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## Organizing Periodic Events: A Case Study of a Failed Christmas Market

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### ABSTRACT

Periodic events are under constant threat of failure yet research on event failure is limited – even if often highlighted as a research priority. The destination management organization in the mountain resort of Åre sought to establish a new Christmas Market to increase the number of visitors in the winter pre-season but the event was not a success and the destination failed in its ambition to establish a periodic event. The Market was studied during its first three years using action research, interviews and direct observation and provided insights into the organization of periodic events. In order to understand the failure of the Market, empirical data were analyzed using concepts related to two discrete organizational types: permanent and temporary. The results show that the failure in Åre cannot be explained through the use of a single conceptual model, but can be understood when both models are utilized. The conclusion is that periodic events can be understood as phenomena that are characterized by permanent as well as temporary organization.

### KEY WORDS

Periodic events; permanent organization; temporary organization; event failure; Christmas Market

## Introduction

Events are important to tourism destinations because of the potential for related positive economic, social and cultural outcomes (Getz, 2008; Pasanen, Taskinen, & Mikkonen, 2009). Many of those events supported by destination management organizations (DMOs) are periodic events (occur regularly) and are staged every year in the same place. The DMO in the Swedish mountain resort of Åre wanted to establish a periodic event in winter pre-season to attract new tourists to the destination. The event decided upon was a Christmas Market and this event was studied by researchers from Mid-Sweden University from the event's beginning in 2009 to its decline in 2011. Instead of investigating the process of the creation of a new successful event, the case became an opportunity to analyze an unsuccessful process, an example of event failure. Studies of event failure are rare (Getz, 2010) while success stories are more commonly investigated (e.g. Einarsen & Mykletun, 2009; Mykletun, 2009) but, as Getz stated, "Presumably as much can be learned from failures as from success stories, but failures appear to be more difficult to document" (2002, p. 209).

This study was initially designed to examine the establishment of a new periodic event and to understand the processes involved with a view to supporting the event managers in improving their event within a participatory action research approach. Once the failure of the Christmas Market occurred, however, the research interest and analysis shifted toward an examination of why the event failed and to identify the lessons that might be learned regarding the organization of periodic events. Prior to this shift in research focus, a fundamental problem regarding how the event was organized was identified by the researcher primarily that the event managers were not able to secure a long-term agreement for the event. Working from single-event contracts that they were forced into created problems for long-term planning and became an obstacle for the successful planning of each recurring event. How periodic events are organized in relation to dual time horizons – short (each event) versus long (ongoing periodic event) – therefore became the primary focus of the research.

Organization in relation to time limitations has been addressed in research for temporary organizations and is a growing specialty within the overall organizational research field (Bakker, 2010). An important contribution within this field of research is Lundin and Söderholm's (1995) theory of the temporary organization. This theory, a new approach for understanding projects, was based on four basic concepts: *time*, *task*, *team* and *transition*. These concepts were chosen by Lundin and Söderholm (1995) because they differ from those concepts that define the permanent organization, namely: *survival*, *goals*, *working organization* and *production* (cf. Cyert and March's (1963, 1992) behavioral theory of the firm). Such a distinction (permanent versus temporary) resembles Hanlon and Cuskelly's (2002) idea of periodic events as "pulsating organizations". This concept is reflected in the organizational structure of many periodic events where there is a need for a permanent small core of professional and/or volunteers but there must also be the ability to expand that workforce temporarily to successfully produce the event. This study, however, does not focus on organizations as social structures, but organization as form of social order, a decided order (Ahrne & Brunsson, 2011).

Periodic events may be understood as a type of permanent organization or as the repeated temporary organization. However, when reflecting on the Åre Christmas Market, it became apparent to the researcher that both types of organization were needed. In addition, it seemed that the tensions that exist between the two organizational types – temporary and permanent – could be a key for understanding the failure. This idea was supported by the four plus four concepts presented by Lundin and Söderholm (1995) and these were used to analyze the failure and to explore if the dual existence of permanent and temporary organization is useful for understanding the organizational nature of periodic events in general.

The purpose of this study, therefore, is to analyze the failure of the establishment of Åre Christmas Market based on concepts related to both permanent and temporary organization. The objective is to discuss the organizational nature of periodic events and how this is related to failure or success when new periodic events are to be established.

Initially, previous research on establishment and failure of periodic events is presented followed by an analytical framework concerning permanent and temporary organization. After describing the method and data collection procedure, the empirical data are presented according to the eight concepts mentioned. The paper ends with a conclusion, implications and suggestions for future research.

## Periodic Events

Periodic events are a type of planned event that occurs regularly (for example every year, every second year, or any other time interval) (Getz, 2013). Such events can be held in the same location or in different locations each time the event is staged. Periodic events that are bound to a particular location are the focus of this study and the following discussion is confined to those primarily because place-specific periodic events – and especially those that are hallmark events – may have the potential to enable destinations to reach their long-term goals of increased attractiveness, image and branding (Getz, Svensson, Pettersson, & Gunnervall, 2012).

### *Establishment of Periodic Events*

There is little research on the establishment or the startup process of periodic events. Studies do exist, however, that describe and analyze the history of different events. Mykletun (2009) analyzed the development of the extreme sports festival, Ekstremsportveko (Norway), from its inception to its 10th anniversary. The success of Ekstremsportveko was related to how the festival was embedded in the local region through seven so-called capitals: natural; human; social; cultural; physical; financial and administrative. The event had developed a positive balance in each capital except that of financial capital, that is, the festival was successful in spite of very limited access to local financial capital. Interestingly, the early years (1998–2003) were increasingly successful in sporting terms, but organizationally problematic and financially a failure. Mykletun (2009) reports that “... it required six years of cumbersome learning and stable, increasingly skilled and professional management to develop the organization to run the program smoothly and to balance budgets” (p. 160).

Einarsen and Mykletun (2009) explored the success of the Gladmatfestival (1999–2008), a food festival in Stavanger, Norway. The first success factor identified was the festival’s being embedded within a strong network of food and meal-producing institutions and organizations, restaurants and outstanding chefs. The second factor was its careful research (“founding fathers” researched the potential of the idea among future stakeholders before launching the festival) and entrepreneurial leadership. The third reason for success was that a simple (and therefore inexpensive) organizational structure was used. The festival was characterized by professionalism from its outset with potential support researched, a business plan with mission and vision developed and a trial festival held to test the concept.

Bloomfield (2010) studied Birmingham’s Frankfurt Christmas Market. The development of the Market from 1997 to 2009 was explained and four key ingredients for its success were revealed: (1) the host destination’s politicians had the imagination necessary to transfer a good event (Frankfurt Christmas Market) into another setting; (2) the initiative was driven by committed politicians; (3) there was a clear organizational model; and (4) the Market fitted into (and reinforced) a wider strategy. The establishment of the Market was based on a five-year partnership between the German company organizing the event and the city of Birmingham. The agreement was supported by a five-year business plan with the goal that it would be cost neutral at the end of the period.

These case studies demonstrate that the establishment period (its first years) is crucial for the ongoing success with that establishment involving a professional approach, a long-

term perspective, research, business plans, clear vision and goals, long-term agreements as well as matched market demand, entrepreneurship, innovation and learning.

### **Failure of Periodic Events**

Research on event and festival failure is rare and has only been studied in an explorative manner (Getz, 2010; Getz & Andersson, 2008). Getz (2002) studied the causes of festival failure in North America and found that the five most likely sources of failure were: the weather; lack of corporate sponsorship; overreliance on one source of money; inadequate marketing or promotion; and lack of advance or strategic planning. Getz (2002) also raised the relevant question “Just what exactly is ‘failure?’” As Getz stated, if the setting is commercial, bankruptcy would be a clear evidence of failure. But many festivals are in the public and not-for-profit sector, meaning other standards of failure apply.

Carlsen, Andersson, Ali-Knight, Jaeger, and Taylor (2010) described the failure of three European festivals, which was the closure of a criticized city festival in Sweden, the shut-down of a music festival in Norway, and the collapse of the online box office system for a festival in Scotland. They also showed how such crisis could be linked to innovation, for instance, through re-launch of new festivals. Their research demonstrated that failure and innovation are not discrete alternatives but could be considered as concurrent scenarios.

Despite the limited research on event failure, a number of theoretical frameworks have been used for discussing the phenomenon (Getz, 2002; Getz & Andersson, 2008), including resource dependency theory (Pfeffer & Salancik, 1978), Porter’s (1980) framework for assessing competitive advantages, organizational ecology (Hannan & Freeman, 1989) and the product life cycle (Levitt, 1965). While these frameworks are useful in some contexts, these were not chosen for the present study as a more fundamental problem had been identified with how the event was organized.

### **Analytical Framework**

*Organization* in this research does not have to refer to formal organizations, or formally assigned units in formal organizations. There has been a shift within organization studies from a focus on *organizations*, as actors or social structures, to *organization*, as form of social order (Ahrne & Brunsson, 2011). If organization is defined as a decided order (including one or more elements of membership, hierarchy, rules, monitoring and sanctions), then organization can be found within, outside and among formal organizations (Ahrne & Brunsson, 2011). This approach is very relevant for periodic events because most events are organized by actors in an inter-organizational network (Larson, 2009) where these actors are rarely members of one and the same formal organization. A network is not, in itself, an example of an organized phenomenon, however, because these merely happen rather than are deliberately created or decided (Abrahamsson, 2007). Decision-making has been identified as the most fundamental aspect of organization (Luhmann, 2000; March & Simon, 1958). Decision-makers make decisions to do or achieve something in a certain way. That is why Ahrne and Brunsson (2011) define organization as a decided order. This perspective on organization enables a theoretical conceptualization of periodic events as being an organized phenomenon of both permanent and temporary elements.

### *Permanent Organization(s) Versus Temporary Organization(s)*

Research contrasting permanent organization(s) versus temporary organization(s) can be found within research on temporary organization. The earliest work on temporary organization was published in the 1960s (e.g. Miles, 1964) and since then there has been a considerable growth of literature, especially from the 1990s and onwards (Bakker, 2010).

Lundin and Söderholm (1995) addressed the need for a theory of temporary organizations and suggested four basic concepts for such a theory: *time*, *task*, *team* and *transition*. Lundin and Söderholm's article has been frequently cited<sup>1</sup> and Jacobsson, Burström, and Wilson (2013) observed that "... their basic subset of theories has tended either to spur further discussion of temporary organizations or to be used in the rationalization of current observations" (p. 576). Even so, research on temporary organization has been neglected in tourism and event studies.

Lundin and Söderholm (1995) argued that the four concepts differ from concepts that define the permanent organization: "Permanent organizations are more naturally defined by goals (rather than tasks), survival (rather than time), working organization (rather than team) and production processes and continual development (rather than transition)" (p. 439). To examine the implications of all the eight concepts and the relationship between them is relevant for the analysis of a periodic event since such events might be characterized by them all. (The single word *production* is hereinafter used instead of production processes and continual development.)

*Time versus Survival.* Time is fundamental to an understanding of the temporary organization because it differentiates from permanent organizations (Lundin & Söderholm, 1995). Even if time is generally regarded as a scarce resource for any organizational form, permanent organizations are assumed to last or survive (Ekstedt, Lundin, Söderholm, & Wirdenius, 1999). For permanent organizations, the future may be perceived as eternal, but for temporary organizations time is (by definition) always running out (Lundin & Söderholm, 1995). Time itself may be envisioned differently in those two organizational forms. Ibert (2004) suggested that firms (permanent organizations) follow a cyclical time concept whereas temporary project ventures follow a linear time concept. Burrell (1992) suggested that a spiral conception of time may provide "... a more appropriate theoretical basis for analyzing changing forms of organizing and organizations" (p. 9). The spiral conception of time is the combination of both linear and cyclical time concepts. For example, activities may be performed in a sequential order (linear time), but activities may also be repeated (cyclical time).

Another aspect related to time is the question of whether a time-limit (or not) effects processes and behavior in organized phenomena (Bakker, 2010). The effect of time limits in temporary organizations may cause a shift in focus on the task over a focus on the relationships (Bryman, Bresnen, Ford, Beardsworth, & Keil, 1987). Because temporary teams may not anticipate future interaction with each other beyond the termination of the project or event, they are not concerned with the long-term efficiency of the process (Saunders & Ahuja, 2006).

*Task versus Goals.* A task legitimizes the existence of a temporary organization and temporary organizations' focus on task can be compared to "... the emphasis on goals and recurrent goal revisions in permanent organizations" (Lundin & Söderholm, 1995, p. 450). Goals are important in Cyert and March's (1992) behavioral theory of the firm

because goals provide foci for decision-making. They identified two sets of variables affecting the goals of a permanent organization. The first are those variables affecting the *dimensions* of the goals. For example, organizational goals change when an old staff or team member leaves or new ones enter. The second set of variables affect the *aspiration level* of any particular goal dimension. These variables are: the organization's past goals; the organization's past performance and the past performance of other comparable organizations.

Both permanent and temporary organizations execute tasks, but the nature of task(s) and its role for the members vary between the two organizational forms. Katz (1982) showed that the task itself is more important to members in temporary organizations in comparison to the role of the task in permanent organizations. This is related to the fact that most temporary organizations are created based on the motivation of a task that must be accomplished (Lundin & Söderholm, 1995). The kind of tasks temporary organizations perform are also often more complex than the tasks performed in permanent organizations (Løwendahl, 1995; Meyerson, Weick, & Kramer, 1996). An effect of temporary organizations having a time-limited task is the identified problem of knowledge transfer and learning. Knowledge that is accumulated in temporary organizations is at risk of being dispersed when the task is completed (Grabher, 2004).

*Team versus Working Organization.* Lundin and Söderholm (1995) observed three conditions concerning teamwork, motivation, communication and relations between members that differ between permanent and temporary organizations. The first condition concerns the relationship between members of the organization and the task because the team is always formed around the task. The second condition is based on the observation that time-limited organizations may create a specific set of expectations at the individual level. For temporary organizations "... individuals carry their own set of expectations and experiences with them into the team" (Lundin & Söderholm, 1995, p. 442). The third condition concerns the dependency between the temporary team and other forms of organization because individuals may have other "homes" before, during and after being involved in a temporary organization. From these observations Lundin and Söderholm (1995) suggested commitment-building and legitimization as key concepts for understanding temporary teams. Commitment-building because "... the expectations and experiences gathered together in the team provide the basis for commitment within the team and thus a basis for motivation, communication and leadership" (Lundin & Söderholm, 1995, p. 442). Legitimization and especially the relation between the team and its environment (Lundin & Söderholm, 1995), because legitimacy usually protects organizations from the pressures of the external environment (Meyer & Rowan, 1977).

*Transition versus Production.* The fourth concept in Lundin and Söderholm's (1995) theory is transition, meaning the temporary organization's concern with progression and achievement or accomplishment. Permanent organization focuses on production rather than transition (Lundin & Söderholm, 1995), however, "when transition becomes necessary within a permanent organization, temporary organizations are often created to deal with it" (p. 450). Lundin and Söderholm (1995) argued transition can have two distinct meanings. The first is related to the task and refers to "... the actual transformation in terms of the distinctive change between 'before' and 'after'" (p. 442). The second is related to the inner functioning of project work; either transition ambitions concerned with changing instrumental behavior or changes in meaning, culture or ideology.



If production processes and continual development (rather than transition) characterize the permanent organization, then this also involves activities of change. The difference is the level of and focus on change and, perhaps, the related concept innovation, usually described as being radical or incremental (De Propriis, 2002; Ettlie, Bridges, & ÓKeefe, 1984). Radical innovations involve products/services and processes that are new to the organization and/or the market/society, while incremental innovations relate to refinement or minor changes of products/services or processes. It might be argued that radical innovations are more related to temporary organizations and incremental innovations to permanent organizations; however both types of innovation are the usual outcome of project work (Artto, Martinsuo, Dietrich, & Kujala, 2008; Shenar, 2001). Alternatively, Larson (2009) found incremental innovations to be more common for ongoing permanent festival organizations.

## Research Questions

Using this analytical framework, the study aimed to analyze the failure of the establishment of a new periodic event. It is expected that the combination or lack of permanent and temporary elements of organization is crucial for understanding the failure of a periodic event. A central assumption is that periodic events can constitute phenomena that are characterized by permanent as well as temporary organization. The research questions are: (1) Why did Åre Christmas Market fail? (2) What role does the permanent or temporary organization of the event play in this failure?

## Method

### *Background of the Study*

The present study belongs to a research and development (R&D) project conducted by researchers at the European Tourism Research Institute (Östersund, Sweden) and the Centre for Tourism (Göteborg, Sweden). The R&D project was the result of two parallel ideas from the Swedish Civil Aviation Administration and the DMO in the mountain resort of Åre. The Swedish Civil Aviation Administration asked whether the establishment of a periodic event with international reach could be used as a tool to generate airline traffic during off-season weeks in otherwise busy locations. At the same time, the DMO in Åre was discussing the establishment of a Christmas Market as a way of attracting tourists during the early part of the ski season. The Åre Christmas Market was, therefore, used as a case study to test the question raised by the Swedish Civil Aviation Administration.

### *Case Context*

Åre is a mountain resort located 630 km northwest of Stockholm and 50 km east of the Norwegian border. Åre is situated in Åre municipality, a sparsely populated municipality (1.3 pop. per km<sup>2</sup>) with 10,000 residents. The destination is populated by 3000 residents, but can accommodate more than 30,000 tourists. Most tourists visit Åre during the winter season (December–April, peak in February) for skiing, but summer tourism also exists with

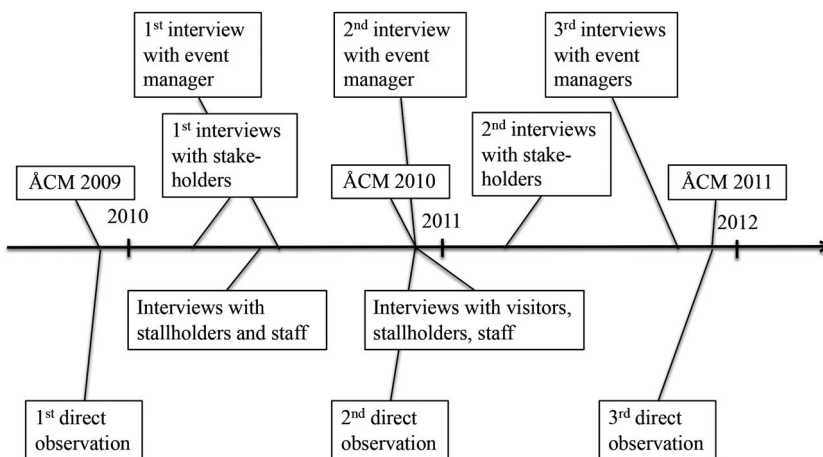


downhill mountain biking and hiking as popular activities. The destination is experienced in hosting events such as the Alpine Ski World Cup and Alpine World Ski Championships 2007, but also other sports and cultural events year around. Åre Destination is the DMO for the destination and is owned by 70 entrepreneurs and has over 200 associated member companies. The DMO operates with an overall destination marketing, development and coordination priority.

### Research Design

A single-case study design was chosen because of the opportunity to follow the establishment of a periodic event from its very beginnings. The case was considered as a “revelatory case” (Yin, 2014) because the researchers had access to a situation normally inaccessible to empirical study; a rationale for a single-case design. The opportunity was also considered an “intrinsic case” (Creswell, 2007), a case chosen for its unique qualities. In addition, the approach was participatory action research (Kemmis & McTaggart, 2005), involving a spiral of self-reflective cycles of planning, acting and observing and reflecting. While studying the event, the role of the researcher was to support the event managers with results from the on-going data collection and to actively contribute to the further development of the event. When it turned out that the actual development was negative, the special opportunity occurred to analyze an event failure, a situation usually difficult to document (Getz, 2002).

In order to gain rich empirical data, several types of interviews were conducted (extended interviews, shorter interviews and survey interviews) and complemented by direct observation (cf. Yin, 2014). The direct observation at the actual event was important for understanding the organized phenomena and the personal experiences of the researchers were useful for the design of interview questions with stakeholders. The observations, together with the data generated from stakeholder interviews, formed the basis for extended interviews with the event managers. See Figure 1 for the timeline of data collected in relation to the events.



**Figure 1.** Chronological overview for empirical data collection.

## Data Collection

Direct observations were conducted each year from 2009 to 2011. The Market in 2009 was observed by two researchers, in 2010 by one researcher and two assistants, and in 2011 by one researcher. Personal experiences were documented through notes and photographs.

Shorter interviews were conducted with the Christmas Market stakeholders on two occasions between the first (2009) and second event (2010). From a list of 38 stallholders and 4 event staff (provided by a manager), 12 stallholders and 2 event staff were finally interviewed using a semi-structured method with 13 questions as the starting point. The interviewees were selected on the basis that they could meet in person. The questions covered the respondent's role in the Market, how collaboration with managers worked and the respondent's views on how the Market could be improved. Each interview took between 30 and 40 minutes to complete and were recorded and later transcribed.

During the Market in 2010, survey interviews were conducted with 66 visitors, 28 stallholders and 14 event crew. These interviews used three different types of structured questionnaires, one for each stakeholder group, and took approximately 5–10 minutes to complete. Although the questionnaires differed, they had in common questions focused on how to improve the event from both an organizational and design perspective. The sampling procedure was to interview all stallholders and all available event crew (14 of 25 was reached). The selection of visitors was randomized (response rate 59%). All interviews were recorded and later transcribed.

Extended interviews with the three event managers took place on four occasions: after the first event in 2009 (Event manager 1); during the second event in 2010 (Event manager 2) and on two occasions before the event in 2011 (Event manager 1; Event manager 2 and Event manager 3). These interviewees were considered as “key informants” (Yin, 2014) and the conversations lasted up to three hours. The starting point for all of the conversations was the results of the previously collected data from the interviews and the direct observation described above. Discussions served both as information sharing and an opportunity to discuss possible improvements to the Market. The event managers shared their experiences and information on how things had worked and what had happened. All sessions were recorded and later transcribed.

In addition, another two series of interviews were conducted by researchers in the broader R&D project. The respondents were event managers, destination managers, local business owners and other stakeholders involved in what became a broader regional tourism project. Two series of semi-structured interviews were conducted (14 in total) each lasting between 60 and 100 minutes. The first series of interviews were carried out one month after the first Åre Christmas Market had ended (in 2009) and the second series of interviews about one month after the second Market (in 2010). All interviews were recorded and later transcribed.

## Analysis

The analysis was done in several steps. The first step was content analysis of the interviews with stakeholders and the survey interviews. The data were coded and categorized and frequencies for different opinions and visitor demographics were compiled. These data, supported with observational data, were summarized in reports and used as discussion papers in the conversations with the event managers.

The second step was done after completing the data collection and involved sorting data in chronological order to develop a story of the event's history. The story (only used for the analysis) described the factors relevant to the initial conceptual development of the event (e.g. how the idea emerged, where money came from, who was to realize the idea), and the factors that influenced the organization and design for each Market (e.g. changing financial conditions, conflicting interests). The story was useful in compiling different types of data and for creating an overall, broad perspective of the case being investigated.

The third step started with listing factors that caused the negative development of the event. These factors pointed at organizational problems in relation to time aspects. Theories on temporary organization were determined to be relevant, therefore, for use as a theoretical framework as this field of research pays attention to the effect of time limits for temporary organizational forms such as events (Bakker, 2010). Within this field, Lundin and Söderholm (1995) made an important contribution when suggesting a theory of the temporary organization. This theory and its components were examined to see whether it could contribute to an understanding of the case studied. Since the case not only had to deal with limited periods of time (production of each event), but also survival over time (serial production of events), the theory seemed to contribute to an understanding of only "one side of the coin". Lundin and Söderholm (1995) also proposed the four contrasting concepts that define the permanent organization and since these concepts could provide the other side of the coin, it was examined for its validity and all eight concepts were used as an analytical framework to present and discuss the case.

## Results

### *Survival*

The idea was to establish a Christmas Market that would be periodic and last for many years, and would become a reason for tourists to travel to Åre. Stallholders interviewed were of the opinion that a Christmas Market needed to be developed over many years (e.g. up to 15 years) to be of organizationally high quality and well recognized among visitors. The assigned event agency, with experience of fairs and many other event projects, thought it was possible to achieve a similar result in fewer years (with the right financial resources and levels of – their – professionalism).

The first Market in 2009 created by the event agency was funded primarily by money from a regional tourism project (*A Delightful Christmas*). Project money was provided to only fund the first Market (except for a minor allocation of funds for the second event). As there was no further funding solution available during the first half of 2010, there was also no structure in place to begin planning for the Market's second year. The idea was that the same events agency would be responsible for implementing the event, but the agency was unable to start working on the next event until the decision to proceed was made and agreements with the DMO in place. When the DMO failed in additional attempts to find money through another potential tourism project and through sponsorship, the DMO finally decided to use internal funds to keep the Market alive. The late decision and the reduced budget were not optimal, but the event agency accepted the request to conduct a new event.

Since the tourism impact of the first two Christmas Markets was marginal and new funding sources did not exist, the DMO decided to not organize another Christmas Market in 2011. When business owners in the village finally found out that the Market would not take place, they criticized the decision and the DMO reversed, and again made a very late decision to run the 2011 Market using internal money. The same event agency accepted the request even though the time frame was extremely short (only four weeks) and the budget even smaller than it had been for the previous year's event. The process, as described above, was clearly not favorable for establishing either a permanent operation or an event that was likely to survive in the long term. For the event to become successful over time, there was a need for long-term planning and continuity of funding.

What I think is important is to make this an ongoing activity, that everyone agrees that it happens every year. That there is a decision and that it is done in a specific organizational format (Event manager 2, December 2011).

### *Time*

The organization of Åre Christmas Market 2009–2011 was characterized by time-delimitation and work influenced by time pressure. The organization of each event had a starting point and a set termination date. The starting point was when the DMO made the decision to stage a new event and assigned the event agency to implement it. The termination was the completion of the evaluation of the implemented event. The date of the actual event functioned as a strict deadline that the managers had to relate to, and time was always running out in relation to this date.

Due to the late decision made to proceed with the events in 2010 and 2011, the situation became problematic for the managers. The event managers complained that the short time frame was insufficient to complete the task satisfactorily and caused problems in the finding and contracting of attractive stallholders and sponsors.

... it was difficult to find stallholders who sell specific Christmas products, they are often busy so you have to reach them long in advance, and we had no chance to (Event manager 1, December 2011).

This extreme time pressure also meant that there was little time to realize new ideas concerning an expanded program for visitors, specific promotion activities and improved service to stallholders. According to the event managers, however, the total working hours allocated were not necessarily inadequate. The event managers admitted that if the same working hours had been spread over a longer time interval, many of the activities described could have been implemented.

Despite the time limits and time pressures, there were elements of prioritizing relationship-building. The event managers stressed that relationship-building was an important issue and they had made efforts to foster good relationships with the stallholders to increase the chances that the stallholders would come back at the next event (or to other Markets organized by the event agency). The event managers did complain, however, that they were unable to completely foster good relationships with the stallholders as they could not invite them to next year's event at the termination of the current Market.

## Goals

The initial objective for establishing a new, periodic Christmas Market in Åre was (according to the DMO) to increase the number of visitors to the destination in December by 100%, within 3–4 years. The goal was ambitious, but December is a pre-season for skiing and period of relatively low room occupancy, so the commercial opportunity was there.

The Christmas Market, however, did not have the desired impact nor development. When the management in Åre 2010 was not able to find the money to boost the event to the next level, they stopped believing that the event was the means to achieve the goal. The DMO also shifted focus from the Christmas Market as the key strategy in the achievement of the goal, favoring instead a broader destination marketing project. That project, *A Delightful Christmas*, was created as a marketing umbrella for promoting, offering and selling Christmas experiences in Åre and the nearby city Östersund. The regional tourism project enabled the establishment of the Christmas Market, but when the money ran out for the project there was no more financial support for the Christmas events in Åre. All this had the effect of the DMO starting to doubt that Santa Claus and Christmas activities were the right strategy to attract tourists to Åre in December.

I don't think we achieve the objective by a Swedish Santa Claus. It's too generic. And there are so many others who are much better at it (Destination manager, February 2011).

This thinking threatened the existence of the Christmas Market despite the fact that there was a demand in the community for it. Local stallholders and residents wanted the Market and appreciated its function as a community event. However, since the event had not attracted enough new tourists the crucial support from the DMO disappeared and by early 2011 there was no explicit strategy for driving Åre Christmas as a periodic event.

## Task

The task was to create a Christmas Market, to be held at the central square in Åre and be of such quality that it could match the destination's claim as a premium mountain resort. According to the event managers the Market itself did not necessarily have to be large scale. The idea was for a Market with about 50 stalls complemented by activities and programs associated with Christmas for both Swedish and international visitors.

The complexity of the task consisted in managing the interests of four main stakeholders: the client (DMO); the owner/manager of the event agency; the stallholders and the visitors. The imperative for the owner/manager was to deliver a successful Christmas Market, but not to exceed the (paid) hours allocated to the project. The imperative for the client was that the event would be of such scope and quality that it would mean more customers to the member companies of the DMO. The imperative for the stallholders was to make good sales relative to the fee they had to pay to participate in the Market. Finally, the imperative for the visitors was to experience a Christmas atmosphere and perhaps to buy something to take home with them. These were often competing interests, for example, the client's demand was for the event design to cover a large area and to spread the impact of the event. This was in conflict with the stallholders' wishes for a more compact Market as stallholders in the periphery were selling poorly. Similarly, the client's requirement for a certain minimum number of stalls forced the event manager

to engage stallholders with products that were not high-quality Christmas products. This affected the visitors' experience negatively and also other stallholders who did not want to be associated with low quality products.

It was a rather large claim from the client that you need to reach a certain number of stallholders. Then it happened that some stallholders were admitted, which we actually didn't want to be there (Event manager 1, December 2011).

These conflicts contributed to the visitors' interests not being the focus which the event managers admitted was "devastating" because it was agreed that the visitors' interests were the key to the success for the stakeholders. Transfer of knowledge from one event to the next was also not working properly. For as long as there was no decision on a continuation of the event, there was no priority for any follow-up and evaluation.

### *Working Organization*

The event managers of the Christmas Market discussed the need for a permanent working organization that would be responsible for the event on a yearly basis. They expressed a need for an organization that could guarantee stability and continuity of operations including the need for people who could follow up and evaluate the completed event and start the planning for the next one.

According to the event managers the event agency itself could have functioned as the working organization if the event had been given a higher priority by the DMO and financial resources had been found and allocated. However, as the event agency was only contracted for one-year terms – and always just before each event – an organization was not created and no driving force to carry the event forward from one year to another existed. The managers of the event from 2009 to 2011 believed that the event suffered under the existing organizational model (or lack thereof) and suggested an alternative model that would better support the event. This model was based on the idea that the DMO would be responsible for the operational aspects of the event and that planning for the Christmas Market would take place within their yearly activities.

In addition to the proposal to transfer operational responsibility to the DMO, the event managers also recognized the unused opportunity of engaging some of the stallholders as part of a future event organization. Referring to other Swedish markets and fairs, often created by voluntary organizations, the event managers saw potential in developing an organization based on a combination of professionals and volunteers. This vision of a combined professional and volunteer organization was, they believed, not only a promising idea but likely to be feasible in practice. Three stallholders with experience in organizing Markets at other locations had already shown interest in supporting the event and becoming a part of its organization.

The organization behind the Markets must increase. It doesn't work to be a project manager, an assistant, and one trainee. But can we engage these volunteers as a parallel nonprofit organization, then I think it would be great. (Event manager 2, December 2011)

### *Team*

The temporary team working with each event had a similar structure. During the planning phase, the team was small and an account manager from the event agency had the overall

responsibility of the event while another employee was appointed as project manager and responsible for the operational work. A DMO employee taking care of practical issues in the destination also provided support. During the implementation phase approximately 25 teenage students were hired as volunteers to assist with the setup of the event as well as acting as service personnel during the event. Twenty to forty stallholders and people involved in the activities offered to the visitors (e.g. live and prerecorded music, carriage rides, meeting Santa Claus) were added to the event organization. Everyone in the team had other organizational “homes” outside the event, and there was a lot of variation in the team with regard to the amount of previous experience they had of working with a Christmas Market. Expectations also varied widely among the people who were involved in the execution of the event.

Although they all had their part in the joint creation of the Christmas Market, each individual or subgroup was only loosely linked together and they were not working for a common cause and purpose. It was the event managers who held the parts together, but there were no joint production meetings for all involved, for example. The idea to bring together all those involved for a dinner to create commitment and help shape a common vision did not occur as it was considered that there was no time or resources to do so:

It wasn't really difficult to arrange a dinner, but it didn't happen. It was probably mostly because we had so much else to do. (Event manager 1, December 2011)

Local visitors expressed their support for the event and thought it was positive being staged at that time of year. The event had a social function as an opportunity to meet and socialize, but there were other actors in which the event had not gained the same legitimacy. A nearby shop staged an unofficial snowboard event that directly interfered with the Christmas Market. The music and sound of the announcer from this event annoyed visitors at the Christmas Market, and the organizer complained about a lack of communication between the events.

### **Production**

The event managers argued that, since the Åre Christmas Market was a periodic event, it could continuously develop from year to year – an incremental view of innovation. The event managers had experience of a similar event (the Åre Autumn Fair) and had seen its development over several years and they believed such a scenario was feasible for the Åre Christmas Market. Any continual, incremental development, however, was prevented due to the lack of a long-term agreement between the DMO and the event managers. The result was loss of evaluation and adjustment and conditions for continuous development were poor and mistakes were repeated from year to year.

There is no follow-up. There is no structure on following up, there is no evaluation at a higher level ... I mean, I and [the other manager] have said 'yes, now we made this, but next year we should do this', but we cannot start do that until we get the ok to arrange the next Market. (Event manager 2, December 2011)

Not giving the event the chance to continue and develop made the event managers – who saw the potential – frustrated. They argued that the impact of the Market would increase as the event evolved over time. At the same time they were aware that this type of event in



itself may not have the greatest power to attract tourists to Åre. The event managers argued that there was a need to re-evaluate the event's role and function. For example, if the Christmas Market had been integrated with offers from the shops, restaurants and venues, it would have been able to build a more attractive product. The event managers argued that the motive for traveling to Åre could possibly be Christmas shopping (both in the Market and in local stores) and Christmas experiences in the form of entertainment and dining experiences (at local venues and restaurants). In the years 2009–2011 this approach was not adopted.

### Transition

The Åre Christmas Market was created in order to achieve change at the destination so that more tourists would visit Åre during December. Each event would attract new tourists who would also contribute to the revenue (new money) of commercial interests in the destination. During the planning phases in 2009 and 2010, the DMO and the event managers tried to think innovatively and create something different and better than their competitors and workshops were also held with the local business people to generate innovative ideas. The direct impact of the events 2009–2011, however, was marginal and the event attracted few new tourists and any increase in revenue for the destination's member companies was insignificant. This caused the DMO to question the event's future. The destination managers instead began to consider other types of events or activities to achieve the transformation of December-tourism in Åre.

Locally, we can feel ... that it works with a Christmas market and perhaps regionally against Norway. But if we will have more international visitors, then we believe that we need to think broader and different. (Destination manager 1, February 2011)

According to the DMO and the event managers, the reason why the innovative attempts failed was because there were no financial resources to realize them. Another explanation, for an external observer, was that they could not unite around a common goal and organize themselves accordingly.

### Discussion and Conclusions

The purpose of this study was to analyze the failure of Åre Christmas Market based on Lundin and Söderholm's (1995) concepts for permanent and temporary organization. The objective was also to discuss the organizational nature of periodic events and how this is related to failure or success when new periodic events are to be established.

The analysis shows that trying to explain or understand the failure by using a single set of concepts provides an incomplete picture and both sets of concepts are needed to understand the failure and the problems experienced by the event managers. The event from 2009 to 2011 was dysfunctional as a permanent organization, no *working organization* was established to ensure *survival*, and adequate *goals* were not guiding the *production* and continuous development over time. Each event, however, should also be understood as a type of temporary organization because a *team* under *time* pressure completed the *task* of producing a Christmas Market although the outcome was not satisfactory because lack of change or *transition*. The Market's failure can, therefore, be understood in the context of both permanent and temporary organization. This

suggests that periodic events can be understood as a phenomena that are characterized by permanent as well as temporary organization.

Åre Christmas Market failed because the event was not managed as a permanent and temporary organization, or decided order, from the beginning. Giving the managers single-event contracts undermined the venture as a permanent organization and contributed to the failure of the event. The establishment of the event was not based on the decision for the permanency of the event (e.g. no long-term agreement, business plan or market research). This suggests that for any periodic event there has to be a decided order (Ahrne & Brunsson, 2011) including both permanent and temporary organization in order to minimize the risk of failure. This means that the initial strategic decisions for any periodic events should to be made for both the short and the long term.

### *Theoretical Implications*

Previous research has identified organization as either permanent (e.g. firms) or temporary (e.g. projects). This study has recognized periodic events as an example of organization that might be simultaneously permanent and temporary, a research result that challenges existing theory. Organization defined as a decided order (Ahrne & Brunsson, 2011) enables such a conceptualization. The organizational nature of periodic events seems to be in between permanent and temporary. Theories from both permanent organizational settings (e.g. Cyert & March, 1992) and temporary organizational settings (e.g. Bakker, 2010) are useful for understanding organizational processes, behavior and social interactions in periodic events undertakings.

This study adds to the very limited research on periodic event failure (Carlsen et al., 2010; Getz, 2002) by discussing fundamental aspects of organization using a unique case study of the failed attempt to establish a new periodic event, something not previously undertaken. This study, however, supports previous findings on the successful establishment of periodic events (Bloomfield, 2010; Einarsen & Mykletun, 2009), demonstrating that professionalism and long-term perspectives are important for avoiding failure.

### *Managerial Implications*

The implication for tourism destinations when a new event is going to be established and where the idea is that the event should be recurring is to first consider long-term agreements and strategies. The long-term success of a periodic event can seldom be evaluated after one or two years. The research demonstrates that it is important to give the event a chance to develop before judging its potential and to consider the function of any new event. The objective may be increased number of tourists but the event's value for the local community as having a social function should not be neglected – if the event is attractive for locals, tourism will probably follow.

The implication for event managers is the necessity of considering the dual time perspective, short and long, when organizing periodic events. To put efforts in relationship-building may be perceived as a cost in the short term, but is likely to be a success factor in the long run. Managing the interests of numerous stakeholders is a complex task for event managers, but prioritizing the visitor (tourist or non-tourist) as the key

stakeholder is important for the ongoing success. Finally, there is a priority for event managers to undertake a thorough evaluation of any event to ensure the transfer of accumulated knowledge from one event to the next.

### Future Research

Periodic events are important for tourism destinations and more research is needed in order to understand why some succeed and others fail. Studying a failed periodic event – albeit a single-case study – has proven to be valuable and more studies are encouraged to determine the generalizability of the results. More research on the organizational aspects of periodic events – especially studies focusing on the suggested parallel existence of temporary and permanent organization – is needed to enable event managers to more effectively design and manage the events under their control to ensure that the stated aims and objectives are achieved.

### Note

1. Google Scholar indicates that Lundin and Söderholm (1995) has had 840 citations (7 October 2015).

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