potentially bringing songwriting royalties in time into Australia, and again capturing new revenue streams and engaging new overseas market as soon as possible). A substantial US music retailer who saw his showcase at the 2003 SxSW has featured his EP there (apparently one normally pays to be featured), and returned to the 2004 event and the New York show “as a fan” (with potential significant distribution opportunities). As Shane Nicholson’s tour and launch unfolded around the other targeted cities of the US (with many of the contacts made at SxSW in both 2003 and 2004), increased legitimacy was achieved (see below) through glowing testimonials from music critics, local newspapers and radio stations, and other artists. This enabled confidence for others to add him as a celebrity to their play-list across the country, and obviously brought in a different source of new revenue.

In a 1996 study of successful and unsuccessful new ventures, Peters and Brush (1996) found that the more successful and fastest growing ones focussed their market information and industry intelligence on customers, competitors, and the immediate industry, whereas the others were more focussed on general economic and demographic trends and thus less in touch with their specific target market. Also in 1996 Zimmerer and Scarborough (1996, p 150) found that “successful small businesses operating globally had chosen to concentrate on particular market segments and serving them better than their broad-based rivals”. With the US music market being such an enormous entity and with the rule of thumb that bands in the US break regionally rather than nationally, the case study ventures had naturally chosen to be highly oriented around even more tightly defined target markets. The SxSW event, and intense research either side of it, were used to provide the details of the micro markets being targeted first (eg Seattle, LA and New York City).

External Legitimacy

In a British study of cultural entrepreneurs in the music industry, Wilson and Stokes [2004, p 220] first drew on the American work of Hannan in the 1980’s who found that entrepreneurial failure in new ventures [such as getting artists launched and established in the North American territories via SxSW, in this case]

“exist where small firms in new business populations initially lack external ‘legitimacy’ – a social judgement of acceptance, appropriateness and desirability. A key strategic issue affecting entrepreneurs attempting to establish and grow new ventures is their ability to attract such legitimacy – which in turn influences how that business can access new resources”.

Wilson and Stokes found the same in their study of small British record labels attempting to access financial markets, and while the specific players are different to those in this present paper, the parallels are sufficiently close to warrant comparison.

In their paper Wilson and Stokes usefully identify four main types of external legitimacy: pragmatic legitimacy, which is legitimacy gained by the external parties believing that

any involvement will be in their own best pragmatic interests; moral legitimacy, which comes from acceptance of their activities and mores as members of the [music] industry; cognitive legitimacy, which comes from acceptance that one does business 'like them' and has no intention of upsetting 'the way things are done around here'; and industry legitimacy, by being members of industry groups, professional bodies and so on.

In the case study examined in this paper, the artist managers were particularly attentive to earning and maintaining these four types of external legitimacies, and although it cannot be proven, this would have contributed significantly to their SxSW successes. This was done through repeated attendance at SxSW and other industry conferences, membership of the International Music Managers Forum, careful prior planning on the objectives and other interests of the people with whom they wanted to do business, and frequent networking interactions where potential partners could be reassured of their industry knowledge, expertise, contacts and 'club' membership. Individual dyadic relationships were especially important in influencing or developing legitimacy [Wilson and Stokes 2004], and several key names were cited by the artist managers in the case study. It should be added that the two Australian acts themselves deliberately played a major part in this legitimization process by interacting with 'the right' cross-section of industry figures as well as touring as 'international acts', thereby reassuring people of their own legitimacy and their ability to be legitimate global performers, and even as acceptable local 'American' acts as well [such as was done by INXS, and AC/DC, for instance].

Enjoyment/R & R Objectives and Impression Management Objectives

One of the main personal, non-business objectives of attendees to events is enjoyment, rest and recreation [Allen et al 2005, Hemmerling 1998]. Thus how well SxSW was enjoyed and appreciated would be one measure of 'success', and in the case studies covered here, the management team of the two acts did express both considerable enjoyment and also having been significantly impressed by the size and atmosphere of the event. Linked to the enjoyment and impressive nature of a special event is the quality and quantity of personal contacts they made, reported to be also critical in a survey by the AIPC in London [Lerwill 2003].

Networking and Pecking Order Objectives

Nijkamp [2003, p395] has concluded from his European study that "a modern entrepreneur tends to become increasingly a creative network operator and manager". This entrepreneurial networking is difficult to interpret operationally in terms of specific metrics, but is nevertheless a persistent mantra of most service and IP industries.

"An important characteristic of the marketing of leisure services is that people are also part of the product ... Much of the visitors' satisfaction comes from their interactions with other people attending the event. This means event marketers need to ensure:

1. visitor segments within their audience are compatible; and
2. there is an ease of interaction among people on-site" [Allen et al 2005, p211].

While the managers of the musicians in the case study did not specify noticing specific attempts by the event organizers to achieve 'compatible visitor segments', they were able to state unequivocally that their networking objectives were successful and were facilitated. Austrade and the Australian agents did put on a successful 'Australian Showcase and Barbeque', and this was successful in segmenting compatible visitors who were specifically interested in, or invited to be interested in, Australian showcasing artists. Ease of interaction across the entire event was acceptable bearing in mind the sheer size of SxSW, with the managers in the case study having achieved their networking and communications objectives by good forward planning, their personability and their pre-planned technology usage.

In his description of the criteria by which participants judge an event, Hammerling states that

"secondary issues, such as mixing with the stars of the show, social opportunities, corporate hospitality and capacity to move up the seating chain from general admission to premium seating are all part of the evaluation of spectator success."
[1997, in Allen et al 2005, p96]

While the managers of these two Australian acts did report extensive 'networking' opportunity objectives and achievements, this was obviously too difficult to quantify or to be specific. Nevertheless, they regarded their networking objectives as having been "very successful". This aspect of the music industry is practically universally acknowledged as being crucial for success [Jackson and Oliver 2003], though few, if any, offer definitive evidence that networking success with A or B is more important than with C or D, or that artists X achieved significant success without networking with E or F. This could be a fruitful area for future research.

In their literature review of network theory and the Arts, Jackson and Oliver (2003) offer from various empirical and theoretical sources some of the main attributes of successful networks. Amongst these are: the sensitive use of contacts, so as not to harm the relationship; a steady flow of shared accurate market information; learning, scale and scope economies; shared risks; effective outsourcing of value-chain stages and business functions; loose informal ties rather than rigid strong ties; legitimising the network, selecting partners with balancing rather than similar strengths; trust, reciprocity, forbearance, and avoidance of opportunism by either partner; alliance pro-activeness; early speedy contact; links with mutual trade bodies and industry events; and good relationship marketing. While this author does not have evidence from the artists' managers of what they did with regard to each of these main attributes, evidence was given, for example, of the sharing of quality market and marketing information, plans for sharing and out-sourcing of tasks, proactive co-operation offers with regard to the US launch of the CD, close liaising at SxSW and with Austrade's US office, and general relationship marketing plan sharing. Having said that, Jackson and Oliver report on a study specifically on entrepreneurial networks in SME's in Sweden by Johannisson in 1998 and one in the UK by Curran in 1993 which both showed that the importance of networks in SMEs were being overstated at the expense of SME fundamentals such as the

strength of the product offering, adequate working capital, competent marketing and so on. It is worth noting that, in the interviews with the artist managers in this case study, the fundamentals of the deals and planning were focussed upon much more.

With regard to the pecking order objectives indicated by Hammerling above, one could not find any event management literature providing any evidence either way, though the business and social evolution literature is obviously not as silent. There is little doubt that, while any improvement in one's position in any pecking order is a sign of 'success' by some, the management attendees in this case study expressed no overt interest in this at all.

Foreign Market Entry Mode Choice

"Among the most critical issues in international market entry strategy is the selection of an appropriate entry mode [Terpstra and Sarathy 1994]. In addition to determining the amount of resources the firm will commit to the foreign market, initial entry mode choice significantly affects the performance and longevity of a foreign operation {Li 1995; Root 1994}" [quoted in Ekeledo and Sivakumar 1998, p 274]. Musical acts are classified as both 'hard and soft' services, because their 'soft services' [performances, compositions etc] can be separately 'tangibilised' [hardened] in the form of CD's, DVD's and so on. The typical entry mode options for hard services are licensing, exporting, management contract, joint venture and sole ownership, with the selection being determined by a choice of where the production facilities will be and the level of involvement in or control over the foreign operation the business wants or can afford or reasonably ask for. Initial foreign market entry mode needs to be as flexible as possible because of international marketing inexperience and likely shifts in goals, objectives, relationships and circumstances, and this is as appropriate for larger firms as it is for entrepreneurs [Ekeledo and Sivakumar 1998]. In the case study, the artist management company utilised this by deliberately choosing to move forward with licensing as a lower cost, more flexible approach, and where it was able, to license to one of the major record labels to be able to access their much greater marketplace power and resources.

Event Service Expectations, Perceptions and Quality

Allen et al [2005, p202] remind us that "from the viewpoint of a festival or event consumer, quality service occurs when expectations of the event match perceptions of the service experienced". These perceptions are based on both technical and functional qualities of the experience [Gronroos 1990], but because it is difficult to evaluate technical quality, most evaluation concentrates on the functional [Allen et al 2005]. Quoting Parasuraman et al's SERVQUAL contribution, Allen et al (2005) adapt their five functional service aspects to the evaluation of the event experience:

1. assurance – assuring attendees of the knowledge-ability and helpfulness of the event people, and assurances of safety and well-being
2. empathy – event staff seem to understand attendee customer needs
3. responsiveness – staff actually do respond to reasonable requests
4. reliability – what actually happens is what the advertising promised
5. tangibles – all the physical settings and equipment meet expectations.

In support of the SERVQUAL approach, Thrane [2000, quoted in Allen et al 2005, p 204] found that “aspects of quality measured by SERVQUAL do contribute to jazz festival patron’s satisfaction and intentions to revisit”. This would indicate that attendees had explicit or implicit objectives with regard to these 5 aspects and were judging their success or failure at the event in part on how well these aspects were satisfied in their particular case.

With respect to our case study in question, the management of the two acts expressed general satisfaction and perceived ‘success’ in that they had successfully gained a lot of new knowledge about the North American market at the event, had been content with their safety, well-being and the attentiveness of the event people, and that the tangible physical environment had met their expectations.

Conclusion

This paper has attempted to help fill the gap in the literature on success measures for micro-business entrepreneurs involved in large significant industry events, as well as to be in some way helpful to such businesses in their ‘event management’ and celebrity marketing strategies. Some key relevant resources in the literature were matched with the case study of two up-and-coming Australian acts and their management company as they tackled both international markets and the SxSW music industry event. It was clear that there is not presently a sufficiently solid body of knowledge on micro-business objectives and success measures with regard to significant international events, and that further research is needed. Having said that, this case study of two successful businesses being managed by the same artist management company showed a remarkable use of the recommendations for success suggested by the literature cited, even though the managers concerned had not read this academic literature. The two cases suggest that, rather than being dwarfed and rendered insignificant, a micro-business can achieve most of their objectives and considerable success in attending a large event provided they set realistic but challenging goals, give meticulous attention to detail, give as much attention to pre- and post-Event work as the event itself, and utilise the fundamentals of both small business management and celebrity marketing, both within their particular industry but also the general principles available in the literature.

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