An Explanatory Study of the Usefulness of Sustainable Relationship of Event Organizer Industry in Indonesia

Wahdiyat Moko*

Department of Management, Faculty of Economic and Business, University of Brawijaya, Malang, Indonesia

Abstract

MICE business has undergone an accelerated development giving growing opportunity for event organizer industries. Therefore it causes an unavoidable competition among event organizer companies, especially in Indonesia where the MICE business has growing significantly in the past decade. This research explores the expected sustainable relationship between event organizer company and the event industry’s company owner. Using qualitative research with phenomenological approach with in depth interview of nine owner of event organizer companies and event – the research revealed that a sustainable relationship between the event organizer company and event industry’s company owner influences three important aspects such as = mutual benefit, company policies, and interpersonal relationships. In relate with healthy relationship, the form of relationship done by an event organizer aimed at creating a sustainable relationship with event industry’s company owner that indicated by event quality, creativity, trust, and loyalty. In acknowledging the results, further research can address the relationship between event quality, creativity, trust and customer loyalty, and the business performance.

Keywords

Event; Event Organizer; Sustainable Relationship; Relationship; Strategy

Introduction

The role of the event organizer to increase product and services is an indispensable part of a company's marketing strategy in this globalized age. The marketing Event program is an event organized to communicate a specific message to the target (Kotler, 2002). Marketing Event is a form of communication from a company to establish changes in the attitudes and beliefs of the community (Sneath et al., 2005; Chattopadhyay and Laborie, 2005). The product knowledge for event audiences has a positive engagement level towards the products and the purchase intention (Close et al., 2006). The marketing event is considered one of the efforts for business expansion. It is related to the growth of the event organizers industry. Soteriadis et al. (2013) explained that the existence of an event organizer is to provides support and helps to increase the company's goodwill, develop marketing communications, builds

*Corresponding author Email: moko@ub.ac.id
relationships with stakeholders, and achieves the company's target market. Event organizer companies exist to building and maintaining a good relationship between them and the parent company as it will provide an opportunity to learn, open new markets, and innovative services to increase business volume (MacNeil, 1980; Parmigiani, 2007). The main aim of sustainable business relations between event organizers and stakeholders is to maintain the target market and to provide opportunities for learning and innovating new products and services (Christensen, 2000).

Mostly, the model of Business to Business (B to B) relationship is intended to the maximizing the benefits than the risks between the company and the vendors as both of them are striving to maintain long term relationship (Sheth, 1994) and its continuity (Bowen et al., 1989. Researches have shown that the relationship between the event organizer and stakeholders results in a positive impact on sales increase, future purchase intentions, and loyalty (Huntley, 2006; Rajaobelina and Bergeron, 2009). The efforts in maintaining the business relationship between the event organizer and the stakeholders are mainly dealing with market orientation, service quality, and quality of communication (Camarero, 2007; Carr, 2006; Athanasopoulou, 2006). Excellent and continuous communication and relationship will result in good service quality and prompt the company to provides additional sustainable jobs and cooperation.

Looking at the growing economy of Indonesia, this research was aimed to explore the aspects of a sustainable relationship between the event organizer company with the stakeholder. Specifically, this research will try to understand the meaning of a sustainable relationship between Event Organizer company and the stakeholder (event industry's company owner) and exploring the sustainable relationship between them.

**Literature Review**

The research topics related to the event organizer and its relationship to business are still rarely researched. Cheng (2006) stated that there was limited academic literature available that study the marketing event and its relationship to business. Research by Warnaars (2009) also corroborated that the study of the marketing event is relatively new; hence, there is limited availability of scientific researches and theories concerning event marketing. Since the academic literature about the event is limited, then event marketing-related studies need to be further explored. Further studies can deal with the effort in investigating the sustainable relationship between the event organizer company and the company owner of the event, particularly on its marketing event.

**Research Method**

This study was done using a qualitative method seeking to construct reality and understand its meaning. This research exploration of the complexities of social life is interconnected by employing concepts and assumptions, as well as the tradition of positivist, thought, post-structuralists, and perspectives related to culture and study of interpretation (Creswell, 2010). The phenomenology research was employed to reflect individual’s (business stakeholders) direct experience related to the event organizer (EO) and event marketing. The phenomenological approach allows a researcher to use his in-depth descriptive based on the life experience to understand a meaning realized through perception (Sokolowski, 2000). The phenomenology has not been used in event management though it
provides a philosophical framework for studying various dimensions of experience and meaning associated with the event (Ziakas and Boukas, 2014).

**Research Informants**
There were nine respondents in this study: two managers of event organizer companies, two managers of the stakeholder’s companies; four owners of event industry’s company; and one experienced freelance worker at the event organizer companies. All the research subjects were chosen based on the context to minimize the bias (redundancy) (Polit and Hungler, 1999). Data collection was done by direct interview to the respondents.

**Data Validation**
The data validation was done by explaining the transcript of the interview to the respondent to verify the information given by respondents. The triangulation of the data was done as the second data validation to confirm evidence from different sources based on themes and perspectives gained from interviews (Creswell, 2007). The triangulation of data involves gathering evidence from a variety of sources, namely web articles, and individuals who have knowledge and science. The result indicates that there are no inconsistencies found, so the data are considered valid.

**Data Analysis**
The data analysis was initiated with the review of interview transcripts from all respondents. The review was repeated several times until the researcher understood the content and the intended meaning. The review was then followed by integrating the identified and recognized quotations from the respondents to a given topic. Integrating interview words excerpts into the intended meaning was done, followed by the effort in deciphering the integrated meaning of passages or quotations in the form of research themes. The following step was to describe the research findings and the significance of the research findings. The accuracy of the findings was done by comparing the findings with the transcript of an earlier interview. The critical analysis was done by doing verifying the findings with the respondents to have a more detailed description of the information that has been obtained.

**Finding**

**The usefulness sustainable relationship between event organizer company and the company owner of the event.**

An event is conducted by the company (stakeholder) to communicate a specific message that improves consumer's attitude and beliefs in the brand or the company's products (Kotler, 2002; Sneath et al., 2005; Chattopadhyay and Laborie, 2005; Close et al., 2006; Cheng, 2006). The role of a marketing event to the company (stakeholders) can be seen through the study of the relationship between the event organizer company and the stakeholders. One of the respondents in this study stated that the role of marketing events for the company is mainly to promote the image and brand of the stakeholder company. The successful image and brand of a company could not be separated from the cooperation of the Event Organizer (EO). One of the examples is the GG company, which has an excellent image and brand due to the great efforts of the EO in promoting the company image and brand.

A marketing event exists as a promotional tool for a company to build brand image to increase the sales and market share. One of the respondents stated that the most important from the marketing event is to building relationship with consumers. This relationship can be built by frequently holding events such as musical concert and
exhibition at malls, and give free products to consumers so that they can feel the experience.

A marketing event also allows the stakeholder company to communicate its message directly to its customers. Having an EO is an inevitable part of a large company having a large number of customers as it helps the company in maintaining and increasing sales and market share. As one of the respondents further corroborates, the importance of events to maintain consumer engagement, such as the FIAT cars community, Honda community, and Touring motor community. This result was in line with the research by Chen et al. (2014), who stated that marketing events were aimed to help to maintain the company’s image and to increase the social bond with the community. Hultsman (2001) stated that marketing events such as an exhibition would enable the company to build its image and build a relationship with its customers in the long term. Sneath et al. (2005) stated that marketing event offers additional benefits allowing customers to actively involved with the brand and the brand’s personalities. Whelan and Wohlfeil (2006) added that an event could build a company’s brand image. Meanwhile, Küster et al. (2009) also stated that an event is closely related to the effort in building the company product’s brand image. Based on the findings above it can be suggested that:

**P1: An Event can provide an interesting experience to strengthen the brand image of a company’s products.**

The relationship occurs between an EO company, and the stakeholder describes an understanding that both parties mutually benefit through the collaboration between them. The stakeholder company often has a higher volume of routine workload and is limited in human resources. Thus, the presence of an Event Organizer is indispensable and considered very helpful in managing a marketing event. This study further confirms the relationship between an EO company and stakeholder, as explained by respondents that most companies’ employees already have a higher workload related to marketing. However, they still have the responsibility to promotes the image and brand of the company. Thus, having an EO company will help to build the right image and brand for the company, while the company employees will focus more on the strategic marketing approach rather than the technical works related to a marketing event.

Having an EO company that manages the marketing event also considered to be more productive due to the clear objective and better experience of the EO company in engaging consumers to improve the company’s image and brand. As one of the respondents further stated that with the EO company managing the event, the employees would more focus on introducing and selling the products in the event. The mutual relationship between EO company and the stakeholder are also explained by other researchers (MacNeil, 1980; Christensen, 2000; and Parmigiani 2007). These researches further explain that a well-established business relationship will bring profits for the company which serves as an opportunity to learn, open new markets and provide innovative services. This finding elaborates the mutual relationship between EO company and the stakeholder.

**P2: a sustainable relationship between Event Organizer company and the company owner of the event is established based on mutual benefit principle.**

Maintaining the relationship between EO organizer and the stakeholder is essential, not only to sustain the consumer engagement but also to the intrapersonal relationship between
them. The intrapersonal relationship provides an opportunity for people who work in an Event Organizer company to get a job from the stakeholder. The role of interpersonal relationships in building a sustainable relationship between EO company and stakeholder is clearly explained by respondents in this study. It is essential that EO company build a relationship with the stakeholder through professionalism and not nepotism. The professionalism of the EO company is reflected by the quality of the event they managed. This will build trust from the stakeholder to the EO company and sustain the relationship between them.

Interpersonal relationship will ease an Event Organizer company to get a job from a company frequently. Familiarity is one of the factors to determine the next successful bidding. In this case, an available EO will always be considered to hold the company’s next event as it has already gained the company’s trust. Besides, business relation is always interrelated with interpersonal relationship. The relationship between a company and customers (an individual and a company) occurs as there is a mutual benefit received both by customers and a company resulting in a long-term relationship (Hennig-Thurau et al., 2002). An interpersonal relationship is essential in the service industry as it allows us to know the level of compatibility of service users. With such compatibility, a sustainable relationship can be created (Olannye, 2014).

**P3: Interpersonal relationships consisting of familiarity, communication and networking** can build a sustainable relationship between an event organizer company and a company owner of an event.

**Relationship forms between an Event Organizer company and the stakeholder**

The quality of a marketing event could be used as the basis decision making process whether the stakeholder will keep working with the same EO company. One of the points evaluated by the stakeholder is whether the EO company worked following the contract and standards. As one of the respondents stated, it is very important to create a marketing event that follows the standard from the stakeholder company. One of the examples is a musical event that needs to be as grand as possible, although the performances is not nationally recognized. It is very important to keep a checklist of the event specification and keep the specification in accordance to the contract. This will help the EO company to further improve their relationship with the stakeholder company. It is important to note that the event must be conducted with security and humane approach.

The quality of an event could be assessed from some aspects. The quality of an event can be assessed from EO’s effort in obeying the predetermined aspects stated in the contract, cooperation, timeliness and safety. The findings in this research is in accordance to the results by Mosahab et al. (2010) who stated that the quality of service consists of empathy, reliability, responsiveness, assurance and tangibles effect on customer loyalty. Other research by Enquist et al. (2007) also stated that the value-based quality services have a major contribution on the company's sustainable business services. In addition, Naik et al. (2010) also stated that quality service in retail business is very important to satisfy the customers, maintain and create the customers’ loyalty. Increasing service quality will significantly influence the positive recommendation from the
consumers as well as business development (Powell, 1995; Moisescu and Gică, 2014).

P4: The quality of event is built on the conformity with the contract, cooperation, timeliness, security can create sustainable relationships between event organizer company and the company owner of the event.

Business on Event Organizer relies very much on creativity, ability, and skills possessed to hold an event. Furthermore, creativity has a prominent role in building a sustainable relationship. In this study, the respondent clearly explains the role of creativity of an event in order to keep survive in aggressive markets and competition. The EO company needs to be more creative in developing marketing events to stay in the competition. Creativity is one of the things that an EO needs to pay attention to as it can improve the marketing event. Also, creativity will provide a solution to problems and obstacles found in managing the events. One of the respondents stated that the EO company needs to be creative and dynamics to find a solution to meet the challenges.

Creativity also one of the most significant selling points of the EO company. The success of a marketing event is dependent on the planning and creativity of the event. One of the respondents shares their experience in managing a marketing event to promotes a particular cigarette brand. The respondent argued that the concept of and events need to be one of a kind and different than the other events that already exist. The more creative and exciting the event concept, the more likely the EO will get the job from the stakeholder company.

The findings from this study are further corroborated that the creativity of EO company is important to stay competitive in the markets. The findings were in line with the result by Shrivastava (2014) that explained creativity helps to describe the implementation of structures and new production processes to improve quality, efficiency, workers' safety, and consumers. Creativity can provide innovative products and services as a resource to improve the efficiency and as a basis for a company’s policy, and produce better work quality and problem-solving (Gupta, 2013; Schneider et al. 1996). Acelleanu and Serban (2009) suggested that creativity serves as the primary source of competitiveness and identity in an international environment in the globalization era.

P5: Creativity is built on concepts, new ideas and it is uniquely able to create an sustainable relationship between Event Organizer company and the company owner of the event.

The Sustainable relationship between the event organizer company with the company owner of the event can be supported by the level of trust. Maintain good relationships and trust from the stakeholder company is a must by the EO company to stay in the competition. By keeping the trust from the stakeholder, the EO company will maintain a good relationship and sustain jobs from the stakeholder company. Trust is one of the crucial capitals for an Event Organizer company to get some various jobs from the company owner of the event. One of the respondents in this study explained that the trust between the EO company and stakeholder company could grow just by the initial process of event planning. Based on his experience, at first, his EO company only responsible for placing banner and advertisement, but due to excellent relationships and good work now his company also managing events such as musical and local markets.
The trust-building the EO company is growing with the track record of managing the event. George Karly explains that track record deals with a license. Getting a license could be a prove how bonafide the EO company is and could convince the decision-makers. George Karly also pointed out that the commitment by EO company is also crucial to maintain an excellent relationship with the stakeholder. The trust given by the stakeholder company must behold in high regard by the EO company. One of the respondents explains that the stakeholder company often evaluate the success of a marketing event according to the concept planned, the quality of production, and the way the EO team deliver the presentation. The result of the real action is then matched with the planning presented in the presentation. The stakeholder company will evaluate whether the EO event is a success or not, and the stakeholder company will be happy if the event suits the event plan. The accuracy in fulfilling the promise is one of the aspects evaluated by an event organizer (EO) company, which is one of the components of trust from the stakeholder company.

The findings in this study further indicates the impotence to maintain trust and commitment a sustainable relationship with the stakeholder company. Ganesan (1994) suggested that the trust from a customer can be done by showing a competence to carry out beneficial work for the customers. Doney and Cannon (1997) stated that the trust built by the company is based on the capabilities in fulfilling the promises precisely as the agreement predetermined.

\[ P6: \text{Trust which is built based on ability, honesty, and commitment is able to create a sustainable relationship between Event Organizer company and the company owner of the event.} \]

The loyalty of an Event Organizer company has a role in establishing sustainable relationship. The loyalty given by an event organizer company is indicated by the willinges of EO to refuse working for a competitor of the stakeholder company. Respondents in this study explained that if an EO company has already collaborated with a certain stakeholder company, this EO needs to be secretive of its event and make sure that it will not be passed to the other competitor. The EO company needs to be keep their loyalty to the stakeholder company, by not managing or proposing the same event concept to the competitor company.

The stakeholder company requires the EO company always to keep its loyalty to the stakeholder company. In other words, the company wants this EO company to work privately for the company in order to succeed in the company’s event. One of the respondents explained that if the EO company caught red-handed working with the competitor (other brands), then they will get a severe warning from the stakeholder company, and event blacklisted by the stakeholder company. George Karly explained that the loyalty of EO is related to the dedication to the best for the stakeholder company.

The loyalty of an Event Organizer company to the company can be seen when it does not help the other competitor is doing the event. The research finding is in line with the opinion expressed by Olsen (2002), who stated that in a business relationship with the customer, customer loyalty is vital to retain loyal customers. Haghkhah et al. (2013) stated that loyalty and commitment are essential factors leading to business sustainability and expansion. Ober (2011) also stated that customer loyalty is associated with the sustainability of the provision of services provided by the company, meaning
that customer loyalty can create sustainable relationships. Eggert and Ulaga (2002) also added that loyalty in business-to-business relationships is taken into consideration in the economic context as it can benefit the company.

P7: Loyalty which is built based on the dedication by not doing a cooperation with the event of the competitor is capable of creating a sustainable relationship between the even organizer company and the company owner of the event.

The findings from P5 to P7 concludes that the forms of relationship between EO company and stakeholder company established based on the following criteria: the compliance with the contract, cooperation, timeliness, security, concepts, new ideas, unique (different), ability, keeping promises, commitments, loyalty, and dedication. Those aspects are very important in creating a sustainable relationship between Event Organizer company and the company owner of the event.

Research Contribution

This study describes clearly the phenomenon of a sustainable relationship between an Event Organizer company and an event’s company owner. There are still very few numbers of researches addressing the sustainable relationship between Event Organizer company and the company owner of the event. The results from this study showed that a sustainable relationship had contributed to mutual benefit relationships between the EO company and the stakeholder company. The interpersonal relationship consisting of familiarity, communication, networking interwoven between those two parties will be able to maintain a sustainable relationship between Event Organizer company and the company owner of the event.

The research finding can describe the sustainable relationship between Event Organizer company and the company owner of the event. The finding reveals that the fact that the form of a sustainable relationship between event organizer company and event’s company owner is based on event quality, the capability on the creativity owned, trust, and loyalty. The research finding contributes to the theory of work quality, creativity, trust, and loyalty.

Conclusion

Sustainable relationship between Event Organizer company and the stakeholder company is essential in order to maintain the mutual benefit in their partnership. The principles of familiarity, communication, and networking is essential to maintain the sustainable relationship between EO company and the stakeholder company. The relationship between EO company and the stakeholder company is considered mutual, since the EO company help managing the event help by stakeholder company, and the EO company benefits from the job given by the stakeholder company.

The Sustainable relationships established by Event Organizer company and the stakeholder company is based on sustainable relationship dimensions which cover the following aspects: 1) compliance with contracts; 2) cooperation; 3) timeliness; 4) security; 5) concept; 6) new ideas; 7) uniqueness; 8) ability; 9) promise accomplishment ; 10) commitments; 11) loyalty; and 12) dedication. The forms of the relationship are based on the theme generated namely: work quality, creativity, trust and loyalty.
The Limitation of the Present Research and Future Research

This research is limited in the effort to understand the sustainable relationships in event organizer business and exploring the sustainable relationships on Event Organizer business. In addition, the research respondents are also limited to the East Java area; therefore, so it does not entirely represent the sustainable business relationship between Event Organizer company and the company owner of the event. Furthermore, in this research, the sustainable relationship addresses only deal with the effort in investigating the Event Organizer company and the company owner of the event. The business relationship of the event organizer company may also be related to other institutions.

This study is qualitative phenomenology research investigating a sustainable relationship between Event Organizer company and the company owner of the event. Further research can be done using a quantitative approach to determine the effect on sustainable relationship quality toward the performance of the Event Organizer company. Further research can address the relationship between event quality, creativity, trust and customer loyalty, and the performance Event Organizer.

Notes on Contributor

Wahdiyat Moko He is a Senior Lecturer in Department of Management, Faculty of Economics and Business, University of Brawijaya. His Research interest are marketing and strategic management.

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