

Fridays at Four
Volume One Issue Nine

Jack Kerouac wrote many stories and called them *On the Road*...So this issue of *Fridays At Four* is just that. Our thoughts and musings from being on the road.

There's a lot to discuss in the Fair industry...just in the past two weeks, these developments.

Oregon State Fair looking like they will no longer be an independent fair, and will become part of the Oregon Parks and Recreation Department...seems that the 24 million dollars in debt they were carrying for bonding of buildings and declining income from events on the grounds, was the news...

Parks and Recreation was granted lottery funds by the voters in the last election, and monies to support Fair operations and service the debt are likely to come from these funds.

Meanwhile up in Enumclaw, Washington, the King County Fair, just finishing up this week, may have seen its final run as a part of the King County Parks Department. The County has issued an RFP for interested private firms to propose running the Fair and the Fairgrounds property as a private firm. The Fair has been heavily subsidized by county general fund monies in the past few years, and the former rural appeal of Enumclaw has given way to the urban sprawl of the Seattle area.

From Alameda County Fairgrounds comes word of a debate on the merits of food vendors being allowed to add sales tax to their pricing. At least for this year, the Fair did not allow vendors to tack on the extra tax to the patron, choosing instead to have all prices include sales tax. Some Fairs in California have allowed this practice this past year, with Los Angeles County being the first to do so. There was much discussion during the Fair on this issue.

One of the most important issues is that the policy has to be consistent. A situation where one stand charges sales tax, another right next door includes in pricing will not lead to a good policy. A standard policy needs to be agreed to. In years past, the main reason for not going to adding sales tax was the handling of change by employees and customers. With modern Point of Sale systems, and the ability to keep track of taxing rates on cash registers, this is less of an issue. What adding sales tax does do is make the price of each item appear to be higher to the customer.

One could take this further and say why do you not tax admission to the Fair or the carnival rides? There will be much debate on this issue in the future months.

At Solano County Fair in Vallejo, the Fair was truly a "new look" this year. The Fair made the decision not to book major headliner acts to be part of the Fair this year. At the same time, the admission prices were kept at the same level as the prior year. Early word is that, as expected attendance is down over prior year. Of course, by not spending the major dollars to bring in these acts, the real analysis will come when they study the net impact on

revenues at the end of the Fair. Some in the industry had stated that this Fair spent upwards of \$400,000 on their headliner acts, which in the past have included James Brown, Toby Keith, Patti Labelle and other high end acts.

Jackson County Fair in Medford, Oregon opened their Fair with a new amphitheater to have their nightly shows.

The first show was earlier in May, yet word from those who attended the new venue, were thumbs up as compared to the former open lawn location.

As we managed to get home for just two days, we did catch up on some reading. For those of you who want to really get a good magazine read, we recommend the August 1 issue of Business Week... Inside is an excellent section on Innovation to the Rescue. One of my little gems from the article was a list of five mistakes, where the writers list mistakes that lead to innovation failure. Listen to this one closely---Companies that confuse consumer marketing with consumer understanding. "Marketing has few tools for ferreting out the unarticulated needs of consumers"

(Page 74 August 1 business Week).

Newest product comes to our attention courtesy of Specialty Food Magazine in its July 2005 issue. What about the paleta, a new Mexican frozen fruit bar. The bars are handcrafted and the most interesting flavors of the nine flavors offered are Mango-Chile and Cucumber-Chile.

Ready to drink teas sold in single servings are the fastest growing drink category in retail food stores. Specialty herbal teas and fruit teas have experienced sales increases of as much as 50 percent over one year ago.

Another news item from the same magazine touts the emergence of specially flavored ketchups and mustards now being seen. One ketchup firm Worlds Best Ketchup has a line of six ketchups, Basil, Dill, Caramelize Onion, Oven Roasted Garlic Sweet Tomato and Tomato Straight up Flavors. Ketchup manufacturers are touting the benefits of Lycopene. There's even a web site for Ketchupworld.com that features Barron Banana Ketchup from ST. Lucia.

This from Chain Store Age...this past holiday season, the Web generated \$14.5 billion in goods, a 29% increase over 2003. In a story about E-Couponing, Cool Savings, a leading web site for on-line coupons, stated there are three types of E coupons. Internet coupons that are printed out and redeem at the store, ones that are linked to a frequency or loyalty program and ones that are issued and redeemed entirely online.

Our book for this time comes from Maria T Bailey and Bonnie Ulman..."Trillion Dollar Moms: Marketing to a New Generation of Mothers"...

Until next time, remember for food service planning that will lead you to new revenues, we are ready to show you how.

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