

*“Saving for a **RAINY DAY**”*

*Adding **NEW REVENUE***

*Generating **EVENTS***

By Michelle Elliott

It is important to understand the history behind any event prior to adding new programming. You should know the demographics of the attendees, the surrounding area, and also look at trends. The National Cherry Festival is an eight day Festival held annually in Traverse City, Michigan. It attracts over 500,000 people over the span of the entire week. The Festival is known for its air shows, parades, fireworks, amusement rides, Fourth of July celebration and of course its cherries. The Cherry Festival was created from the "Blessing of the Blossoms" festival, which started May 22, 1925. The "Blessing of the Blossoms" festival started when Traverse City businesses partnered with local cherry farmers to promote the growing industry. The "Blessing of the Blossoms" festival was so successful that in 1930 it was made into a three-day affair. On July 19, 1928 the first official "National Cherry Festival" took place. During World War II, the National Cherry Festival was suspended for six years. After its six year suspension, it was held in 1948 and has been held annually since then. In 1964, it was voted and approved for the festival to go from a three day event to a five day event and again in 1968 the festival was approved to be an eight day event. The Festival is typically held in the first week of July. The mission of the Festival is to celebrate and promote cherries, community involvement and the Grand Traverse Region. Traverse City is known as the 'Cherry Capital of the World' producing over 75% of the nation's tart cherries. The city is constantly being praised by the media for its natural beauty as it is situated right on West Grand Traverse Bay, not too far from the Sleeping Bear Sand Dunes on Lake Michigan.

The strategic plan of the National Cherry Festival is to focus on "saving for a rainy day". It was mentioned that with any event it is important to recognize that you only have a certain number of days to make your money for the entire year. The goal of the Festival was to look at building strategic partnerships and also add new revenue generating events that might help the funding model. The National Cherry Festival works closely with the Cherry Marketing Institute to promote our treasured fruit. In 2013 we decided to continue to build our new revenue generating events to promote the health and wellness aspects of the cherry. The Cherry Marketing Institute had followed trend trackers that predicted that American dining would move beyond sweet, salting and fatty. In the following years, we'd see a plethora of tart, acidic and bitter flavors to choose from, as menus and grocery stores feature flavors like fermented cher-

ry juice, varietal vinegars and even sour beer. The cherry industry has seen a 500% increase in sales over the last five years in cherry juice and cherry juice concentrate. There have been numerous studies done regarding the health benefits of cherries proving that they reduce inflammation, help ease arthritis and gout, aid in sleep, and could also help athletes reduce muscle damage to recover faster from a tough workout, according to a growing body of research.

Once you are ready to begin developing a concept for an additional way to generate revenue it is important to understand the basic demographic information of the audience. What are the spending patterns of these demographic groups? Are there national or local trends that will affect the attendance? A success in one town will not guarantee a success in another town. Surveying attendees and collecting demographic information is extremely important prior to making a decision.

The National Cherry Festival has always had success with its footraces (Festival of Races). These foot races have been one of the largest revenue centers for the Cherry Festival for the past 40 years. In 1973 a man named George Kuhn, founder of the Traverse City Track Club, established the Meijer Festival of Races. The Festival of Races began with only one distance, a 10K (6.2 miles). In the 1970's, a board member suggested that a marathon be added to the race, however, Kuhn stated, "Well, there are not many marathoners around so let's just do a 10K." Kuhn is a runner himself and still participates in the race today; he has not missed an event since 1978. In 1979 the first 15K (9.3 miles) was started and had 600 runners. In 1983, the 15K reached its peak participation with 1650 runners. In 1989, the first 5K (3.1 miles) was added. In 2007 there was a large focus in the potential the race could have and from 2009 - 2013, under the direction of Lisa Taylor, the race attracted anywhere from 3,300 - 3,800 runners.

Festival of Races participants were surveyed prior to making any decisions and specific demographic information was collected. The majority of the runners were female and the average age was 40. While continuing to support the vision of the Cherry Industry we knew we could continue to build new programming that would help move past the "sweet cherries, baked goods, and treats" that most people associate with the cherry and get more people focused on the health benefits of the fruit. An industry assessment concluded that as health and wellness would become a larger part of today's society, so does running and participating

in organized running events. Overtime running event participation has increased between both men and women, particularly women. In 1990 there were a total of 4,797,000 running event finishers; 75% were male and 25% were female. In 2013 there were a total of 19,025,000 running event finishers; 43% were male and 57% were female. Not only did the entire population of finishers increase but women were now the dominant gender within the running community. Aside from the increase in participation, studies also show that more people are participating in longer distances. Women also show an increase in participation in this category. 61% of people that run half marathons are women.

A market assessment concluded that there are three main areas of Michigan that runners are traveling from to attend the Festival of Races. The data shows that the most participants in the Festival of Races are from Traverse City. Numbers show it is also heavily concentrated in the surrounding area of Traverse City. South of Traverse City, From Grand Rapids to Holland is another concentrated area in Michigan where runners are traveling to race. Most racers are from Michigan, there are however racers that are traveling to attend the races from Florida and Indiana.

Once the decision to add new races was finalized it was important to build a successful event. The National Cherry Festival knew that by adding two new race distances close to their existing races (5K and 15K) they could inevitably cannibalize a race. After doing more market research it was clear that the registration fee for a half marathon would be twice as much as what we were collecting for the 15K. Therefore any cannibalization of the 15K would in the end be worth it. There were specific items that we knew we would need to add in order to make the half marathon appealing to runners. It is important to have accurate timing, a well thought out race course, a finisher's medal and an upgraded shirt. We knew that we wanted more runners to sign up for the half marathon as it yielded a larger revenue so we strategically marketed the Festival of Races with a focus on the new "Half Marathon".

Obviously the addition of another event can be an operational burden. It is important to analyze the costs associated with adding a new event to a Festival's roster. This situation was unique in a sense that we already had existing races that were in place. Most of the operational expenses were already handled. There were a few additional expenses incurred. Additional permits, emergency responders, timing equipment, race merchandise. We added a unique element to the race in

Continued on page 96

Continued from page 43

order to differentiate it from other races in town. We ran the first 2 miles of the course through a working cherry orchard connecting the runners back to the fruit of the Festival. We focused on the farm to Festival aspect and it really connected the runner to the mission of the Cherry Festival. The new operational expenses were minor once you analyzed the entire picture.

Once registration was open it was clear that the market demanded the half marathon race distance. Due to local government regulations we capped the half marathon at 500 participants. The total number of people that ran the Festival of Races was 3,230 which was very similar to previous years. Of the 3,230 runners, 56% were female and 44% were male. The largest race (according to the number of runners) was the 5K with 1,988 runners making it 61% of the participants. The second largest was the half marathon with 487 runners making it 15% of the runners. Third, the 10K had 408 runners making it 12% and lastly the 15K had 343 runners making up 10%. Although the overall number of runners stayed consistent with previous years the total registration revenue increased almost 20% compared to 2013. The addition of the half marathon was extremely successful.

Overall it is important to analyze every different aspect of an event prior to making any decisions on changing or adding

any new programming. Non-sponsorship revenue is important and can also help an event sustain longevity. Analyzing the different elements of an organization and understanding basic information is an important step. Once the demographics of the audience are determined it is easier to narrow down different types of programming options. Industry, national and local trends are crucial to track and analyze. Although races had been successful in the Traverse City area it was important to identify a unique component to help the race stand out. Overall the Festival has continued to see improvements with the Festival of Races and the new half marathon has continued to yield new revenue for the entire Festival.

Michelle Elliott is the Business Development Manager for the National Cherry Festival. She is an avid outdoor enthusiast who enjoys spending time in Northern Michigan with her friends and family. She graduated Central Michigan University in 2009 with her Bachelors of Applied Arts and is grateful she gets to go to work each day planning an event that puts a smile on thousands of faces! She can be reached at: melliott@cherryfestival.org.