## Block 1

### MARKETING CONCEPTS

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Welcome to this Course on ‘Event Marketing and Promotion.’ Event marketing is a separate area in itself that warrants detailed learning because event products generally include a combination of goods and services that require skills for marketing. Every event will require its own distinct marketing plan. When marketing an event, there has to be an alignment between the product benefits and audiences’ needs that are necessary to guide the design of the event and the promotional efforts. For promoting an event it is essential to analyse and understand target market’s needs and stakeholder’s needs. This Course aims to orient the learners to an in depth understanding of event marketing and promotional activities.

The first Block titled ‘Marketing Concepts’ will build your understanding of marketing concepts in the context of the events industry through the following Units – Marketing Fundamentals, Marketing Environment, Market Segmentation and Consumer Behaviour. The Block aims to expand your insights on the basic role of event marketing and how this will form a key aspect of the promotional efforts.

Block 2 will orient you to ‘Event Marketing Approaches’ and presents a comprehensive combination of Units on event marketing opportunities, strategic marketing approaches, branding and positioning of events. These are useful for developing a competitive advantage over other events. Branding, positioning and repositioning in particular help in establishing and maintaining the desired event image in the market.

The third and last Block of this Course titled ‘Event Promotion’ brings out an understanding of event promotion that is used to communicate the image and content of the event programme to the potential audience. The aim of the promotional strategy is to ensure that the event consumer makes a decision to purchase and then follows up by actively making the purchase. The Block has been specially designed with a unique basket of promotional elements specific to events. The Block presents Units on brand building, advertising, sales promotion, public relations, media management, personal selling, experiential marketing and digital marketing.
Welcome to the first Block titled ‘Marketing Concepts’ of this Course. Understanding of the basic marketing concepts in event marketing is necessary in order to market the features of the event product according to event goals and objectives.

Unit 1 titled ‘Marketing Fundamentals’ significantly talks about the role of marketing in the event industry. It unfurls the two perspectives of event marketing – marketing for events, and marketing through events. The Unit sketches out the role of the various ‘Ps’ in event marketing mix, that help in achieving marketing goals. Other highlights of this Unit are the types and trends in event marketing. The Unit also familiarises you with the concept of ‘experiential marketing.’

In Unit 2 titled ‘Marketing Environment’ we shall be learning about the internal and external factors that constitute the event marketing environment. Event environment analysis helps to understand the impact of micro and macro environment on event delivery. Environment assessment can be used for achieving competitive advantage. Likewise, competitive assessment is useful in crafting out a marketing strategy.

Unit 3 titled ‘Market Segmentation’ presents the concept as a process that analyses event customers in groups. It builds an understanding of market segmentation in the context of B2B (business to business) and B2C (business to consumer) markets. The chapter further explains the tasks involved in segmenting and choosing of the target through the process of targeting.

Unit 4 on ‘Consumer Behaviour’ talks about consumer motivation that drives their behaviour in purchasing the event product. The chapter reveals determinants of consumer participation in depth, which help in ascertaining consumer’s motivation in attending an event. Consumer research helps marketers to predict how consumers will react to promotional messages and to understand why they make purchase decisions. The chapter also underlines the importance of Consumer Protection Act and the necessity for event managers to fulfil the promise of service made to clients.
UNIT 1  MARKETING FUNDAMENTALS

Structure
1.0 Objectives
1.1 What is Marketing
1.2 Perspectives of Event Marketing
1.3 Event Marketing Goals
1.4 Concepts in Event Marketing
1.5 The Marketing Mix for Events
1.6 Types of Event Marketing
1.7 Trends in Event Marketing
1.8 Advantages of Event Marketing: Experiential Marketing
1.9 Let Us Sum Up
1.10 Keywords
1.11 References and Suggested Readings
1.12 Check Your Progress - Possible Answers

1.0 OBJECTIVES

The previous Courses focused on the basics of event management, event planning and event coordination where you learnt about the need, scope, characteristics, planning and coordination of events in the contemporary event industry. This Course titled ‘Event Marketing’ will specifically help you to understand the marketing of events from the organiser’s perspective and to link this aspect with consumers attending events.

Learning event marketing separately is important because events should be seen as special and each event merits its own distinct marketing plan. The present Unit will focus on developing the concept of event marketing and understanding the changing perspective of event marketing in business practices. After going through this Unit, you should be able to:

• Understand the concept of event marketing and its changing perspective;
• Gain detailed insights into the marketing mix of events;
• Identify the trends in event marketing along with an understanding of types of event marketing; and
• Understand the very important role and advantages of experiential marketing.

1.1 WHAT IS MARKETING

The word ‘marketing’ is derived from two words ‘market’ and ‘getting’. Market getting becomes marketing. According to the American Marketing Association marketing is the activity, set of institutions, and processes of creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large. The offerings could be product(s), service(s) or idea(s).
As defined by Verhage, Marketing is the process of developing, pricing, promoting and distributing products, services or ideas that are tailored to the market; it includes all other activities that create value and systematically lead to increased sales or another desired response, establish a good reputation and ongoing relationships with customers, so that all stakeholders achieve their objectives. Marketing as an entrepreneurial function connects the firm with its customers.

**Difference between Selling and Marketing**

Before proceeding further into the Unit, it is important to recognise the difference between selling and marketing. Many firms also confuse the matter by calling their sales executives as marketing executives.

It is important for you to recognize this difference. The purpose of selling is to sell what is already made, while marketing aims at making what will sell (what the customer wants). Selling starts with the existing products of the firm and views business as a task of somehow passing them on to the customers. The goals of selling are usually short term in nature – achieving the monthly or quarterly sales targets and generating profits. Marketing, on the other hand, starts with the customers by assessing their needs, and views business as the task of meeting those needs by producing and supplying the products and services that would satisfy such needs. The goals of marketing are usually long term in nature – achieving customer satisfaction and admiration for the firm’s products/services which automatically will generate profits for the firm.

To explain it in a flow:

**Selling**

Starting Point (Factory) → Focus (Existing products) → Means (Selling and promotion) → Ends (Profits through volumes)

**Marketing**

Starting Point (Customer) → Focus (Customer needs) → Means (Complete marketing activities) → Ends (Profits through satisfaction)

According to Kotler, selling is like hunting while marketing is likely gardening. Thus, in a nutshell, marketing orientation is completely reverse of selling orientation for a firm.

You may wonder then, what is the status of selling in today’s world where marketing is the focus. Selling is a subset of marketing and an integral part of it. The marketing department in firms usually carries out the following tasks – marketing research, product development, product and brand management, pricing, promotional activities, selling and distribution. The last two activities are generally handled by the sales teams of the firms.

**Event Marketing**

Over the past few decades, marketing has changed its orientation from production to a more communication-oriented approach. Earlier, the prime focus in marketing was the product. Good quality product, as a parameter, was enough to keep the product-oriented company to stand out amongst its competitors. As the competitors continued to grow in number producing products of similar quality, competition started, based on the price differences. Later on, realizing the
difference between quality and price as negligible, entrepreneurs started focusing on distribution of offerings. With the passage of time, it was realized that there was hardly any scope left for product innovation. So the entire focus started shifting to making investments in promotion (communication) in the field of marketing. This gave a new face to marketing referred to as relationship marketing emphasizing on ‘customer retention’.

Communication therefore, is an essential component of contemporary marketing and events becomes an effective live means of communication. Organizations realizing the strength of events organize more and more events to bring their brands, products or services to the attention of current and potential customers, thus attempting to create a positive brand attitude. Event marketing can thus be defined as a focused method of event strategy which is managed consistently over a period of time, in order to reinforce aspects of brand character. Understanding the essence of live experiences provided by events, the organizations have moved from traditional marketing practices which included advertisements and print media to experience marketing which involves the creation of memorable experiences through events. Experience marketing or experiential marketing (i.e. marketing through events) is an extra marketing tool which is all about engaging the customer on an emotional level. Events provide the experience. Experiential marketing has been discussed in Section 1.8 of this Unit.

History is full of examples of those who have dreamed beyond the conventional techniques and were able to increase the sales for their events. Though they had different event objectives and adopted different strategies, they all shared a commonality of purpose, namely the three Es of event marketing: Entertainment, Excitement and Enterprise.

These three elements are critical to the continuing success of the event irrespective of the scale of the event. Unlike the earlier days, people in fact have very convenient home entertainment options on televisions, CDs and DVDs, computers and videos, highlighting the need to design marketing strategy in such a way which will once again compel the audience to leave home to experience something exciting. Excitement should be considered as part of an effective marketing plan. The third element, enterprise, suggests the readiness to take risks or try something untried with energy and initiative. This is the element that defines the pioneers in event marketing (See Box No. 1 for case study). Enterprise is born from the observation that people have a natural inclination to experience something new, to be among the first to be able to describe those experiences to their friends.

**Box No. 1**

**Jay Lurye: Marketing Pioneer - A Case Study**

Jay Lurye is considered as a master of integrative marketing and creative thinking. He was the founder and president of Impact International, Chicago, which was established more than thirty four years ago. His company was amongst the first event production and marketing firms. Many of his principles and innovated practices are commonly used in the industry today.

Lurye built attendance through marketing partnerships and the creation of ancillary activities. He instituted the spouse and youth program as a major part of the convention and understood that if an organization could attract
spouses by marketing unique programs to them and their children, chances were that the association’s members would feel more compelled to register. He was right. He was very innovative in marketing these programs. He created the ‘meet a celebrity’ event and promoted the ‘mystery guest’ luncheon or reception where spouses would buy tickets based on the promise that they would not only see each other, but mix with the celebrities as well. Then, through his contacts with theatrical agents, he would determine which celebrities would be in town at the time of the event, hire them for a moderate fee to spend time in socializing with the group, and watch as the spouses lined up for a chance to chat with the famous actress or singer. Photographers took Polaroid pictures and autographs were traded.

Today, many companies hire ‘look-alike’ celebrities to perform the same function that works to build attendance and excitement. Jay Lurye started the concept and used his creativity and imagination to enlist ‘target markets’ into the fold as ‘marketing partners.’ For example, the Mechanical Contractors Association of America was his client and was struggling to get support from its state and city chapters to attend the annual convention. Lurye’s concept was to change the association’s chapters from passive to active marketing partners. He would give them a proprietary interest in the enterprise. He then created a major reception and dinner as a highlight of the convention and challenged the chapters to be among the first 20 to sponsor ‘hospitality centers’ in which they would offer food and drink indigenous to their localities, giveaways of memorabilia, and costumed characters reminiscent of their state’s history. Only 20 theme centers were available. First come, first served. They clamored to get on board. Their pride swelling, the chapters immediately began trying to outdo each other. The Kansas City chapter proudly served barbecue and gave away miniature Kansas City Chiefs footballs. The Louisiana chapter served fried oysters and crawfish and tossed Mardi Gras doubloons and masks as a Dixieland band regaled the crowd. The Seattle chapter drew a crowd with its smoked salmon and Washington State wines. Seventeen other theme stations competed for attention. The party became a living, exciting montage of the association’s width, breadth, and diversity. And while the event was a marketing marvel and a great success, Lurye had a subtle strategy. The association itself saved a fortune on food and beverage expenses and entertainment costs that the sponsoring chapters covered, all of which would have fallen on the association for a more standard party. In time, Lurye expanded his creativity into corporate meetings and product launches, and ultimately conceived a service company producing college and fraternal reunions with the same cutting-edge creativity he used to bring association events into the modern age. Many of his marketing and management principles still form the basis for contemporary event production and promotion.

Source: Hoyle (2002)

Check Your Progress I

Note: Use the space provided for your answer

1) Define Marketing.

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2) State one difference between marketing and selling.

- Marketing focuses on creating awareness and desire among potential customers to purchase a product or service, whereas selling involves actively seeking out potential customers and convincing them to make a purchase.

- Marketing involves the identification and analysis of market trends and customer needs, whereas selling involves demonstrating the value of a product or service to individual customers.

3) Explain briefly the concept of event marketing. Also in two lines write about experiential marketing.

- Event marketing is a promotional strategy that involves face-to-face contact between companies and their customers at special events such as concerts, music festivals, fairs, product launches, activations, sporting events and other events. Successful event marketing gives value to their existing customers, potential customers and other stakeholders by creating a memorable experience which is far beyond than just being a staged advertisement. Event marketing has its roots in the fields of marketing as well as communication. Event marketing has the following two perspectives:

  - Marketing for events
  - Marketing through events

**Marketing for Events**

In marketing for events, the event is a ‘product’ in itself which needs to be marketed. Examples are IMEX (the international trade fair for event organizations), India International Trade Fair, Sunburn, The Olympics, Common Wealth Games, IPL (Indian Premier League), the New Orleans Jazz and Heritage Festival, the Gulfood exhibition organized by Dubai World Trade Centre, and many more events organised in various cities of the world. The event organizer puts in every little effort to make them memorable experiences which over a period of time become brand names too. The event is the starting point of all business operations. These events are marketed by means of various strategic approaches such as branding, relationship marketing, marketing and communication, and others. A variety of resources and channels are employed, such as the internet, commercials, posters, social networks and advertisements to put the product called ‘event’ on the market.
Marketing Concepts

Marketing through Events

In marketing through events, companies use events as a ‘means of marketing and communication’ to promote their brands, products, services or idea. For example, the product launch of iPhone latest version, through an event. In marketing through events, the focus is on developing, intensifying and expanding a relationship (or brand relationship) with one or more target groups, in which the event is used as a marketing and communication tool, and where emotion and experience are brought together. Companies opt for event marketing when they want to communicate a certain message effectively and are more interested in person to person interaction.

1.3 EVENT MARKETING GOALS

Development of the event marketing plan must be a part of event planning itself and must drive the goals and objectives of the event. As in other businesses, in event business too nothing happens until one sells something. An event may focus on more than one objective. For instance, the objectives of an event could be creating awareness, providing entertainment and at the same time addressing some changes required in the future governance of a scheme. In such a case the event marketing should drive all of these objectives. This can only be achieved when marketing begins at the time of event planning. Marketing when integrated from such initial stage is able to serve its function of driving attendance, profits, and repeat business at the next event. Different marketing strategies used in event marketing are:

- Relationship marketing strategy: For building, maintaining and intensifying relationships with various stakeholders
- Marketing communication strategy: For influencing the visitor’s knowledge, attitude and behaviour
- External branding strategy: For influencing, creating or changing the visitor’s valuable brand associations
- Internal branding strategy: For influencing, creating or changing the employee’s valuable brand associations in order to increase employee involvement and optimize the customer experience
- City marketing strategy: Contributes to the objectives of a city

The above marketing strategies will be discussed in different Blocks of this Course. Successful event marketing opens a way for the successful achievement of event objective/s. Event organizers may opt for multiple strategies of marketing to achieve different event objectives. Media and other means of communication are involved to support the overall campaign.

1.4 CONCEPTS IN EVENT MARKETING

Markets and Marketers

In marketing language, market does not mean the shopping areas or places where goods are sold and purchased. It means people or customers with purchasing power. For example, the market for cars in India consists of existing users (currently using cars) and potential users (who do not have a car presently but
have the capacity to buy a car). This word also means demand. For example, it may be said that market for cars is growing at 6% per annum in India.

In the exchange process, marketer is usually the one who is more eager for the transaction to take place. It is commonly observed that the selling firm is the marketer while the potential buyers are the customers who are actively targeted by the firm.

- **What does the market want from a marketer** – proper goods / services at reasonable price, convenience in delivery and good after-sales support (in some goods / services).

- **What does the marketer want from the market** – acceptance of his goods / services, good price for them and positive image which the customers communicate to their relatives, friends, colleagues etc. (word-of-mouth publicity).

**B2C Markets** – Most of the firms, that we are aware of, market their goods / services to individual customers and their families. Typical examples are firms / companies selling soaps, cosmetics, clothes, insurance schemes, personal computers, laptops, mobiles, TVs etc. Such transactions are conducted between firms (businesses) and consumers. Thus they are known as Business–to–Consumer (B2C) transactions and the set of customers targeted by these firms are called B2C markets. Brand events are a good example. The Lego Kids Fest in various cities in the USA is a popular example. Public trade events are also a good example. The food truck festival organized in Delhi NCR every year is a typical example of B2C event. Mobile trucks and food kiosks participate in the event and consumers come to sample and purchase the food from the food kiosks and trucks. Some events like the India International Trade Fair (IITF) are a combination of both B2C and B2B. In the first five days of the IITF the stalls are open for B2B clients and potential customers. But after that the whole trade fair is opened up for consumers who come in large numbers to visit the fair.

**B2B markets** – In practical situation, a very large number of firms make goods / services which find usage in other firms or companies. Many of them are not recognized by common people as they are not in the public visibility so much. Typical examples are firms selling raw materials and components to automobile manufacturers, computer parts suppliers, firms selling industrial compressors, tools, maintenance and repair service providers, courier and transportation service providers etc. Such transactions are conducted between one firm (business) and other firm/s (businesses, who are consumers here). Thus they are known as Business–to–Business (B2B) transactions and the set of customer firms targeted by the marketing firms are called B2B markets.

Quite clearly, most of the firms in real life situation will do B2C as well as B2B marketing, such as firms selling computers, stationery, paper, furniture, banks and courier companies. Many firms which sell primarily consumer oriented goods like soaps and shampoos also find a good potential in B2B markets like hotels, hospitals and large corporate offices. For B2B events visitors are invited for business motives. These are events based on business interests and visitors go to these events for business reasons / corporate contacts. But at the same time, this does not mean that all leisure purposes are excluded. Examples of B2B events are: national trade shows, events for customers, product presentations, anniversaries, dealer conventions, opening ceremonies, kick-off meetings,
national conferences or symposiums, small-scale business receptions, shareholders’ meetings, or special events for customers as a part of major public sports events.

**Business to Employee Events:** In these events the target groups are the employees of a company. The purpose of such events is to create a sense of solidarity (through team building) or to thank employees or crew and thank employees for their efforts in contributing towards company’s profits. Examples of this are the staff party of Unilever and the team building days of Maruti Suzuki company. Product presentations; company anniversaries; open days; kick-off meetings; a special event on the occasion of a merger for members of staff from both companies involved; staff party or a staff outing to a major sports event; incentives; and events for retired employees are Business to Employee Events.

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<td><strong>Note:</strong> Use the space provided for your answer</td>
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<tr>
<td>1) Define event marketing. Give the two perspectives of event marketing.</td>
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<td>2) Discuss B2B, B2C and Business to Employee concepts in event marketing.</td>
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<td>3) List the different marketing strategies that give you reasons to opt for event marketing</td>
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<td>4) Differentiate between Business to Consumer (B2C) events and Business to Business (B2B) events.</td>
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1.5 THE MARKETING MIX FOR EVENTS

The Ps of Event Marketing

Marketing professionals carry out many activities. These activities can be understood as marketing-mix tools of five broad kinds also referred as 5 Ps of event marketing. These are: product, price, place, promotion and positioning. The concept of marketing-mix conveys that these are the main levers in the hands of marketers. They move these levers to various degrees in order to achieve their marketing goals. These 5 Ps go hand–in-hand and a change in one P has an impact on the overall effect of the marketing-mix. Hence each of these activities should be designed and implemented, keeping the other activities in mind. Let us understand the decision which a marketer can take with reference to the 5 Ps.

Product

For an event marketer, the event is a product. This product could be a cultural programme, convention, educational seminar, sports event, rural fair, literary festival, a corporate product launch or any event. Before the event is marketed, it is essential that the marketer knows about all elements of the event, the event goals and objectives. The objective of the event marketer is to provide legitimate benefit, like to increase productivity, maximize profitability or simply giving a good time to the consumer, which can enable the customer to buy a product or attend the event. Many times it is easy to achieve the goals of marketing when the event has a good history. For example, a major educational association celebrated its 10th Annual Educational Conference. For this the event marketer positioned his promotion with the theme ‘the power of 10.’ The promotion was planned for awarding 10 major prizes to successful team leaders, inviting 10 great speakers to present seminars and be honoured, and announcing 10 lucky winners who would be presented with complementary gifts. In this way the success of 10 years was adapted as a concept and was themed throughout the marketing mix. Likewise, even if there is no history of the event, the event marketer has the opportunity to make it historical by attracting huge masses and converting it into a synergistic activity.

The key aspect which the event marketer needs to focus is that the message should emphasize the manner in which the participant will benefit from the event. This can be achieved by studying demographics and understanding the need of the audience. Developing the marketing strategy based on research results of audience need, produces effective results. Over and above this, the marketer should also think of some USP (unique selling proposition) that makes this event different from others. Event marketers should be well-versed with the fact that there are a number of other players in the market who would be offering solutions to address the same audience needs. In the absence of a USP, the audience may not choose to invest time and money in the event as they are surrounded with more competitive solutions. The event marketer can identify the uniqueness of the product by researching into the markets and the objectives of the client or organization.

Every product has intrinsic benefits. If we break the product down into levels, we can more easily identify and understand these benefits. This will enable us to communicate these with the potential customers more effectively. Three levels of a product were proposed by Kotler et al., namely, core product, actual (real)
Marketing Concepts

product and augmented product. For example at a large Bollywood music festival, which will attract over 90,000 visitors per day, over a weekend with 120 performances, the core product will be the ticket; actual product will be – the 120 singers / singing bands and the venue, the area where tent will be set up, traffic management, the shops and merchandise, the stewards and toilets and; the augmented product will be the atmosphere, the anticipation and experience. In the product life cycle there are three stages, namely: (i) Introductory stage: this stage involves heavy publicity to bring the event to the attention of the consumer using an integrated communications strategy. For example, necessary discounting through the internet and social networking enables targeted communication with customers and pre-registration for music festivals in advance, before ticket release; (ii) Growth: When the event is undergoing growth the marketing mix is manipulated to bring out the best effect and may even sell out within minutes of ticket release. To communicate this popularity, the PR mechanism will be used for creating a desire in customers for ticket purchase (iii) Maturity: This can be applied to annual events that are repeated as they have a loyal consumer base. Heavy promotion may be necessary to ensure that the event sells out year after year, for example, discounting through loyalty schemes.

Price

It is important for the event marketer to understand the financial demographics of the target audience. This means that the event marketer should analyse the market’s ability to pay. If too much is charged, no one will purchase. If too little is charged one won’t be able to cover up the costs. For successful pricing, one has to take into account all income, including sponsorship, grants, advertising revenue, the ticket sales and also the impact of promotional discounts. In addition to income, all expenditure must be budgeted. Taxes, insurance and licensing costs should be included in the overall budget. Once the budget is in place, a baseline price or ticket yield can be set. At the time of setting prices for events, it is very important to consider all costs to the customer – which includes not just the ticket cost, but also booking fees and travel. There is also a concept called ‘opportunity cost to the customer.’ This takes into account the cost to the customer of coming to an event in terms of time, and what the customer cannot do as a result of attending the event. For example, if attending the event entails that the customer is missing a favourite TV programme, the opportunity costs may be low, but if it makes the customer miss the daughter’s birthday party, opportunity costs may increase.

Similarly, understanding of financial goals of the event company becomes the primary responsibility of an event marketer. Some events are organized just from the profit perspective, that is, to make money, while others are not. Corporate meetings are actually ‘costs of doing business’ that help the corporate to build employee loyalty, pride and skills for the better achievement of the corporate goals. The event marketer must be able to translate these financial goals while designing the strategy of event marketing. At the same time, market research provides information about the pricing patterns in the market, demand of the similar product in a particular city or region or, to an increasing extent, globally. For instance, the event organized for executives having access to corporate credit cards are likely to be priced higher than the event organized for people paying from personal wallets. A positive supply and demand is created when a product is desired and demanded by more people than the production can satisfy. Negative
supply and demand is created when there is supply of a product but little or no demand. Since market research helps in understanding the ability and willingness of attendees to pay for an event, the information evidently helps in designing the event strategy and event planning itself.

**Place**

The location of an event can be an excellent selling proposition while marketing for the event. It can dictate not only the attendance, but the character and perception of the event as well. Events can either be sold directly to consumers or sold indirectly through marketing channels (also called distribution channels). Sales agents, wholesalers and retailers are the marketing channels and they are the intermediaries. Ticket sales for events are often handled by an intermediary, for example, eventticketscenter.com, seetickets.com or Ticketmaster. Push and pull factors are used by companies to sell their events to customers. *Pushing* the communication to the customer through intermediaries (like ticket agents as mentioned above) makes use of larger networks. A *pull* strategy is a method that sells directly to consumers using a message designed to inform, remind or persuade, pulling people towards taking an action such. Example, users logging on to a website after getting a direct email notification about an event.

At times the event site is featured majorly in brochures and advertising. Different events may highlight different aspects of a site to please their target audience. For example, a corporate dinner at a five star resort will emphasize the opportunity to experience the facility as an exciting highlight of the event itself. While, an educational seminar at a five star resort may not necessarily display the attractiveness of the site but would rather emphasize the convenience and functionality of the location for the attendee. Box No. 2 shows the elements which the event marketer should keep in mind while marketing the event place.

**Box No. 2**

<table>
<thead>
<tr>
<th>Elements to be considered while selecting a location</th>
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<tbody>
<tr>
<td>1) Proximity to the potential attendees and ease of travel</td>
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<td>2) Availability of parking for a commuter audience</td>
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<td>3) Ambience and originality of the site</td>
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<td>4) Logistical practicality of staging a particular event</td>
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<td>5) Surrounding attractions / infrastructure for ancillary activities</td>
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<td>6) Existence of related audiences, organizations</td>
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<td>7) Degree to which the location fits the character of the event</td>
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<td>8) Safety and security of event attendees</td>
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<td>9) Availability of public transportation (airport and within city)</td>
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<td>10) Availability of overflow space (sleeping and meeting rooms)</td>
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**Source:** Hoyle (2002)

**Promotion**

Promotion is an important activity of marketing mix. It uses marketing communication channels to sell products and services to targeted consumers.
The marketing-communications mix consists of PR, advertising, direct and word-of-mouth marketing, sponsorship, sales and merchandising. Today’s integrated marketing campaigns use a variety of communication methods and media to create as much impact as possible for the product (event) within a specific timescale. For example, an event such as a multi-city concert tour of an Indian rock band, focusing only on the metro cities, would prefer to tie-up for promotion with an exclusive music channel for its promotions and event coverage. Usually music concerts have one music channel as its exclusive media sponsor. Based on the TRP (Television Rating Point) rating of that programme and the nature of the programme, promotions are slotted and this would further help in positioning the event to the correct target audience. For example, Cineyug, India’s premier entertainment company, organized Zee Cine Awards 2013 and television was used extensively as a medium to promote the event. Although a trend is being seen for a rise in campaigns through electronic communications as a most opted medium, traditional methods such as direct marketing through postal mail, paper flyers and brochures are still used.

Public Relations deals with the management of a healthy relationship between an individual or an organization and the public. In this process an individual or organization gains exposure to the audiences and establishing public image using topics of public interest. For instance, the public relation specialist may design a communication campaign, write press releases or arrange interview with company’s spokespeople. This makes it different from advertising. The aim of public relations is to inform different stakeholders including audiences, potential audience, public, investors, sponsors and partners, and ultimately persuading them to maintain a certain view about the organization and its products and services. The first step in establishing a public relations campaign is to determine the current perception prevailing among different stakeholders about the organization, its products and services, to identify their changing attitudes and keep incorporating them in the current marketing strategy.

Public relations (PR) specialists work on maintaining relationships with an organization’s target audience, the media, and other opinion leaders. The position primarily requires responsibilities including designing communications campaigns, writing news releases, working with the press, arranging interviews for company spokespeople, writing speeches for company leaders, acting as an organization’s spokesperson, preparing clients for press conferences, media interviews and speeches, writing website and social media content. Press release is the biggest PR opportunity that generates coverage in the media – radio, television, newspaper, weekly bulletins, and other specialized publications that cover a news story. These get the event free media coverage.

Thus promoting events is the key to their success or failure, whether by payment or by free entry. It is the using of the ‘promotion’ skill by hitting as many marketing channels that suit the targeting strategy for the consumers, and sending repeated communications to build excitement and desire for the consumer to purchase.

Positioning

Positioning is used by event marketers to understand consumers’ perceptions of events. In other words, it refers to the place that a brand occupies in the minds of audiences. To create a space in the minds of audiences, the product, services, idea or the brand itself must have some distinguishing features from similar
offerings of their competitors. Positioning is one of the most powerful marketing concepts and makes use of all other Ps of marketing mix. The distinctive features of an event make the event stand out from the rest and confer the ability to stay off competition from others. Positioning of an event could emphasize on location of the event, competitive cost of the entry fee of event and the programme content. However, one should learn to keep it simple so as to avoid complex marketing plans. Simple marketing strategies are easy to follow and to track.

**Ps Framework given by Event Management Authors**

Over the past couple of decades, event management authors have come up with new market mix concepts to fit the in evolving market propositions. The current economy evolving from products, towards services, moving to knowledge and more recently, experiences and emotions have been found to suit new market propositions. In the below section we will discuss the marketing mix frameworks proposed by Getz and Allen et al.

Getz (2005) proposed the 9Ps framework of marketing mix for the marketing of an event which are as follows:

**Product** refers to the event itself.

**Place** includes the location, event environment, setting of the event and destination features. In addition, this P considers the distribution of event products.

**Programming** refers to the event programme. It should be innovative enough to appeal the target audiences. It makes use of various elements of style to keep the audience attracted.

**People** include staff and volunteers as an essential factor in the success of the event and are internal customers for the event. This P also includes event participants who are external customers without whom an event would not even exist.

**Partnerships** refer to joint business and marketing initiatives of event organizers with other entities including tourist organizations, government agencies and private companies for joint business and marketing initiatives. These partnerships facilitate event promotion and the execution of event.

**Promotion** refers to a combination of strategies utilized to promote the event and encourage target audiences to attend the event. This is also commonly referred to as marketing communication mix.

**Packaging and distribution** refers to framing the event experience in a manner that the target audience gets convinced and is willing to participate in the event. Such packaging may involve attractive pricing, value addition in terms of extra benefits such as accommodation or transport facility, discount offers and so on.

**Price** refers to how much the event costs to a target customer in terms of the cost of ticket, cost of space, cost of time, travel and other productive activities that the customer could have done otherwise.

**Positioning and branding** is the placement of the event’s image in the mind of target audience with respect to other events and attractions that are competing for participant’s free time and money.
Allen et al. (2010) proposed 10Ps of marketing mix which are as follows:

**Product experience** refers to the core service the event is designed to offer. For instance, with a music festival the core service would be entertainment and with a seminar the core service would be education and awareness.

**Programming** focuses on different elements of the event programme and activities, their quality and/or style which actually contribute to the event experience.

**Packaging** refers to the mix of opportunities offered within the event itself, as well as how the value is leveraged with additional extra offerings. Such additional external offerings increase customer’s participation. These may include for example, a theatre performance where only a ticket needs to be booked, and there may also be an option of buying a packaged deal of having an evening meal in a local restaurant or an overnight stay in a local hotel.

**Place** in events includes not only the location or the site of event delivery but also the mixture of channels used for distributing the event tickets.

**Physical setting** refers to the venue wherein the event is taking place, its theme, decorations and the entire event environment contributing to the event experience.

**Processes** refer to the series of activities or course of actions related to event planning, delivery and evaluation. Processes can be understood in the time frame within which they take place, that is, in different phases of the event life cycle such as pre-event phase, event phase and post-event phase.

**People** in the event are involved at different levels, varying in the degree of their stakes. These include event organizers who are the hosts, staff and volunteers, vendors and above all, the event attendees.

**Partnerships** include various stakeholder relationships such as those between the event organizers and its sponsors, vendors, volunteers or the media.

**Price** includes the cost of attending the event and the value of experiencing the event.

**Promotion** refers to the integrated marketing communications encompassing the strategic choice of various media channels and messages used to promote the event among the target markets and audiences.

**Importance of Events in the Marketing-Mix**

An event is one of the communication tools, just like PR, advertising, sponsoring, internet, direct marketing, sales promotion and personal sales. Event is the central point in event marketing, and is supported by various means and channels of communication. The purpose of the means and channels is to strengthen the event and enhance the visitor’s experience. These means are used in three phases: (a) the pre-exposure phase – which precedes (falls before) the event or a series of events where the visitors are encouraged to attend or take part in the event, so that the event experience for visitors can start at the preliminary stage (also called the pre-exposure stage); (b) the direct exposure phase – the actual experience at the event itself; and (c) the post-exposure phase – which is after the event, when the organisation communicates to stay in touch with the visitor.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tr>
<td>1) Explain ‘product’ and ‘promotion’ as major components in the marketing mix of events.</td>
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<tr>
<td>2) What factors should be considered in event pricing?</td>
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<tr>
<td>3) Briefly explain the concept of positioning in events.</td>
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<tr>
<td>4) Name the 9Ps proposed by Getz.</td>
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<tr>
<td>5) Describe the 10Ps proposed by Allen et al.</td>
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<tr>
<td>6) Explain briefly the three phases in which various means and channels are used for event experience.</td>
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### 1.6 TYPES OF EVENT MARKETING

There are different types of event marketing. The event organiser may:

1) Conceive and organize an event on their own (e.g. brand events, relationship events or brand venues).

2) Team up with an existing event.

3) Facilitate and/or finance an event: regional or national government bodies often host, facilitate and/or finance cultural or sporting events, by means of which they enter the arena of event marketing.

**Conceiving and organizing an event of your own**

**Brand Events and Brand Venues**

*Brand events* are events that basically revolve around a brand. They are organized with the sole purpose of creating positive brand associations or reinforcing existing brand associations. The event may be organized by a professional event organizer. It gives the organization an opportunity to develop closer ties with the target group and make the brand strongly embedded in the audience’s identity and lifestyle. Brand events are organized to reach a specific target group based on the product the brand is marketing. For example at the Audi Brand Event, Audi organized a dazzling show by using audio-visual aspects, acts and entertainment, bringing out the core value of ‘progression.’ Audi was the initiator, owner and main financier of this event. The launch of the new A4 models saw the emergence of sportive, progressive and sophisticated values. *Brand venues* are simply brand meeting places. Yet they are equally important, as they provide companies with the opportunities to establish a strong identity for their brand. Brand venues are also called ‘out-of-home’ marketing, and fall under event marketing.

![Fig. 1.1 Global footwear brand Puma organized a brand event to launch new shoes collection hosted by legendary tennis player Boris Becker](image)

*Source:* www.eventfaqs.com

**Relationship Events**

Relationship events are organized by brands to build long-term relationship with existing customers, potential customers and other stakeholders, rather than trying to promote them only one time. These events provide a platform to all partners and stakeholders to meet each other in a set up that is different from professional
meetings. Relationship events focus on fostering customer loyalty and to maximize the value of the relationships. They are designed after identifying the customer’s needs, wants and what makes them to return for repeat business.

**Internal Branding (Internal Brand Events)**

Internal branding events are events that are organized for the employees. These events help the employees involved in the sales department to connect better with the brand in order to improve business in the long term. Since sales employees are a critical factor in sales success, the internal branding events focus on team-building; performance development; strengthening relationship; employee’s motivation; open feedback culture; willingness towards personal growth; more attention in the Customer Service Department to the relationship with retailers; and a wish to improve internal cooperation in the sales department. An internal branding event may comprise an introductory training session, a personnel party, a team-building event and a goodbye party.

**Teaming Up with An Existing Event**

*Sponsored Events*

Funds for events come in the form of sponsorships. Sponsoring an event provides plenty of scope for the organizations to foster relations with target markets. For sponsorship relationship, a proposal for sponsorship is sent to the sponsor. For example, the World Tennis Tournament is sponsored by ABN AMRO and this relationship has been in existence for more than 30 years. Other examples of such relationship are – Emirates Airline US Open Series (the famous tennis grand slam), Volvo Ocean Race and Red Bull Crashed Ice. In sponsoring of events, the sponsor provides money, goods, services and know-how. In exchange for this, the sponsored party (event management company or event organiser) promises the sponsor to contribute in achieving the sponsor’s communication objectives. Events when sponsored are well delivered. Similar is the case with brand events where a company can choose an event that gives rise to right associations. The brand can also be present ‘live’, as a part of the main event.

![Fig.1.2 World Tennis Tournament sponsored by ABN AMRO](source: www.zimbio.com)
**Marketing Concepts**

*Relationship Events*

Here, the companies or brands do not organize relationship events of their own but they offer a VIP package to some big event, may be a sports event for which they are the sponsor. For example, BNP Paribas offers to its most important clients, a Roland Garros Tennis Tournament VIP package. Being a sponsor of Roland Garros, BNP Paribas used this excellent opportunity to organize a range of hospitality services for its clients at the mega event (tournament). In other words, Roland Garros tournament is an existing event which triggers all other smaller events and BNP Paribas has used this tournament to strengthen its relationship with its existing stakeholders.

*Campaigns*

These are one-off events that create a lasting memorable experience and generate a lot of free publicity. In campaigns, there is ambush marketing, which is a practice of appearing to align a brand with an event, and this brand has not paid for the right to be a sponsor. The business finds ways to associate its brand with the event without necessarily being present at the event itself. Examples are: a supermarket chain having a campaign that allows customers to save for tickets to a ‘ghazal’ evening; a newspaper giving away tickets to a concert by Adele at the Royal Albert Hall in London.

*Internal Branding Events*

These events have already been discussed earlier. These are events that can be part of an existing event and are aimed at team building, employee loyalty, motivation and commitment of the employees in a company. Internal branding events connect employers better with the brand and this helps improve business results in the long term, thus making the personnel / employees a critical factor in sales success.

*Hosting, Facilitating or Financing an Event*

National, regional and local government bodies may decide to host social events, cultural events, or international conferences. Such events come under event marketing because they are employed purposefully and strategically with support from the government. For example, NABARD may agree to facilitate and finance State Level Farmer’s meet on available equipment. The India Trade Promotion Organisation organizes the IITF (mentioned earlier) every year in November in New Delhi. Event marketing has several forms of manifestation. However, the ultimate goal is to ensure business continuity and generate profits. Events are not just organized with the intent of an economic objective, but can also create enabling conditions, entertainment or promote culture.

### 1.7 TRENDS IN EVENT MARKETING

Event marketing trends are focusing on interactive, personalized experiences that provide value to attendees while making brands attractive and memorable during an event and for long after it ends. Following are the techniques, which are being increasingly used throughout the world for marketing of events:
**Smart Technology**

Event planners are using smart technology to create personalized interactions for making customer engagement easier and faster. Types of smart technology becoming popular are:

- Kiosks where event goers can quickly enter contests, join social networks, pull event schedules and maps or learn more about vendors and products.
- Smart card badges with proximity radio frequency identification (RFID) chips that can be automatically scanned in kiosks and booths and used to provide services.
- Mobile device update applications that automatically synchronize with attendee mobile devices upon their arrival to provide information that will interest them, as well as special offers.

**Social Media**

Social media is being used by event planners and organisers more than ever to reach consumers. Social media allows for direct interaction before, during and after an event. Social networking sites like Facebook and Twitter have completely altered the way we think about event promotion. Letters are antiquated and emails outdated. Nowadays, you ‘tweet’ and ‘poke’ your way around the events. From creating a fan page to a social group, there are numerous ways to announce your event to the world. And more importantly, like everything else, you get to reach out your target audience around the world in real time. You can discuss the event, its highlights and all that excites you even before the event takes place. Now the event attendees can ask questions to the speaker via tweets or Facebook comments in real time during an event. Social media that already exists and some which will become popular in coming times are:

- Personal and business social networking sites such as Twitter, Facebook and LinkedIn that allow for real-time event updates and immediate participant feedback.
- Live streaming, video and teleconferencing websites such as Ustream, YouTube and Skype that allow for broad distribution allowing more exposure for an event.
- Online forums and communities that promote feedback and provide opportunities for Q&A sessions.
- Incentives for following a company or brand online (special discounts, coupons, etc.).

**Mobile Applications**

With the advent of the iPhones, Androids and Blackberrys, smart phone applications have become the next-gen platform for event management. From charting an event to locating it on the map, you can do it all on your mobile. Mobile Apps nowadays have become advanced enough to take care of almost all your needs and it is time this got acknowledged. The sooner the firms realize the future role of smart phone apps, the better it will be for their business.

**Online Event Registration Apps**

Recently online registration for events has taken the center stage with a lot of small players like Eventzilla. It is simple to setup custom registration forms,
promote on Facebook, send email invitations and manage cancellations in one place. Event attendees can register online and make secure online payments.

Engaging and Eye-Catching Activities

Another big focus of event marketing trends is event organizers attracting and engaging individuals with interactive activities and customized displays. Interactive activities create positive, memorable experiences that event goers will likely want to share with others.

Types of activities being used are:

- Information gathering surveys that attract event goers with prizes for participation.
- Free classes and workshops that attract and engage.
- Product sampling and product demonstrations.
- Green screen photo technology (picture marketing).
- Booth or lounge areas that provide attendees with services such as mobile device charging ports and internet access.

Incentives

Event marketers are increasingly using incentives for the audience to increase the footfall in their events and also to make the event memorable. This is particularly important if the event organizer wants to make the event a repeated activity after a fixed period of time. One such hugely popular event in India is the annual T-20 cricket carnival known as Indian Premier League (IPL), already discussed in the previous Course. The event organizers use a lot of incentives like—competition to win free entry tickets to the matches, win a cricket ball signed by the winning captain or have your question answered on national television channels by cricket experts. These measures ensure a huge interest in the event from the target audience and create enormous word-of-mouth publicity for it. In any trade fair, booth incentives or giveaways are a common trend year after year. While an engaging booth is a great draw, the bottom line is that event attendees want to leave with something. Types of incentives that are popular are:

- Creative giveaway items that match the theme of the event or tradeshow.
- Rewards or special offers for current customers.
- Gift cards for purchasing on site.
- Rewards on getting other customers to the event through referrals.

1.8 ADVANTAGES OF EVENT MARKETING:

EXPERIENTIAL MARKETING

Marketing through events is called experiential marketing. Events today are mostly experiential. In the past several years, the trend has shifted from traditional marketing practices to ‘experiential marketing.’ They are therefore called the ‘business of experiences.’ This is the most significant development of event marketing today. Consumers today want added value in the form of experience, and hence through events, buying and consuming are turned into an experience. This is the foremost advantage of events today. Personalised approach is another
advantage. A company wants to give some kind of message about its brand to the target audience through successful communication, so as to bring a positive influence on knowledge, attitude and sometimes even the behavior of target group. Another major advantage is the use of *integrated communication*. Today much emphasis is being laid on content, integrated communication (cross media) and new media applications. With the influence of new media, personal contacts with clients and business partners are growing. Besides these, events provide plenty of other communication opportunities. Events are *different* from other media, as the message through events is conveyed to specific target group or groups. This helps in yielding greater results for the event marketer. Events help in *generating purposeful attention* of the consumer. An attractive event which is live and uses 3D medium has lots of possibilities to make a product or brand attractive. Events can *touch or unleash consumers’ emotions* by bringing out the ‘aaah’ or ‘wow’ reaction. Events also *attract trade journalists* by offering a product or brand experience, while advertisements just talk about a brand. Above all an event is useful to *build networking opportunities*, as the visitors also find reasons to come to an event to meet other guests. These reasons could be formal or informal networking. We shall be learning more about experiential marketing in Unit 11 of Block 3 of this Course.

This brings us to the end of this Unit. We shall now move to the next Unit to learn about marketing environment. Understanding marketing environment helps the event marketer in taking marketing decisions.

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**Check Your Progress IV**

**Note:** Use the space provided for your answer

1) Write about the significance of brand events and brand venues while conceiving and organizing your own event.

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2) Why are internal brand events important?

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3) What are relationship events?

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4) Briefly describe any two techniques being used in recent trends of event marketing.

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5) Discuss the importance and advantages of experiential marketing in the growing event industry.

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1.9 LET US SUM UP

Marketing is the process of developing, pricing, promoting and distributing products, services or ideas that are tailored to the market. It includes all other activities that create value and systematically lead to increased sales or a desired response, establish a good reputation and ongoing relationships with customers, so that all stakeholders achieve their objectives. Event marketing thus involves marketing, events and communication. The Unit has highlighted the role of event marketing within the industry. Event organizers opt for multiple strategies of marketing to achieve different event objectives. The Unit has discussed the Ps of marketing mix in great detail including the marketing mix given by event management authors. These Ps go hand-in-hand. A change in one P has an impact on the overall effect of the marketing-mix. The Unit has also highlighted the different ways of event marketing such as brand events, relationship events, sponsored events and internal branding events. Recent technologies used in event marketing have been discussed. Above all the advantages of event marketing through ‘experiential marketing’ has been significantly highlighted as a cutting edge strategy for the growth of event industry in today’s times.
1.10 KEYWORDS

**Marketing-mix**: It is a set of marketing tools used by a firm to pursue its marketing objectives in the target market. It refers to four broad levels of marketing decisions related to product, price, promotion, and place.

**Demographics of audience**: Marketers use demographic profiling as a tool to identify the right market for advertising products or services. Demographics is the study of the size, composition, structure, and distribution of the population which cover criteria like age, income, ethnicity, education, nationality and religion.

**Direct marketing**: It is a form of advertising where businesses communicate directly to customers through a variety of media such as text messaging, websites, online advertising, hand-outs, emails, newspapers, letters, catalogs etc. as well as outdoor advertising.

1.11 REFERENCES AND SUGGESTED READINGS


1.12 CHECK YOUR PROGRESS-POSSIBLE ANSWERS

Check Your Progress I

1) The word ‘marketing’ is derived from two words ‘market’ and ‘getting’. Market getting becomes marketing. According to the American Marketing Association marketing is the activity, set of institutions, and processes of creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large. The offerings could be product(s), service(s) or idea(s).

2) Marketing starts with the customers by assessing their needs, and views business as the task of meeting those needs by producing and supplying the products and services that would satisfy such needs. The goals of marketing are usually long term in nature – achieving customer satisfaction and admiration for the firm’s products / services which automatically will generate profits for the firm. Selling on the other hand starts with the existing products of the firm and views business as a task of somehow passing them on to customers. The goals of selling are usually short term in nature – achieving the monthly or quarterly sales targets and generating profits.

3) Event marketing can be defined as a focused method of event strategy which is managed consistently over a period of time, in order to reinforce aspects of brand character. It has to be understood that communication is an essential component of contemporary marketing and by the above definition, events becomes an effective live means of communication. Organizations realizing the strength of events organize more and more events to bring their brands, products or services to the attention of current and potential customers, thus attempting to create a positive brand attitude. Understanding the essence of live experiences provided by events, the organizations have moved from traditional marketing practices which included advertisements and print media to experience marketing which involves the creation of memorable
experiences through events. Experience marketing (i.e. marketing through events) is an extra marketing tool which is all about engaging the customer on an emotional level.

**Check Your Progress II**

1) Event marketing is a promotional strategy that involves face-to-face contact between companies and their customers at special events such as concerts, music festivals, fairs, product launches, activations, sporting events and other events. Successful event marketing gives value to their existing customers, potential customers and other stakeholders by creating a memorable experience which is far beyond than just being a staged advertisement. Event marketing has its roots in the fields of marketing as well as communication. Event marketing has the following two perspectives:

**Marketing for Events**

In marketing for events, the event is a ‘product’ in itself which needs to be marketed such as IMEX (the international trade fair for event organizations), India International Trade Fair, Sunburn, The Olympics, Common Wealth Games, IPL (Indian Premier League), the Gulfood exhibition organized by Dubai World Trade Centre, and many more events organised in various cities of the world. The event organizer puts in every little effort to make them memorable experiences which over a period of time become brand names too. The event is the starting point of all business operations. These events are marketed by means of various strategic approaches such as branding, relationship marketing, marketing and communication and other disciplines.

**Marketing through Events**

In marketing through events, companies use events as a ‘means of marketing and communication’ to promote their brands, products, services or idea. For example, the product launch of iPhone latest version, through an event. In marketing through events, the focus is on developing, intensifying and expanding a relationship (or brand relationship) with one or more target groups, in which the event is used as a marketing and communication tool, and in which emotion and experience are brought together.

2) **B2C Markets:** When customers are targeted by firms, it leads to Business – to – Consumer (B2C) transactions and the set of customers targeted by the firms are called B2C markets. Most of the firms, that we are aware of, market their goods / services to individual customers and their families. Typical examples are firms / companies selling soaps, cosmetics, clothes, insurance schemes, personal computers, laptops, mobiles, TVs etc. Such transactions are conducted between firms (businesses) and consumers. Thus they are known as Business – to – Consumer (B2C) transactions and the set of customers targeted by the firms are called B2C markets. Brand events are good examples. The Lego Kids Fest in various cities in the USA is a popular B2C event. The food truck festival organized in Delhi NCR every year is a typical example of B2C event. Mobile trucks and food kiosks participate in the event and consumers come to sample and purchase the food from the food kiosks and trucks. Some events like the India International Trade Fair (IITF) are a combination of both B2C and B2B. In the first five
Marketing Concepts

days of the IITF the stalls are open for B2B clients and potential customers. But after that the whole trade fair is opened up for consumers who come in large numbers to visit the fair.

**B2B Markets** – B2B markets come into existence where a company makes goods / services which find usage for another company / companies. For example, companies selling raw materials and components to automobile manufacturers, computer parts suppliers, tools, and transportation service providers and so on. Thus they are known as Business–to–Business (B2B) transactions and the set of customer firms targeted by the marketing firms are called B2B markets. Practically a company does both B2C as well as B2B marketing. In B2B events both the organisers and event attendees are into these events for business reasons / corporate contacts. Examples of B2B events are: national trade shows, events for customers, product presentations, anniversaries, dealer conventions, opening ceremonies, national conferences or symposiums, small-scale business receptions etc.

**Business to Employee Events:** In these events target groups are the employees of a company. The purpose of such events is to create a sense of solidarity (through team building) or to thank employees or crew for their efforts in contributing towards company’s profits. Examples of this are the staff party of a company; product presentations; company anniversaries; open days; kick-off meetings; a special event on the occasion of a merger for members of staff from both companies involved; staff party or a staff outing to a major sports event; incentives; and events for retired employees.

3) Different marketing strategies used in event marketing are described as below:
   - Relationship marketing strategy: For building, maintaining and intensifying relationships with various stakeholders;
   - Marketing communication strategy: For influencing the visitor’s knowledge, attitude and behavior;
   - External branding strategy: For influencing, creating or changing the visitor’s valuable brand associations;
   - Internal branding strategy: For influencing, creating or changing the employee’s valuable brand associations in order to increase employee involvement and optimize the customer experience;
   - City marketing strategy: Contributes to the objectives of a city.

4) In Business to Consumer events, consumers are targeted by firms and they are known as B2C transactions. The set of customers targeted by these firms are called B2C markets. Public trade events and brand events are good examples of B2C markets. The Lego Kids Fest in various cities in USA, and the food truck festival and India International Trade Fair held in Delhi are good examples. On the other hand, in B2B markets the company makes goods / services which find usage for another company / companies. Practically a company does both B2C as well as B2B marketing. In B2B events both the organisers and event attendees are into these events for business reasons / corporate contacts. Examples of B2B events are: national trade shows, events for customers, product presentations, anniversaries,
Check Your Progress III

1) **Product:** For the event marketer, the event is a product, which could be a cultural programme, convention, educational seminar, sports event, rural fair, literary festival, a corporate product launch or any event. Before the event is marketed, it is essential that the marketer knows about all its elements, goals and objectives. The event marketer needs to focus on the message which should emphasize the manner in which the participant will benefit from the event. Developing the marketing strategy based on research results of audience need, produces effective results. Event as an offering has three levels of a product: core product, actual (real) product and augmented product. The event marketer needs to focus on the message emphasising the manner in which the participant will benefit from the event. Studying demographics and understanding the need of the audience helps. Developing the marketing strategy based on research results of audience need, produces effective results. The marketer should also think of some USP that makes this event different from others, as there are a number of other players in the market who would be offering solutions to address the same audience needs. The event marketer can identify the uniqueness of the product by researching into the markets and the objectives of the client or organization.

**Promotion:** Promotion is an important activity of marketing mix. It uses marketing communication channels to sell products and services to targeted consumers. The marketing-communications mix consists of PR, advertising, direct and word-of-mouth marketing, sponsorship, sales and merchandising. Today’s integrated marketing campaigns use a variety of communication methods and media to create as much impact as possible for the product (event) within a specific timescale. For example, an event such as a multi-city concert tour of an Indian rock band, focusing only on the metro cities, would prefer to tie-up for promotion with an exclusive music channel for its promotions and event coverage. Usually music concerts have one music channel as its exclusive media sponsor. Based on the TRP rating of that programme and the nature of the programme, promotions are slotted and this would further help in positioning the event to the correct target audience. Although a trend is being seen for a rise in campaigns through electronic communications as a most opted medium, traditional methods such as direct marketing through postal mail, paper flyers and brochures are still used.

2) For successful event pricing, one has to take into account all the income, including sponsorship, grants, advertising revenue, the ticket sales and also the impact of promotional discounts. In addition to income, all expenditure must be budgeted. Taxes, insurance and licensing costs should be included in the overall budget. Once the budget is in place, a baseline price or ticket yield can be set. At the time of setting prices for events, it is very important to consider all costs to the customer – which includes not just the ticket cost, but also booking fees and travel. There is also a concept called ‘opportunity cost to the customer.’ This takes into account the cost to the customer of coming to an event in terms of time, and what the customer cannot do as a result of attending the event. Another aspect which the event
Marketing Concepts

3) Positioning is used by event marketers to understand consumers’ perceptions of events. In other words, it refers to the place that a brand occupies in the minds of audiences. To create a space in the minds of audiences, the product, services, idea or the brand itself must have some distinguishing features from similar offerings of their competitors. Positioning is one of the most powerful marketing concepts and makes use of all other Ps of marketing mix. The distinctive features of an event make the event stand out from the rest and confer the ability to stay off competition from others. Positioning of an event can emphasize on location of the event, competitive cost of the entry fee of event and the programme content. However, one should learn to keep simple marketing strategies as they are easy to follow and to track.

4) The 9Ps of marketing mix as proposed by Getz (2005) for event marketing are - Product, Place, Programming, People, Partnerships, Promotion, Packaging and distribution, Price, and Positioning and branding.

5) The 10Ps of marketing mix proposed by Allen et al. (2010) are as follows:

Product experience refers to the core service the event is designed to offer. For instance, with a music festival the core service would be entertainment and with a seminar the core service would be education and awareness.

Programming focuses on different elements of the event programme and activities, their quality and/or style which actually contribute to the event experience.

Packaging refers to the mix of opportunities offered within the event itself, as well as how the value is leveraged with additional extra offerings. Such additional external offerings increase customer’s participation. These may include for example, a theatre performance where only a ticket needs to be booked; there may also be an option of buying a packaged deal of having an evening meal in a local restaurant or an overnight stay in a local hotel.

Place in events includes not only the location or the site of event delivery but also the mixture of channels used for distributing the event tickets.

Physical setting refers to the venue wherein the event is taking place, its theme, decorations and the entire event environment contributing to the event experience.

Processes refer to the series of activities or course of actions related to event planning, delivery and evaluation. Processes can be understood in the time frame within which they take place, that is, in different phases of the event life cycle such as pre-event phase, event phase and post-event phase.

People in the event are involved at different levels varying in the degree of their stakes. They are the event organizers i.e. hosts, staff and volunteers, vendors and above all, the event attendees.

Partnerships include various stakeholder relationships such as those between the event organizers and its sponsors, vendors, volunteers or the media.
**Price** includes the cost of attending the event and the value of experiencing the event.

**Promotion** refers to the integrated marketing communications encompassing the strategic choice of various media channels and messages used to promote the event among the target markets and audiences.

6) Event is the central point in event marketing, and is supported by various means and channels of communication. The purpose of the means and channels is to strengthen the event and enhance the visitor’s experience. These means are used in three phases: (a) the pre-exposure phase – which precedes the event or a series of events where the visitors are encouraged to attend or take part in the event, so that the event experience for visitors can start at the preliminary/pre-exposure stage; (b) the direct exposure phase – the actual experience at the event itself; and (c) the post-exposure phase – which is after the event, when the organisation communicates to stay in touch with the visitor.

**Check Your Progress IV**

1) **Brand events** are significant and growing by the day, as they are organized with the sole purpose of creating positive brand associations or reinforcing existing brand associations. Brand events will be beneficial because they will give the organization an opportunity to develop closer ties with the target group and make the brand strongly embedded in the audience’s identity and lifestyle. They are meant to reach a specific target group based on the product the brand is marketing. For example at the Audi Brand Event, Audi organized a dazzling show by using audio-visuals, acts and entertainment, bringing out the core value of ‘progression.’ Audi was the initiator, owner and main financier of this event. The launch of the new A4 models led to the emergence of sportive, progressive and sophisticated values. **Brand venues,** also called ‘out-of-home’ marketing, are equally significant while organizing events as they provide companies with the opportunities to establish a strong identity for their brand.

2) **Internal branding events** are organized by companies for the employees. These events are very important because they help the employees to connect better with the employer and the brand. This helps to improve business in the long term. Such events are aimed at team-building; performance development; strengthening relationship; employee’s motivation; open feedback culture; willingness towards personal growth; more attention in the Customer Service Department to the relationship with retailers; and a wish to improve internal cooperation in the sales department.

3) **Relationship events** are organized by brands to build long-term relationship with existing customers, potential customers and other stakeholders. These events provide a platform to all partners and stakeholders to meet each other in a set up different from professional meetings. They focus on fostering customer loyalty and to maximize the value of relationships. They are designed after identifying the customer’s needs, wants and what makes them to return for repeat business. Also, there are companies, which do not organize relationship events of their own but they team up with some big event for which they are the sponsor and offer a VIP package to that event to strengthen their relationships.
4) The techniques that are used in recent trends of event marketing are smart technology, social media, mobile apps, online event registration apps, engaging and eye-catching activities, and incentives. Two of these have been discussed below (otherwise you can discuss any two other techniques from the lesson in your answer):

**Social Media:** Social media allows for direct interaction before, during and after an event. Social networking sites like Facebook and Twitter have completely altered the way we think about event promotion. From creating a fan page to a social group, there are numerous ways to announce your event to the world. This allows the event marketer to reach out to the target audience around the world in real-time. With social media, now the event attendees can ask questions to the speaker via tweets or Facebook comments in real-time during an event.

**Mobile Applications:** With the advent of iPhones, Androids and Blackberries, smartphone applications have become the next-gen platform for event management. From charting an event to locating it on the map, everything can be done on mobile. Mobile Apps nowadays have become advanced enough to take care of almost all your needs and it was time you acknowledged this. The sooner the firms realize the future role of smartphone apps, the better it will be for their business.

5) Events today are mostly experiential. Since recent years, the trend has shifted from traditional marketing practices to ‘experiential marketing.’ The importance and advantages of experiential marketing are discussed below:

**Business of experiences:** Consumers today want added value in the form of experience, and hence through events, buying and consuming are turned into an experience. This is the foremost advantage of events today.

**Personalised approach:** A company, by providing experience to the target audience, wants to give some kind of message about its brand through successful communication, so as to bring a positive influence on knowledge, attitude and even behavior of target group.

**Integrated communication:** Today much emphasis is being laid on content, integrated communication (cross media) and new media applications. With the influence of new media, personal contacts with clients and business partners are growing. Besides these, events provide plenty of other communication opportunities.

**Generating purposeful attention:** Events help in generating purposeful attention of the consumer. An attractive event which is live and uses 3D medium has lots of possibilities to make a product or brand attractive. This is where event marketing is different from traditional and regular means of communication. Events can touch or unleash consumers’ emotions by bringing out the ‘aahh’ or ‘wow’ reaction. They attract trade journalists by offering a product or brand experience, while advertisements just talk about a brand.

**Building networking opportunities:** Event provides networking opportunities as the visitors find reasons to come to an event to meet other guests. These reasons could be formal or informal networking.
UNIT 2 MARKETING ENVIRONMENT

Structure

2.0 Objectives
2.1 Introduction
2.2 Event Marketing Environments
2.3 Event Environment Analysis
2.4 Significance of Environment Assessment and Competitive Assessment
2.5 Marketing Environment and Implications of Regulations in India
2.6 Let Us Sum Up
2.7 Keywords
2.8 References and Suggested Readings
2.9 Check Your Progress – Possible Answers

2.0 OBJECTIVES

The previous Unit ‘Marketing Fundamentals’ introduced us to the concept of event marketing, event marketing-mix and recent trends in event marketing. This Unit will focus on understanding and analyzing of marketing environment. Since events do not operate in a vacuum, taking decisions which have long term implications require an analysis of environment in which the event will operate. The result of such analysis leads to the development of a ‘Strategic Marketing Plan’ offering various marketing options. After reading this Unit, you will be able to:

- Understand various internal and external factors constituting event marketing environment;
- Relate how analysis of event environment can happen through marketing analysis tools;
- Highlight the significance of environment and competitive assessments in the events scenario; and
- Gain insights into the Indian marketing environment and implications of regulations.

2.1 INTRODUCTION

Understanding of marketing environment is the real starting point of marketing which helps to shape the marketing decisions of event marketers and also their delivery methods. Environment analysis forms a vital part of marketing. Environment analysis is not a one-time exercise. As the environment is ever changing, continuous monitoring of these changes and forecasting the future position of the firm with respect to each of the components of environment is required. In its efforts to find the right fit between the environment and the event firm, marketing has to answer some fundamental questions relating to environment such as:
• What trends are emerging in the environment?
• What will be their direct or indirect impact on the firm’s marketing?
• What are the opportunities and threats wrapped in these trends?
• How should we respond to these trends?

While answering these questions, the firm learns about events and the happenings taking place in the environment. These events and happenings subsequently get interpreted either as opportunities or threats. The firm, then, is able to shortlist those opportunities, the pursuit of which would help the firm bridge the gap between its existing performance and the growth targeted by it. It also lists out the threats, which it needs to counter.

2.2 EVENT MARKETING ENVIRONMENTS

Event environment is usually categorized into internal and external. Internal environment as the name suggests, exists within the event organization. The external environment exists outside the organization and is further divided into micro-environment and macro-environment. An analysis of these environments provides clarity on the existing position or situation of the company and its product which helps in directing the next course of action. In this section, we will study about these environments in detail.

Internal Environment

Analysis of the internal environment enables the organization to identify its strengths and also put forth the weaknesses that the organization needs to get over. Internal environment comprises of factors existing within the event company or event management team. This takes a variety of organization’s functions into consideration such as human resource, IT support, finance, procurement, logistics, marketing, and communications, risk management system, partnership management, work culture, leadership style and value system. All these functions play an important role in an event. However, their degree varies with the scale and scope of the event. All the more it’s not only these functions but the dynamics of relationships between different functions or people who are actually responsible for managing those functions. The major factors that are considered while assessing the internal environment are discussed in detail as below:

Financial Strength

This strength is demonstrated by the amount of sales turnover and profit generated by the firm. The firm’s cash reserves and its ability to raise capital from financial institutions or stock market are also the measures of its financial strength or weakness.

Technological Strength

This factor captures the level of technological adoption in the firm. It is seen that firms who use technology better are more efficient than their rivals and gain competitive advantage in the industry. Technology can be used in marketing research, sourcing, production, inventory management, delivery of goods / services, marketing and communication, after sales service, and customer relationship management. Technological strength can also be measured by the level of good research and development (R&D) done by the event firm. Effective
R&D allows the firm to develop products faster, more economically, better in quality and also throws up the possibility of gaining patents and copyrights (which themselves are sources of competitive advantage).

**Human Resource Strength**

A very big strength for any firm is the quality and quantity of its manpower. To analyze this factor, it is needed to study the number of semi-skilled and skilled labour in a firm, number of executive and managerial staff, and the average qualifications and experience at each level in the firm. It is also important to understand the unique technical and managerial skills possessed by the firm’s employees. This strength is not easily copied by the competitors as the same machinery and technology can be easily got but the human resource strength is built steadily over time and is difficult to replicate.

**Marketing Strength**

The fourth factor for internal analysis is the strength achieved by the firm in the market. This is generally studied by the time experience which the firm has gained in the market, its current sales level, number of customers, number of repeat or loyal customers, the opinion of the customers about the firm’s goods / services, and the goodwill which the firm enjoys among channel members and suppliers etc. All of this point towards the brand strength of any firm.

**External Environment**

The analysis of external environment allows the event organization to identify the opportunities and threats existing in the surroundings, which are not within the direct control of the organization but bears the capacity to influence the event goals and other activities.

**Microenvironment**

Microenvironment comprises of the event’s immediate surroundings which have a direct bearing on delivery and success of event. According to Kotler, microenvironment of an event encompasses its stakeholders who have a significant role in the delivery of the event. Microenvironment of an event consists of - suppliers or vendors, media, competing marketing offerings, its target audiences and other relevant stakeholders within the industry. These micro-environmental factors are discussed as below:

**Suppliers**

The suppliers play a very crucial role in an event’s success. The entire event delivery process is determined by the quality and on time delivery of products / services provided by the suppliers which should match the time frame in which the event is being delivered. The number of suppliers and the complexities of coordinating with different suppliers vary with the type and scale of the event. In fact, in some instances suppliers have a great deal of power in negotiating the price of the products and services they provide depending on their relative reputation in the market. Usually, the suppliers may include - venues, caterers, transport and logistics companies, florist, audio-visual and technical equipment companies, security agencies, printing companies producing marketing materials, merchandising companies, corporate entertainment providers and so on. To secure the best deal, the event manager must be well informed about the available suppliers in the market.
Media

Media is another important element of the event microenvironment. The media has a ‘make or break’ role in the marketing and delivery of events as it plays a crucial role in conveying the information about the event to target audiences. Media coverage, whether positive or negative, helps to shape the image and perception of the target audiences towards an organization. The organizers must be very careful in handling media, as negative perception can seriously impact not only the reputation of the current event but also future events.

Competing market offerings

Though all events are unique in their objectives, hosting bodies, organizers, venue, participants, entertainers and other activities, still almost every event has to face a competition. Competition offered by other players in the market can also be in terms of alternative leisure and entertainment opportunities, such as mini-breaks, days out and visits to galleries, museums, the theatre and the cinema. Therefore, the event organizers must apply all their efforts to offer something unique and memorable to their audience and make their event (product) highly competitive. This edge can be further strengthened by the strategic choice of event timing or location.

Target Audiences

In event marketing, the target audiences are divided into two main categories comprising of Business to Consumer (B2C) and Business to Business (B2B). These have already been discussed in the previous Unit ‘Marketing Fundamentals’.

Sponsors

Sponsorship is an integral part of today’s event management. Except events which are executed on a small scale or events like social family events or corporate internal events, all other events require support of some kind or other, from sponsors. It includes either a financial support, or value of any kind being offered by the sponsor. The value of sponsorship is the most important part of any sponsor-event relationship. The companies also are looking out to sponsor events because events serve as a major platform to create brand awareness and build it strong with a particular target audience. Since the companies are interested in sponsoring only those events which will enable them to reach out to their target audience, it is very essential that the event organizers identify the right sponsors. Thus a good ‘fit’ between an event and its sponsor is important for long term relationship.

Other Stakeholders

Other stakeholders that have a direct bearing on the event include - local and national government, special interest groups concerned with some impacts of the event, and industry associations and alliances which set guidelines for event companies. Each of these have varying degrees of power which they exercise on event companies in case they violate the rules. For example, the local and/or national government have the power to stop the event from happening by withdrawing its financial and non-financial support for the event. Special interest groups, on the other hand, can damage the event by demonstrating outside the event venue (or even within the event venue) creating a lot of negative publicity around the event.
Macro-environment constitutes the societal context which has political, economic, demographic, legal, social, cultural and other factors that shape the society as a whole. Macro-environment will thus determine the nature of the market in which the event operates.

Political Factors

The form of government in a country (democracy, dictatorship or monarchy) is a key dimension of its political environment. Moreover, in every country, the government formulates legislation for regulating the businesses. This control of the government varies in different countries and for different industries. The event firms operating in a country have to abide by the prevailing legal and political environment of the country. Political environment sets the government towards a strategic direction and provides relative power to pursue its agenda. For example, the importance of mega-events in driving economic development was recognized by the UK government, which decided to officially encourage and endorse different cities to bid for hosting large-scale events. These were the London 2012 Olympics and the Glasgow 2014 Commonwealth Games. In addition, a government’s fiscal and taxation policies, as well as immigration policies, influence whether or not an environment is attractive for organizing events, in particular large-scale ones. The factors, which together create the political dimension of the environment, can be classified into the following broad categories:

- Legislative structures
- Monopoly restrictions and fair trade practices
- Government stability
- Political orientations
- Taxation policies
- Employment regulations
- Foreign trade regulations
- Trade union powers and other pressure groups
- Consumer protection
- Regulation on products, prices and distribution

Economic Factors

The economic environment in a country has a vital impact on the opportunities for event firms operating there. The demand and long term profitability of the firm are dependent on the economic situation of that market. The global economic slowdown of 2008 and the Eurozone crisis greatly impacted the events industry. The global recession had increased unemployment and caused inflation which reduced disposable income levels of ordinary people. This made people to spend less money on leisure activities. The recession also impacted the amount of funds which local and central government gave for the hosting and delivery of various events. The Eurozone crisis in particular had adversely impacted most of those firms in India, whose major customers are in European countries. The following is a broad list of factors which create the economic environment:
Marketing Concepts

- GDP trends
- Disposable income and purchasing power
- Business cycles
- Money supply and availability of credit
- Interest rates
- Inflation rates
- Investment levels
- Unemployment rate
- Energy costs
- Patterns of ownership

India has been emerging as one of the fastest growing economies in the world since last several years. This has created a big middle class in India, which has high level of disposable income. It is again very favourable for event management companies because people are showing an increasing demand for entertainment and leisure activities.

Socio-Cultural Factors

Culture, social class, traditions, beliefs, values, lifestyles, and aspirations of people in a country constitute the socio-cultural environment. These make up the society in which events take place. These factors determine, by and large what the people will buy. The dimensions under this environment are as below:

- Demographics
- Lifestyles
- Social mobility
- Educational levels
- Attitudes
- Consumerism
- Aspirations

Demographics are related to the physical and quantifiable characteristics of consumers like – age, gender, religion, income levels, education levels, family size and family life cycle. These have an impact on different types of events. India has the 2nd largest population in the world but the largest youth population. This very fact makes India an attractive destination for most of the global companies. The youth population is the largest potential customer pool for them. Their aspiration levels keep rising and they constitute the main target segment for most events like sports and entertainment shows, thus creating lots of opportunities for event management firms in India. Thus, knowing the structure and characteristics of the population will help in planning the event better and also to gather their support and engagement.

Technological Factors

You must be noticing the rapid pace at which technological changes have happened in the world. These developments have a profound effect on the fortunes
Marketing Environment

of the firms and the lives of the people. The firm’s production and distribution processes are completely dependent on the level of technology available to it. Not only that, its raw material, logistics, communication, and information processing are all riding on technological developments in the market. You have already learnt about the relevance of technology to events in Unit 4 of Block 1, Course 3. The factors, which constitute this environment, are:

- Levels and focus of overall R & D expenditure
- Speed of technology transfer
- Average product life cycles
- Rate of new product development
- Joint ventures
- Infrastructure of transport
- Infrastructure of power distribution
- Infrastructure of communication

Two of the major technological changes which have happened in India are the proliferation of television channels and growth of internet. On one hand, growth in television channels has created fragmentation of viewership and thus traditional advertising on TV has become less effective. The choice of channels has left fewer viewers on each channel and hence for all the money spent on TV advertisements, the firms are getting fewer returns. However, the growth in internet has meant that many viewers, particularly youth, are spending more time on new technology media and less on traditional media.

The rise of social networking sites like Facebook, Twitter and growth of smartphones and apps are providing challenges to traditional marketing and at the same time providing opportunities for new age marketing practices. Social media marketing is very relevant for event managers as the awareness and popularity of any event can be transmitted very efficiently through viral method (each receiver forwarding the message to all of his / her contacts). Thus with the current shift from traditional towards contemporary digital marketing platforms, technology has helped in facilitating conversations with customers, instead of sales being pushed for closures, whatever the case may be. The conversations which are in particular effectively supported by the internet as mentioned already, help engage the target audiences in the run-up to the event, and also post-event. This helps in extending the life of the event beyond the actual delivery of the event.

Event staging, data mining, database management, and above all ticketing, are just a few examples of areas that require technology. Likewise, creation of the event experience also depends on technology. An example is the performance of Madonna and the Gorillaz that was actually delivered through 3D holograms at the 2006 Grammy Awards, and similar effects were replicated at the 2012 Coachella festival. Marketing that is driven by content and more integration with on-ground, digital, print and PR will be the key to consumer engagement, through events. The Mercedes-Benz in India created LuxeDrive which is an ideal experiential event and combines haute couture and gourmet with the thrills of motoring.
Marketing Concepts

Legal Factors

Event delivery is ruled by a variety of legal acts which outline the obligations and duties of event organizers and other stakeholders. These regulations include licensing, health and safety issues, and aspects of commercial trading at events and dealing with event suppliers. You have already learnt about legal compliances, licenses and permits in Block 2 of Course 2. The acts also include official guidelines issued by relevant bodies, seeking to streamline the concerned process in event management and ensuring that the acts are followed in their true sense.

Environmental Factors

Environmental factors relate to the natural environment and its impact on events. Due to climate change, there has been a shift in governmental policies attempting to mitigate the negative environmental impact on event activities. For example, in order to regulate the levels of CO₂ emissions from business activities, government has introduced taxation. This has impact on different modes of transport, which may increase the cost of commuting, leading to the overall high cost of participating in a particular event. All governmental strategies are framed keeping sustainability into consideration. The event industry too has developed standards for sustainable event management practices, particularly after the development of the British and the International Standards for Sustainable Event Management (BS8901, ISO 20121). Event providers and suppliers are increasingly embracing these standards influencing the budget and the overall event design.

A macro-environment analysis of the Commonwealth Games 2010 has been depicted in Box No. 1

Check Your Progress 1

Note: Use the space provided for your answer

1) Why is it important to analyze the environment before designing a marketing strategy?

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2) Name the factors to be considered while analyzing the internal environment.

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3) With the help of an example explain the relevance of analyzing micro-environment.
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4) Write down the dimensions which an event manager needs to consider while analyzing all the factors under macro-environment.
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2.3 EVENT ENVIRONMENT ANALYSIS

Scanning of the event environment allows event organizers to identify various factors existing in the internal and external environment, including micro and macro-environment and helps to study their impact on the event delivery. Such a scanning enables the event marketers to design the marketing strategy that appropriately reflects the event marketing environment. In this section, we will study about the different tools which can be used effectively to analyze the event marketing environment. These include - PESTLE, C-PEST, SWOT and Porter’s 5 forces analyses.

PESTLE Analysis

This tool is used for analyzing macro-environment enabling the marketers to identify political, economic, social, technological, legal and environmental factors. The event marketer gets to understand the context in which the event will be organized and marketed. Information obtained after the assessment of macro-environmental factors helps the marketers and event organizers to design the event and marketing strategy accordingly. PESTLE analysis first of all requires gathering of information on all the relevant factors including Political, Economic, Socio-Cultural, Technological, Legal and Environmental (PESTLE) factors from various sources. These sources can be newspapers, business magazines, government reports, communication from various firms, reviews done by economic experts, speeches by industry leaders, and research reports on various sectors by research agencies and consultancies. In certain situations, where existing data is not available or not appropriate for analysis, you may need to conduct surveys with industry experts and take their opinions into your study. The next step will be to extract opportunities and threats for your own firm from this data. This poses a practical problem. Some opportunities shall be bigger and immediate, while others may be smaller or upcoming. Similarly, there will be
some major threats while others may not be so big at present. To clearly identify the scope of the threat or opportunity, it is wise to convert the typically qualitative (subjective) data to quantitative (objective) by assigning an appropriate rating scale to each factor. In Table 2.1, a sample example of such an analysis is given. The rating of each factor has been done on an 11-point scale, where -5 is a major threat while +5 is a major opportunity with equally spaced rating points in between. Such a rating can be taken from industry experts and their opinions can be averaged to get a combined rating number for each factor.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact of Factor</th>
<th>Potential Opportunity or Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political / legal</td>
<td>Increased legislation on product liability</td>
<td>Mild threat (-1)</td>
</tr>
<tr>
<td>Economic</td>
<td>Recession in key overseas markets</td>
<td>Major threat (-4)</td>
</tr>
<tr>
<td>Technological</td>
<td>Little innovation likely from competitors</td>
<td>Neutral impact (0)</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Increased awareness of environmental protection issues</td>
<td>Significant opportunity (+5)</td>
</tr>
</tbody>
</table>

PESTLE analysis has certain limitations although it is a dominant tool in analyzing the macro-environment. The limitations are - First, it does not provide any information on interrelationships of various factors with respect to a particular event. Second, since the tool needs to be regularly reviewed and updated in lieu of changing environment, it becomes a time consuming process. Getting information from sources can also be expensive and time-consuming. Lastly, the results and interpretation obtained from analysis (i.e. the opportunities and threats for an event) are largely subjective in nature and depend on the skill and commitment of the person who is conducting the analysis.

C-PEST Analysis

C-PEST analysis tool incorporates the elements of both macro as well as microenvironment. The tool allows the event marketers to analyze political, economic, social and technological factors of macro-environment and in the micro aspect, the detailed information on company’s competitors are explored. C-PEST analysis provides slightly less comprehensive results than PESTLE analysis and can provide a more simple view of the macro environment. However, the additional analysis pertaining to competition within the event industry adds depth to the study and helps in determining the interactions of the main players in the market. This in turn throws light onto the various alternative leisure products, entertainment products and services that may be competing with a particular event in a particular geographic location and at a particular point in time.

SWOT Analysis

The SWOT analyzes the elements of both internal and external environment. As you already know, in SWOT analysis, ‘S’ stands for strengths, ‘W’ stands for weaknesses, ‘O’ stands for opportunities and ‘T’ for threats. Strengths and weaknesses stem from the scanning of an event’s internal environment. While
opportunities and threats stem from the scanning of event’s external environment including both macro and micro-environment. Macro and micro-environment are also analyzed through the PESTLE or C-PEST. Thus, these different tools are complementary to each other.

**Porter’s 5 Forces**

Porter’s 5 Forces model as an analytical tool was introduced in the early 1980s. It was further developed by its originator, Michael E. Porter in 2008, who presented an interesting tool which helps to identify the underlying dynamics of an industry as a whole. It has proved to be very important for event marketing environment analysis as it recognizes competition in its broader sense, not just focusing on other companies producing the same (or similar) product or service, but analyzing other components that determine the nature of competition: buyers, suppliers, potential substitutes and potential new entrants into the market.

The model comprises the following five competitive forces:

**Rivalry amongst Existing Competitors** - Every event is unique and may have distinctive content or event activities leading to no direct competition (in purest form) in the sector. But the events as leisure and tourism offerings have to compete with a variety of other products and services being offered in this sector, such as nights out, day trips, cinema or theatre, which widens the pool of potential and complicates the situation.

**Buyers** - ‘Buyers’ of events (whether corporate or individuals) are basically attendees of the event and they have significant contribution towards survival of events. Audiences attend the events based on their perceptions of the value and benefits they will get by attending. Over and above, events provide the ‘event experience’ which is something unique and inherently personal to their target audience. Hence demand for events largely depends on the motivation of consumers to attend the event. The importance of this event experience, when communicated through event marketing will help buyers to ultimately decide what they will spend their money on. So it is vital that the event marketer knows how to effectively communicate its value and benefits to its ‘buyers’ in a way that inspires them to take action.

**Suppliers** - Suppliers and vendors have huge stakes in the successful delivery of events. Their on time delivery and completion of products and services have a direct bearing on the event. ‘High-end’ or branded events may have suppliers who are high on expertise, capable of handling technologies and delivering the event experience. These suppliers possess more specialized solutions that have a higher bargaining power than the usual ones who flood the market.

**New Entrants** - There are very few direct competitors in the event industry. Still, whenever any new entrant comes, the entrant comes with some USP, innovative ideas, and new technology to create a space in the market. This gives competition to the existing players and can impact the survival of current players in the market because any new entrant can diversify the market offering and widen the pool of opportunities for potential target audiences. However, in some areas of the event industry where the entry costs are higher than others, for example, high costs related to organizing exhibitions, particularly international ones keep the established players safer than the new entrant. On the other hand, smaller scale
events, such as anniversaries or club nights or corporate parties, are more open to the possibility of new event providers entering the market.

**Substitutes** - As mentioned earlier, there is no direct competition among events in events industry but there could be a high threat from various leisure activities which could potentially act as substitutes to events. Consumer’s purchasing decisions are determined by their personal preferences, interests and perceptions. Therefore, events must emphasize the element of ‘experience’ while marketing, for differentiating themselves from potential substitutes and thereby create a competitive edge.

### 2.4 SIGNIFICANCE OF ENVIRONMENT ASSESSMENT AND COMPETITIVE ASSESSMENT

The starting point for planning any event is the objectives – what is the event intended to do? Is it designed to celebrate some occasion, to entertain or raise fund for a cause? Given this, and some view of the feasibility of the event after the screening process, the organizers should have a reasonable idea of the kind of event that can be put up, whether it will suit the target market and what other events may be organized by someone else which starts giving competition to their planned event. One of the purposes of planning is to visualize potential problems and to have a plan that will take account of the environment of the event, the stakeholders, the circumstances in which the event is taking place and what might go wrong; that means some sort of contingency planning for emergencies.

From the bare skeleton, an outline plan can be drawn up by brainstorming around the event idea and then listing the issues identified. This basic draft can be refined by the organizing committee and its advisers to cover headings such as operations, finance and marketing. This can include an ‘environmental search and information gathering’ phase. In this phase, the organizer / professional researcher will look for the feasibility of the event-idea; the capacity of the market; any competitive happening; availability of technology; equipment and supplies; financing and sponsorship; suppliers and availability of staff; and local cultural or social issues and precedents. Other important facts such as available dates, suitable times, and potential venues have to be identified; checking has to take place to ensure there are no clashes with other, similar or competitor events. These will help the organizers to plan and identify what is needed and also helps in staging the event.

Environment assessment is done by analyzing the event environment through the methods mentioned above. As discussed, SWOT analysis is a very important method that helps in environment assessment and can be used for achieving competitive advantage. These will be further discussed in Unit 5, Block-2, of this Course. An assessment of the competitive activity is the second most important task without which it is difficult to work out a marketing strategy. Competition means the threat of new entrants, bargaining powers of suppliers and clients, threats of events that are not being used at all, and competition amongst event agencies.
2.5 MARKETING ENVIRONMENT AND IMPLICATIONS OF REGULATIONS IN INDIA

Marketing Environment in India

India has been on a path of continuous economic reforms and liberalization since 1991. India is a country of contrasts – there are many Indians within India. There are wide disparities in the economic condition and income distribution among people. There has been a differential rate of progress in the various layers of the society. Some segments of India have changed a lot in recent years while for other segments, practically nothing has changed in the quality of their lives. In urban India, the educated, well-employed middle-class, the new entrepreneurs and the class of service providers (Information Technology – IT professionals constitute a major chunk) have enjoyed substantial growth of disposable incomes and increase in their assets. In rural India also, a particular segment of people who have benefited from the agricultural prosperity or escalation in their property rates have enjoyed significant growth. Rest of the segments – whether urban or rural - have not seen any major material gain till now. The objective of inclusive growth remains a distant dream for Indian society.

Since 1991, the country has been on a high trajectory of economic growth. Unlike China and many other Asian economies whose growth has been led by manufacturing sector, India’s growth has been driven by the service sector. A major percentage of India’s GDP is contributed by services. All the constituents of service sector like retailing, travel, tourism, education, IT, banking and financial services, and entertainment, have been showing double digit growth since more than a decade. This is where the scope of Event Management, as a business lies. The IT firms have been the main growth engines of India’s economy and are significant contributors to India’s GDP. Internet usage and online marketing has increased.

The Indian GDP is so much dependent on the IT sector, whose major clients are overseas. IT / BPO / KPO operations are badly affected whenever the western world faces a financial crisis. Other sectors like export are naturally impacted with economic troubles in the world. The capital, which flows into Indian stock markets, gets reduced. The rupee depreciates against the dollar. This also has negative impact on imports; in particular the purchase of crude oil as a major percentage of crude oil quantity is imported. All of this has been described to tell you that Indian economy is completely entwined with global economy and any firm playing in India needs to keep its eye on the global economic trends.

Government Regulations affecting Marketing

You have studied in the earlier sections, how political environment impacts the businesses. But more specifically, the legal environment regulated by the Government of India has a direct effect on a firm’s marketing. This legal environment is created by the Government’s trade policies specific to an industry, the FDI Policy of the Government of India, the Import Duty structure, the Transfer Pricing Policy, Taxation in terms of Excise Duty, VAT, Corporate and Income tax structures, Goods and Services Tax (GST), other local taxes as well as incentives and benefits given by the Government.
The marketing regulations are enforced through marketing laws which ensure:

(i) Consumer protection: to curb unfair trade practices by businesses to protect the gullible consumers from unscrupulous marketers. The regulations keep check on false and fake advertisements, deceptive packaging and marketing of unsafe goods; (ii) Promotion of healthy competition: in the free market economy, competition is the fundamental strength for achieving growth. However, some firms in order to dominate the market may adopt the restrictive trade practices. The legislation is to curb such business practices; (iii) Environmental protection: a regulation that is aimed at holding the business responsible for social costs incurred during their manufacturing of products and the manufacturing process they adopt.

**Marketing Implications of Some Regulations**

It will be obvious to you now, that an event marketing firm needs to be very cautious in designing its marketing plans, in particular its Marketing Mix.

**Impact on Product**

The firm cannot market goods / services which are unsafe for human consumption under defined situations. Deceptive description of quality, improper disclosures on the packaging, use of hazardous raw materials, and sub-standard quality of goods and services are completely prohibited by the Consumer Protection Act. Increasingly, the impact on the environment during the production, usage or the post usage disposal of a product is coming under critical scrutiny and more stringent regulatory guidelines to protect environment are expected in future.

**Impact on Pricing**

Many products are under the MRP (Maximum Retail Price) regulations. The firm cannot overcharge the customers in these products. In other products also, the customer’s perception of the price has to match the quality being offered. The firm cannot make deceptive and false claims about its products to get more money from the customers. Moreover, the anti-competitive practices such as price-fixing, output restrictions, bid rigging and market restriction are prohibited by the Competition Act.

**Impact on Place**

The Restrictive trade practices ensure that a firm does not use its dominant position in the market to dictate terms to the channel members or in any way restrict the free competition to other rival firms. For example, a firm cannot force a retailer not to buy or sell the products of its competitors. The regulations can also prevent the firm to sell to certain class of customers, for example cigarette marketing firms cannot sell their products to customers below 18 years of age. Hence, such firms cannot distribute their products through school or college canteens.

**Impact on Promotions**

The regulations in India talk about prohibiting false claims. This directly impacts the advertising message used by a firm where no deceptive representation about the quality, price, after sales service, and the warranty support etc. of the product or service can be made. Further the regulations prevent any firm to disparage any other firm or any particular class of customers based on their religion, community, region and language. Thus a firm cannot use derogatory references
to any of the groups mentioned above or its rivals in its communication. A firm also cannot give wrong information about its rivals. While running any sales promotion schemes, the firm cannot manipulate the prices or the stocks during the scheme period or announce bargain prices for goods, which are either put on sale or are offered in quantities which are not reasonable with respect to the nature of the trade, offering gifts, prizes or other items with the intention of not providing them as offered.

This brings us to the end of this Unit. After learning about marketing environment and an analysis of this environment for events, we shall now proceed to learn about market segmentation in the next Unit.

**Intext Activity 1**

Conduct an internal analysis of an Event Management Company and arrive at its strengths and weaknesses. Cross-check it with someone who is more experienced and/or working at a senior position in that company to verify your analysis.

**Check Your Progress II**

*Note: Use the space provided for your answer*

1) Name the tools which are used to analyse the environment.

2) Describe PESTLE analysis for analysis of macro-environment, along with example.

3) What is the difference between PESTLE and C-PEST analysis?
Case Study: Commonwealth Games (2010) - A Macro-Environment Analysis Report

The Commonwealth Games is one of the most popular sporting events in the world as more than seventy Commonwealth nations participate in the event. It is broadcasted worldwide with millions of viewers, as this is one of the most anticipated games after Olympics. In 2010, India got the opportunity to host XIX Commonwealth Games in the capital Delhi. It was in fact, the largest sporting event hosted by India since the Asian Games held last in 1982. The event was a failure in terms of strategic management and marketing leading to an opportunity loss for the tourism and sporting industry in India. The present case study is based on the post-event evaluation report presented by the worldreporter.com. The study highlights the strengths, weaknesses, opportunities and threats that were present in the micro - and macro-environment. These were not taken into consideration by the event organisers while planning and executing the mega event.
Though, all the factors regarding political, economic, social and technological were in favour of event execution, poor monitoring of organizing committee lead to unsatisfactory performance of the event. This led the Government to face pressing situations in other spheres accounting for its inability to multitask its efforts and resources. This was clearly evident in the infrastructure delays such as the building of roads and bridges, which was the Government’s responsibility. More importantly, this also included the development of the international airport to transport athletes to the venue sites.

The analysis identified that the committee also failed in financially forecasting the funds needed to run the event and even have a sound return on investment analysis. As a result, neither the organizing committee could do the correct event pricing nor could bear the actual cost of hosting the event and faced financial setbacks from the beginning. In terms of analyzing the social factors, a noticeable weakness was the lack of expertise in managing a sporting event. The public indifference to the games was also alarming. Other social factors that were important to the games was the approval of other Commonwealth nations who especially voiced concerns and even threatened to boycott the event. This did not give a good impression to the public. This even hampered the ability of securing more advertisers because of the negative publicity.

Finally, in terms of technology, India being a hub of computer technology experts creating a viable opportunity for internet marketing, could not use it upto its potential. As such this aspect was underutilized by organizers as both social media, television and computer technology know-how was not applied during the days of the sporting event.

The case study clearly highlights that when the factors of micro- and macro-environment are not taken into consideration, they can lead to a catastrophic failure which creates a negative experience with the customers. Inability of the organizing committee to analyze their existing environment resulted in a poor pricing strategy and planning. In fact, because of their poor analysis on the internal and external environment, India’s core competencies could not be utilized which could have been a very big strength of the nation.

Source: http://www.essayjoint.co.uk/samples/Case%20Analysis%20Commonwealth%20Games.pdf

2.6 LET US SUM UP

Understanding of marketing environment helps to shape the marketing decisions of event marketers and also their delivery methods. Thus, environment analysis forms a vital part of marketing and is not a one-time exercise. Event environment is usually categorized into internal and external. Internal environment exists within the event organization. While the external environment, exists outside the organization and is further divided into micro-environment and macro-environment. The analysis of internal environment enables the organization to identify its strengths and also put forth the weaknesses that the organization
needs to get over. On the other hand, the analysis of external environment allows the event organization to identify the opportunities and threats existing in the surroundings which are not within the direct control of an organization but bears the capacity to influence the event goals and other activities. There are different tools which can be used to analyze the event marketing environment. These are PESTLE, C-PEST, SWOT and Porter’s 5 Forces analysis. Marketing environment also gets affected by government regulations which are implemented in the form of trade policies specific to an industry, the FDI Policy of the Government of India, the Import Duty structure, the Transfer Pricing Policy, Taxation in terms of Excise Duty, VAT, GST, Corporate and Income tax structures, other local taxes as well as incentives and benefits impacting the product (event), price, place and promotions of the event. The Government regulations affect marketing in India.

2.7 KEYWORDS

Patents : The exclusive right that the government grants to an inventor for manufacturing, using, or selling an invention for a certain number of years is called patent.

Competitive advantage : A competitive advantage is that quality or attribute that allows an organization to outperform its competitors.

Disposable Income : Disposable income refers to the amount of money that households have available for spending and saving after income taxes have been accounted for.

Social Mobility : When individuals move from one social class to another it is called social mobility.

2.8 REFERENCES AND SUGGESTED READINGS


2.9 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

1) It is important to analyze the environment before designing a marketing strategy because factors present in internal and external environment (micro and macro-environment) may have an impact on the event delivery. The analysis of these factors enables the event organizers to identify strengths, weaknesses, opportunities and threats; and accordingly shape their marketing decisions.

2) The factors to be considered during internal environment analysis are: human resource, IT support, finance, procurement, logistics, marketing, risk management system, partnership management, work culture, leadership style and value system.

3) Microenvironment comprises of the event’s immediate surroundings which includes its stakeholders namely - suppliers or vendors, media, competing marketing offerings, its target audiences, sponsors and other relevant stakeholders within the industry. Since they all have a significant role to play in the event, they have a direct bearing on the delivery and success of event. For example, suppliers play a very crucial role in the success of an event. The entire event delivery process is determined by the quality and on time delivery of products and services provided by the suppliers which should match the time frame in which the event is being delivered. Usually, the suppliers may include - venues, caterers, transport and logistics companies, florist, AV and technical equipment companies, security agencies, printing companies producing marketing materials, merchandising companies, corporate entertainment providers and so on.

4) Macro-environment constitutes the political, economic, demographic, legal, social, cultural and other factors shaping the society as a whole. Macro-environment determines the nature of the market in which the event will operate. Following are these factors:

Political Factors - The form of government in a country (democracy, dictatorship or monarchy) is a key dimension of its political environment. Moreover, in every country, the government formulates legislation for regulating the businesses. Political environment sets the government towards a strategic direction and provides relative power to pursue its agenda. The
Marketing Concepts

factors, which together create the political dimension of the environment are - Legislative structures, Monopoly restrictions and fair trade practices, Government stability, Political orientations, Taxation policies, Employment regulations, Foreign trade regulations, Trade union powers and other pressure groups, Consumer protection, Regulation on products, prices and distribution.

Economic Factors - The economic environment in a country impacts the opportunities for event firms operating there. The demand and long term profitability of the firm are dependent on the economic situation of that market. Recessions in a country increase unemployment and cause inflation reducing the disposable income with ordinary people. GDP trends, disposable income and purchasing power, business cycles, money supply and availability of credit, interest rates, inflation rates, investment levels, unemployment rate, energy costs and patterns of ownership are economic factors.

Socio-Cultural Factors - Culture, social class, traditions, beliefs, values, lifestyles, and aspirations of the people constitute the socio-cultural environment. These make up the society in which events take place. These factors determine, by and large what the people will buy. The dimensions of socio-cultural environment include - demographics, lifestyles, social mobility, education levels, attitudes, consumerism and aspirations.

Technological Factors - Technological developments have a profound effect on the fortunes of the firms and the lives of the people. All the factors of production and distribution processes are dependent on the level of technology available to a company. Technological environment comprises of - Levels and focus of overall Research & Development expenditure, Speed of technology transfer, Average Product Life Cycles, Rate of New Product Development, Joint ventures, Infrastructure of transport, Infrastructure of power distribution and Infrastructure of communication.

Legal Factors - Event delivery is ruled by a variety of legal factors which outline the obligations and duties of event organizers and other stakeholders. These regulations include licensing, health and safety issues, and aspects of commercial trading at events and dealing with event suppliers. The acts also include official guidelines issued by relevant bodies, seeking to streamline the concerned process in event management and ensuring that the acts are followed in their true sense.

Environmental Factors - Environmental factors relate to the natural environment and its impact on events. Nowadays, all governmental strategies are framed sustainability into consideration. The event industry too has developed standards for sustainable event management practices, particularly after the development of the British and the International Standards for Sustainable Event Management (BS8901, ISO 20121). Event providers and suppliers are increasingly embracing these standards influencing the budget and the overall event design.

Check Your Progress II
1) The tools which are used to analyse the marketing environment of event include - PESTLE, C-PEST, SWOT and Porter’s 5 Forces analysis.
2) PESTLE analysis as a tool for analyzing macro-environment enables the marketers to identify political, economic, social, technological, legal and environmental factors. Firstly PESTLE analysis requires gathering of information on all the relevant factors including Political, Economic, Socio-Cultural, Technological, Legal and Environmental (PESTLE) factors from various sources such as newspapers, business magazines, government reports, communication from various firms, reviews done by economic experts, speeches by industry leaders, and research reports on various sectors by research agencies and consultancies. It is wise to convert the typically qualitative (subjective) data to quantitative (objective) by assigning an appropriate rating scale to each factor. Below table shows a sample example of such an analysis. The rating of each factor has been done on an 11-point scale, where -5 is a major threat while +5 is a major opportunity with equally spaced rating points in between. Such a rating can be taken from industry experts and their opinions can be averaged to get a combined rating number for each factor.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact of Factor</th>
<th>Potential Opportunity or Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political / legal</td>
<td>Increased legislation on product liability</td>
<td>Mild threat (-1)</td>
</tr>
<tr>
<td>Economic</td>
<td>Recession in key overseas markets</td>
<td>Major threat (-4)</td>
</tr>
<tr>
<td>Technological</td>
<td>Little innovation likely from competitors</td>
<td>Neutral impact (0)</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Increased awareness of environmental protection issues</td>
<td>Significant opportunity (+5)</td>
</tr>
</tbody>
</table>

3) PESTLE tool is used for analyzing macro-environment whereas C-PEST analysis tool incorporates elements of both macro as well as microenvironment. PESTLE tool enables the marketers to identify political, economic, social, technological, legal and environmental factors while in C-PEST political, economic, social and technological factors of macro-environment are analysed and in micro aspect, the detailed information on company’s competitors are explored. Since C-PEST analysis does not explore legal and environmental aspects, it provides slightly less comprehensive results than PESTLE analysis. However, the additional analysis pertaining to competition within the event industry adds depth to the study and helps in determining the interactions of the main players in the market. This in turn throws light onto various alternative leisure products, entertainment products and services, that may be competing with a particular event in a particular geographic location, at a particular point in time.

4) Porter’s 5 Forces are:

Rivalry amongst existing competitors - Though every event may have distinctive content and event activities leading to no direct competition in the sector, the events as leisure and tourism offerings have to compete with a variety of other products and services being offered in this sector, such as nights out, day trips, cinema or theatre, which widens the pool of potential.
**Buyers** - ‘Buyers’ of events (whether corporate or individuals) are basically attendees of the event and they have significant contribution towards survival of events. Audiences attend the events based on their perceptions of the value and benefits they will get by attending. It is the importance of event experience communicated through event marketing which help buyers to ultimately decide what they will spend their money on. Hence it is vital for the event marketer to know how to effectively communicate its value and benefits to its ‘buyers.’

**Suppliers** - Suppliers and vendors have huge stakes in the successful delivery of events. Their on time delivery and completion of products and services have a direct bearing of the event. ‘High-end’ or branded events may have suppliers who have great expertise, are capable of creating technologies and delivering the event experience.

**New entrants** - Usually, whenever any new entrants comes in an industry, any industry including event industry comes with some USP, innovative ideas, new technology to create a space in the market. This gives competition to the existing players and can impact the survival of the current players in the market. However, in some areas of the event industry where the entry costs are higher than others, for example, high costs related to organizing exhibitions, particularly international ones, the established players are safer than the new entrant. On the other hand, smaller scale events, such as club nights or corporate parties, are more open to the possibility of new event providers entering the market.

**Substitutes** - Although there is no direct competition among the events in the events industry, there could be a high threat that various other leisure activities could potentially present as substitutes to events. Consumer’s purchasing decisions are determined by their personal preferences, interests and perceptions. Therefore, events must emphasize the element of ‘experience’ while marketing so as to differentiate themselves from potential substitutes and thereby create a competitive edge.

5) The legal environment is created by the Government’s trade policies specific to an industry, the FDI Policy of the Government of India, the Import Duty structure, the Transfer Pricing Policy, Taxation in terms of Excise Duty, VAT, Corporate and Income tax structures, Goods and Services Tax (GST), other local taxes as well as incentives and benefits given by the Government. In a developing economy like India, business firms have to operate under a heavy load of regulations exercised by the government. The marketing regulations are enforced through marketing laws which ensure: (i) Consumer protection - to curb unfair trade practices by businesses and to keep checks on false and fake advertisements, deceptive packaging and marketing of unsafe goods; (ii) Promotion of healthy competition - in the free market economy, competition is the fundamental strength for achieving the growth. However, the legislation is to curb restrictive trade practices; (iii) Environmental protection - aimed at holding the business responsible for social costs incurred while manufacturing their products and the manufacturing process they adopt.
6) Marketing Implications of some regulations in India are as follows:

**Impact on Product** - The firm cannot market goods/services which are unsafe for human consumption under defined situations. Deceptive description of quality, improper disclosures on the packaging, use of hazardous raw materials, and sub-standard quality of goods and services are completely prohibited by the Consumer Protection Act. Increasingly, the impact on the environment during the production, usage or the post usage disposal of a product is coming under critical scrutiny.

**Impact on Pricing** - Many products are under the MRP (Maximum Retail Price) regulations. The firm cannot overcharge the customers for these products. In other products also, the customer’s perception of the price has to match the quality being offered. The firm cannot make deceptive and false claims about its products. Moreover, the anti-competitive practices such as price-fixing, output restrictions, bid rigging and market restriction are prohibited by the Competition Act.

**Impact on Place** - The restrictive trade practices ensure that a firm does not use its dominant position in the market to dictate terms to the channel members or in any way restrict the free competition to other rival firms. For example, a firm cannot force a retailer not to buy or sell the products of its competitors. The regulations can also prevent the firm to sell to certain class of customers, for example cigarette marketing firms cannot sell their products to customers below 18 years of age. Hence, such firms cannot distribute their products through school or college canteens.

**Impact on Promotions** - False claims have to be prohibited. This directly impacts the advertising message used by a firm where no deceptive representation about the quality, price, after sales service, and the warranty support etc. can be made. A firm cannot use derogatory references to any of the groups of people based on religion, community, region or language or its rivals in its communication. It cannot give wrong information about its rivals. While running any sales promotion schemes, the firm cannot manipulate the prices or the stocks during the scheme period or announce bargain prices for goods.
UNIT 3 MARKET SEGMENTATION

Structure
3.0 Objectives
3.1 Introduction
3.2 Market Segmentation - The Concept
3.3 Segmenting the Markets for Events
3.4 Tasks Involved in Segmentation
3.5 Targeting
3.6 Let Us Sum Up
3.7 Keywords
3.8 References and Suggested Readings
3.9 Check Your Progress – Possible Answers

3.0 OBJECTIVES
In our previous Unit - ‘Marketing Environment’, we discussed about the internal and external factors existing in the environment that affect an event organization and its operations. Once the organization has completed the analysis of its macro- and micro-environment, the event organizers are in a position to evaluate its marketing position. With this, the organizers can begin the planning of the next stage which is target segmentation. In this Unit we will learn about marketing segmentation and after going through this Unit, you should be able to:
• Describe the concept of market segmentation;
• Develop an understanding of segmentation bases in B2C and B2B markets;
• Relate to the basic approaches to segmentation; and
• Learn the meaning and process of targeting markets for events.

3.1 INTRODUCTION
In the first Unit – Marketing Fundamentals, of this Block, we had learnt that the market for event companies is a collection of its existing and potential customers/stakeholders differing in their wants, demands, motives, characteristics and reasons for participating in any event. Till the early 20th century, the marketers used mass-marketing approach, which meant one product for all. The approach is effective when the supply of any product is less than its demand. However, in today’s competitive world where supply of all kinds of products is more than their demands, the marketers cannot remain confined to mass marketing approach. This Unit will specifically focus on segmentation of markets for events.

3.2 MARKET SEGMENTATION – THE CONCEPT
Market segmentation as a concept was first introduced by Smith in 1956 as an alternative to the dominant mass marketing approach, which was mostly advertising, at that time, and was used to promote marketing messages to a mass
Market segmentation can be defined as sub-dividing the market (heterogeneous) into smaller homogeneous sub-sets of customers, in which they share certain similar characteristics and have specific needs in common, and appear as discrete targets to be reached with a distinct market mix (Ps of market). Breaking up of a market into various sub-sets leads to a relevant marketing strategy, and thus better penetration in a given market segment, and better returns for their efforts. Market segmentation as one of the key concepts in marketing is useful as it allows thorough understanding of the market. This helps to predict consumer behaviour with a greater degree of accuracy. It hence increases the chances of recognizing and exploiting new market opportunities.

Segmentation analysis definitely helps the event planners to identify the size of the potential attendees for that particular event. In fact, with progressive growth in the event industry, the marketers have further sub-divided their market into niche market and micro market, thus dividing the market into four levels - mass market, market segmentation, niche market and micro market. The list of market segments includes existing as well as newly recognized market segments. Identification of new market segments depends on the information obtained from market environment analysis. Therefore, it requires careful consideration of information from the environment analysis stage itself to decide for inclusion of new segments or exclusion of existing segments.

Some marketers believe that breaking up a market into various segments may prove to be expensive in terms of marketing investment and control, while many believe that with market segmentation approach, the improved penetration will pay off the additional cost incurred. The popularity of segmentation as one of the marketing tools takes two assumptions into account. Firstly, the consumer preferences within the same segment are homogenous, but between different segments, the preferences are relatively heterogeneous. Secondly, the product and market mixes for a particular segment within the market will have greater sales volume and profits than companies who use mass market approach. For segmentation analysis to be effective the segments must be:

- **Measurable** – Identification of the segments should be in such a way that the size of the segment can be measured in terms of number of customers and potential volume which can be sold to them.
- **Profitable** – The size of the identified segment should be large enough to be turned out as profitable, producing a reasonable return on investment.
- **Accessible** – The segments must be accessible with existing marketing tools and media channels. The marketers must consider the entry barriers if existing in these segments.
- **Actionable** – Marketers must be able to design a suitable marketing strategy
within the limitations of the marketing budget for these segments, considering their resources and capabilities, legal requirements and professional codes. At this point, they should also understand the level of existing loyalties in the target segments.

- **Differentiable or uniquely responsive** – Lastly, it is very important that each segment should respond differently but favourably to different marketing stimuli.

These measures allow the event organizers and marketers, to include the most attractive market segments in their marketing plan.

McDonald and Dunbar provided three principal components to characterize market segments.

1) The first component of a market segment is the list of needs that the individuals in that segment regard as important to them, when selecting which competing offer to buy.

2) The second component of a market segment is profiling of the segments. An understanding of who is to be found in each of the chosen segments is necessary so that there is some way of communicating with, and reaching them. This enables successful targeting of segment-specific offers.

3) The third and final component of a market segment is its size in terms of volume and/or value.

It is very essential to understand that marketers do not create market segments. These segments exist in the marketplace; so marketers actually identify them. The most powerful aspect of segmentation is that it forces the marketers to understand the marketplace and thereby identify their market segments. After identifying the market segments marketers design and present the package accordingly.

### 3.3 SEGMENTING THE MARKET FOR EVENTS

Since different customers – both clients and target audience – differ in terms of various characteristics, it is difficult to customize the communication according to each individual. The need for segmenting the market on the basis of broad features that make up the market also arises in order to reach a compromise between mass marketing and individual marketing by the event organizers.

An example of mass marketing in events is any ticketed show such as a cricket match wherein tickets for watching the game are sold to anybody on a first-come-first-served basis. Events are designed first and then opened to any client for sponsorship. Individual marketing in events can also be termed as customized events. These involve designing a concept suitable for one particular client and its target audience (main customers).

**Bases for Segmentation in B2C Markets**

Marketers can segment the market using several relevant variables or bases. These have been explained in this section. The marketer tries various bases and their combinations to arrive at the best segmentation opportunities for the event. Often,
these bases are used in combination (multi-stage segmentation). Segmentation of the target audience becomes very important for event organizers since they define which clients to approach for funding the events, event category and variation that the event organizer should focus on.

**Geographic Segmentation**

In the case of products where there are clearly identifiable differences in their usage from one region to another, geography is an important variable for segmenting the market. Marketers of such products segment the market by climatic zone, country, region, state, cities, villages, and districts to identify similar consumer behavior. India, as a country is very diverse and big. Marketers of products like food items, clothes and cosmetics realize that the requirements of consumers in different regions like North India and South India are very different. Even within North India, consumers vary. For example, consumers in a state like Jammu and Kashmir are very dissimilar from the consumers in Uttar Pradesh. Thus it makes better sense to identify states and districts within states as an important variable for geographic segmentation.

In India, the events organized in North India will be very different from those in South India. A typical difference would be the type of music to be played in a mass marketed event. In North India, generally it is the Hindi film music which caters to the popular taste of masses, while events in South India have a larger role of classical music or at best regional film music, in regional language, which is specific to that state.

Geographic segmentation can help in the organisation of urban and rural events. Urban events like IITF in New Delhi or IPL are more westernized and cosmopolitan in their look and feel. Rural events like annual fairs in towns such as Meerut capture the local flavor more strongly. The food, music, shows and displays in rural events are closely associated with the event’s specific target audience. The urban events are organized in the time period when important considerations are school holidays, gaps between other events, and product launch by a client. Rural events are generally organized around harvesting season primarily because that is the only time when the target audiences in the rural area have some spare money and inclination to spend on fun and enjoyment.

**Demographic Segmentation**

Demographic bases constitute nationality, religion, race, gender, age, income level, education level, occupation, family size, stage in family cycle, disposable incomes (purchasing power), social status and so on. The marketers realize that consumers who are similar on these bases are likely to demonstrate similar consumer behavior towards many products.

Variables like age (teenagers, young adults, middle aged, senior citizens etc.), gender (female, male), stage in family cycle (bachelor, married with no kids, married with kids, divorced etc.) and purchasing power (low income group, middle class, upper middle class, rich class etc.) are most commonly used segmentation variables by companies. India has the second largest population in the world and the largest youth population. This itself makes India an attractive destination for most of the global companies. Understanding the demographics of the target audience of the client is very important to create and market the event to the clients for getting sponsorship.
**Psychographic Segmentation**

The earlier two bases for segmentation (geographic and demographic) are easy to identify and quantifiable. However, many times it is realized that they are not enough to define the consumers’ choice or behaviour. For example – two girl students in the same class of the same college in the same city and belonging to same socio-economic group still demonstrate different liking to various events. One of them likes to go to film star’s live show while the other one likes to watch a classical music concert. The factors which cause these differences are known as psychographics. The word ‘psychographics’ is a combination of psychology and demographics. Psychographic segmentation combines the effect of demographics (explained above) with elements like lifestyle, personality traits and value-system. In psychographic segmentation, questions about activities, interests, opinion, and self-concept are used to divide the same demographic group into further homogeneous subsets. These variables are difficult to identify or quantify and in-depth probing of consumers is required to extract the relevant information about their psychographics. As an example, you can see that passenger car companies in India came up with Sports Utility Vehicles (SUVs) targeted at a particular lifestyle and attitude segment of the buyers (outgoing, adventurous, nature-loving, risk takers, and non-conformists).

Event organizers can use variables like sports lovers, outdoor adventure lovers, music enthusiasts, knowledge seekers, lifestyle followers to segment the target audience and create specific events for these.

**Behavioural Segmentation**

The three bases of segmentation described in the above sections are based on user’s characteristics. Behavioural segmentation, on the other hand, is based on usage characteristics. The factors used in behavioural segmentation for events, as given by Kotler et al. are as follows.

- **User status** – existing users of the product. This means, in what way do the target segments ‘use’ the event. User status includes potential attendees, non-attendees, former-attendees, regular attendees and first-time attendees.

- **Loyalty to a brand** – brand loyalists, brand switchers, competition brand loyalists, and ex-users of the brand determine its loyalty. Loyalty is determined by recurring events and helps to establish whether particular members of a target segment are loyal, somewhat loyal or completely non-loyal towards the event.

- **Benefit sought from the product** – different benefits the consumers look for in an event. For example, Pepsi launched Diet-Pepsi for consumers who wanted a cold drink but were calorie conscious.

- **Usage rate** – light users, medium users or heavy users of a product or service. For example – all airlines identify their most frequent fliers and give them the highest level of privileges. It has to be understood how frequently the target segments use an event. Is there light attendance, medium attendance or heavy attendance?

- **Occasion of purchase** – regular buyers, occasional buyers, one-time buyers. Also, the company can segment the market on the basis of specific occasion
of purchase by different customers. Companies like Hallmark and Archies have identified so many occasions on which consumers like to gift cards and other items to their near and dear ones. Similarly, event marketers need to understand at which point do people attend events. Work and play can be two key aspects in this regard.

- **Attitude towards the event** – the consumers can be enthusiastic, negative, indifferent or unaware about the product, and the company may segment the market on the basis of these attitudes. When it comes to events, it depends on what the target segment thinks about the event. Primary research can be conducted to explore attitudes and opinions about the event.

- **Buyer readiness stage** – In this criterion, target segments are identified for their readiness to buy the product or service (the event), in relation to awareness and determination concerning a particular product or service. They can be fully aware of the product, completely unaware, not ready to buy although aware and informed, aware and ready with the intention to buy, informed and wanting the product/service but not able to buy due to certain circumstances. These options and the number of people in these categories have a major impact on the event marketing plan, developing key messages, the choice of particular communication strategies and tactics to reach the chosen market segment(s).

### Check Your Progress I

**Note:** Use the space provided for your answer

1) Define market segmentation. What are the characteristics of effective market segmentation?

2) Name the various approaches used to segment the market in B2C markets.
3) What is the difference between geographic and demographic segmentation?
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4) Describe the factors on which behavioural segmentation is based.
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Bases for segmentation in B2B markets

Segmentation of clients is essential for event management companies since not only is the information on the brands, products or services of the client important, but also the audience that the client is going to target.

With reference to the bases for segmentation in B2C markets (explained in section 3.3) the following are the equivalent bases for segmentation in B2B Markets:

- **Geographic** – On the basis of geographical location, segmenting business markets is more relevant to some events than others in most cases. For example a local literary event will probably target a sponsor from the same city. Likewise, mega events like Commonwealth or Olympics will target their top-tier sponsors who are multinationals with a strong global presence, such as Coca-Cola, Nike and Visa. Lower-level tiers will attract companies from the city or country in which the event will be staged. But events like trade exhibitions and fairs will rely heavily on segmenting their markets by geographical location, as this will reflect the geographical spread of the business or industry which the event is meant for.

- **Companyographics and Annual Turnover** – Similar to demographic criteria in consumer markets, the companies can be divided into homogenous groups based on the type of industry, product, size of the company in terms of sales / profits, size of the company (number of employees), scale of operations, age of the company, end customers of the targeted company and so on. Particularly large-scale events which will require huge sponsorships will need to approach companies that can provide sizeable amounts for sponsorship or for another form of participation in an event, like exhibiting at an international trade show.
Market Segmentation

- **Industry sector and subsector** – This kind of a segmentation is more useful to events than segmentation on the basis of geographical location. Businesses from a particular industry sector or subsector will highlight a particular type of product or service and this will be useful in linking up with the profile of the individuals attending that event.

- **Company's culture and objectives** – Companies can be conservative, modern, risk-averse, and risk-takers in their overall approach towards buying. They can be extremely cost conscious on one hand, or value maximizers on the other.

- **Company reputation** - A company is assessed and graded for its reputation too. Engagement of such companies with their audiences is strong, and leaves them with a memorable event experience.

- **Attractiveness of products / services offered by a company** – It is important to understand the profile of the core attendees / audiences of an event. In this case the companies will be targeted depending on how attractive their products are to the audience segments. This attractiveness will be determined by the consumer preferences of the expected event attendees. But it should not be mistaken that just because a company delivers luxury services or products, it will be perceived as ‘more attractive.’ For example in a geographical area where there is poor employment, a job fair attracting companies producing high-end shoes as its intended consumer audiences will be a flop.

- **Benefit segmentation** - can be used for segmentation of clients effectively. Segmentation on the basis of different levels of the benefits offered by events – such as reach and interaction, can be termed as benefit segmentation. Therefore, clients can be segmented into clients seeking high reach with less interaction, equal reach and interaction or low reach with high interaction. Each of the event variations discussed earlier could also be converted into tangible event market segments.

**Relevance of Market Segmentation to Event Management Companies**

Event management companies target many corporates for getting sponsorship support for their events. Event marketing integrates the corporate sponsorship of an event with a whole range of marketing elements such as advertising, sales promotion, and public relations. Two basic reasons have contributed to the popularity of corporate sponsorship for events:

- Event marketing allows a company to break through the advertising clutter and target an audience by enhancing or creating an image through an association to a particular event. The resulting brand awareness reinforces the product or service, and drives sales.

- Its success has attracted companies of all sizes and with any budget. The ‘property’ or event also profits tremendously from the deal as the corporation gains a financial partner, a supplemented advertising budget, and added leverage to sell tickets.

While targeting the companies to garner the sponsorships, the event marketer will need to do segmentation of the prospect companies on the bases explained in Section 3.3.
3.4 TASKS INVOLVED IN SEGMENTATION

Since customer characteristics stand distributed over several variables, a company can segment the market through a combination of several variables / bases. Two relevant approaches to segmentation are discussed below.

- **User based segmentation** – This is also known as the top-down approach. The company first uses the geographic segmentation to identify similar layers in the markets followed by further segmentation based on demographics, lifestyle and attitude. These segments are refined further by adding the relevant behavioural variables.

- **Usage based segmentation** – This is also known as bottom-up approach. The company first studies the behavioural patterns of the potential customers, and then finds commonality on the basis of psychography, demography and geography.

Increasingly, the companies are resorting to the bottom-up approach. The aim is to go as deep as possible in segmenting the market, subject only to practicality. The companies try to spot and choose segments that are most attractive and most suited to the products of the company.

The tasks involved in segmentation are given below:

- Profiling the differences between one segment and the other in terms of their wants / value requirements and their likely responses to a particular product offer and other marketing mix elements.
- Finding out, by what descriptive characteristics can consumers be tagged to a specified segment.
- Disaggregating the consumers into suitable segments based on the above two steps.
- Checking whether it is possible to formulate separate marketing programmes / marketing mix for the different segments.
- Identifying which segments will be particularly attracted to the offerings of the company and hence, can be called as the target segment for the company.
- Estimating the likely purchase level by each of the segments.
- Ensuring that the segments are attractive and effective.

3.5 TARGETING

After segmentation, choosing the target market comes as an integral aspect in the formulation of marketing strategy. After drawing up the profile of the identified segments and having assessed their attractiveness, the company decides to target one or more of these segments where it believes it has better chance of creating success for itself.

The event organizer, after defining the market segments, needs to select one or more of these segments to enter, consolidate and grow. Attractiveness of a segment can be measured in terms of the potential reach and scope for interaction that the segment provides. Greater the reach and interaction, greater is the attractiveness for clients and thus, larger the growth, profitability, scale economies and so on.
of the segment for event organizers. The targeting decision is also contingent upon other considerations such as ease with which members of the segment can be won over. Dissatisfied clients of other event organizers can be very attractive target segments. The clients’ business worth in terms of event-spend in the event category that the organizer is interested in, and the loyalty and ability to influence other clients is also an important part of the decision making for targeting clients. Next, the event organizer’s specialization, skills and long term objectives, which decide the event categories, should be in tune with the requirements of the segments.

In this section, you can understand the various targeting options for an event organizer using a market segment and event specialization combination matrix.

Kotler has described five targeting options used by companies based on the market segmentation and product development (event development) combination. In the below diagrams, ‘M’ represents the market segment and ‘P’ represents the product.

1) **Single Segment Concentration**

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The company using this option will concentrate its targeting to one segment of the market with one product matching its requirement. For example – an event management company may just specialize in destination wedding (product) targeting a particular segment.

2) **Selective Specialization**

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The company using this option will concentrate its targeting to one segment of the market with one product matching its requirement. For example – an event management company may just specialize in destination wedding (product) targeting a particular segment.
The company will select more than one product-segment combination, which it wishes to target. For instance, the event management company is into organizing events such as sports events, fund raising events and also corporate events for different market segments.

3) **Product Specialization (event specialization)**

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The company wishes to create an image of a product specialist. In that case, the company will target various segments with the same product, though there will be minor modifications in the product to suit each segment’s unique requirements. For example – an event management company may just specialize in entertainment events which could be for market segments like birthday parties, cultural events or any other social events.

4) **Market Specialization**

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The company wishes to create an image of a consumer segment specialist. In that case, the company focuses their target on one segment and strives to fulfill all the requirements of that segment through various product developments. For example – an event management company may decide to be known as an event specialist for Bollywood celebrities as their only customer segment and may organize all kinds of events for them.
Market Segmentation

5) Full Market Coverage

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In this targeting option, the objective of the company is to cover the entire product-segment combination. This is possible only for a company with enough resources and scale of operation. Typically, the largest company or the market leader company follows full market coverage targeting strategy.

Looking at the attractiveness of the target audience, the corporates are very clear in their objectives. For example, when it comes to college festivals — ambitious brand conscious students fit right into their target audience profile — be it for toothpaste, website, cold drinks, mobile phones — and the festival offers both easy and direct access to this group. Even a car company is interested in them since they will be the customers of tomorrow. Event organizers should take this factor into account when targeting clients.

Check Your Progress II

Note: Use the space provided for your answer

1) Describe the bases of segmentation in B2B markets.

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2) Which are the two approaches relevant in segmenting the market? Briefly describe them.

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3) List down the tasks involved in market segmentation.

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4) What is targeting? Describe the five options of targeting in the context of events.

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3.6 LET US SUM UP

Increasing competition has ensured that in most of the product categories, there is enough choice to the consumers and supply generally is more than the demand. In such a situation, the marketers in the companies have no option but to apply market segmentation. Each segment should be very consistent and homogeneous internally but very distinct from other segments. The segments identified by the company need to be evaluated for attractiveness on the parameters such as measurability, growth potential, profitability, actionability and accessibility. Subsequent to market segmentation, the company needs to decide on its targeting approach. Five approaches which a company can use for targeting include – single segment concentration, selective specialization, product specialization, market specialization and full market coverage. While deciding the approach, the prime consideration is to identify the segment where opportunity matches its strength.

3.7 KEYWORDS

**Bases for Segmentation**: Variables which allow us to identify the commonalities in consumers

**Market Segmentation**: Act of identifying homogeneous subsets of customers from a heterogeneous market

**SEC**: Socio-economic classification

**Targeting**: Act of identifying the optimal target segment for a company to create its marketing mix and policies matching the requirements of that particular segment
3.8 SUGGESTED READINGS


www.eventplanningconcepts.com accessed 12/11/2017

3.9 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

1) Market segmentation is defined as sub-dividing the market (heterogeneous) into homogeneous sub-sets of customers which are alike in some way or another and appear as discrete targets to be reached with a distinct market mix (5Ps of market). Breaking up of a market into various sub-sets ensures the development of a relevant marketing strategy and thus better penetration in a given market segment and better returns for their efforts. The characteristics of effective market segmentation are:

Measurable – Identification of the segments should be in such a way that the size of the segment can be measured in terms of the number of customers and potential volume which can be sold to them.

Profitable – The size of the identified segment should be large enough to be turned out as profitable producing reasonable return on investment.

Accessible – The segments must be accessible with existing marketing tools and media channels. The marketers must consider the entry barriers if existing in these segments.
**Marketing Concepts**

**Actionable** – Marketers must be able to design a suitable marketing strategy for these segments considering their resources and capabilities. At this point, they should also understand the level of existing loyalties in the target segments.

**Differentiable or uniquely responsive** – Lastly, it is very important that each segment should reflect distinctive consumer behavior responding differently among the segments but favourably to different marketing stimuli.

2) The approaches used to segment market in B2C markets are - Geographic Segmentation, Demographic Segmentation, Psychographic Segmentation and Behavioural Segmentation

3) **Geographic segmentation** approach is used where there are clearly identifiable differences in the usage of products from one region to another. Marketers of such products segment the market by climatic zone, country, region, state, cities, villages, and districts to identify similar consumer behavior. For instance, types of cultural events celebrated in North India are different from those celebrated in South India. Marketers of products like food items, clothes and cosmetics realize that the requirements of consumers in different regions like North India and South India are very different. Even within North India, consumers vary. For example, consumers in a state like Jammu and Kashmir are very dissimilar from the consumers in Uttar Pradesh. Thus it makes better sense to identify states and districts within states as an important variable for geographic segmentation. On the other hand **demographic segmentation** is based on nationality, religion, race, gender, age, income level, education level, occupation, family size, stage in family cycle, disposable incomes (purchasing power), social status etc. The marketers realize that consumers who are same on these bases are likely to demonstrate similar consumer behavior towards many products. Understanding the demographics of the target audience of the client is very important to create and market the event to the clients for getting sponsorship.

4) Behavioural segmentation is based on following factors:

**User status** – This refers to the way in which target segments ‘use’ the event. User status includes potential attendees, non-attendees, former-attendees, regular attendees and first-time attendees.

**Loyalty to a brand** – brand loyalists, brand switchers, competition brand loyalists, and ex-users of the brand determine its loyalty. Loyalty is determined by recurring events and helps to establish whether particular members of a target segment are loyal, somewhat loyal or completely non-loyal towards the event.

**Benefit sought from the product** – different benefits the consumers look for in an event. For example, Pepsi launched Diet-Pepsi for consumers who wanted a cold drink but were calorie conscious.

**Usage rate** – This refers to how frequently the target segments use an event. Is there light attendance, medium attendance or heavy attendance?

**Occasion of purchase** – regular buyers, occasional buyers, one-time buyers. Also, the company can segment the market on the basis of specific occasion
of purchase by different customers. Event marketers need to understand at which point do people attend events.

*Attitude towards the event* – The consumers can be enthusiastic, negative, indifferent or unaware about the product. It depends on what the target segment thinks about the event. Primary research can be conducted to explore attitudes and opinions related to the event.

*Buyer readiness stage* – Consumers can be fully aware of the product (event), completely unaware, aware but not interested, not ready to buy although aware and informed, aware and ready with the intention to buy, informed and wanting the product / service but not able to buy due to certain circumstances. These options and the number of people in these categories have a major impact on the event marketing plan, developing key messages, communication strategies and tactics to reach the chosen market segment(s).

**Check Your Progress II**

1) The bases of segmentation in B2B Markets are as follows:

*Geographic* – Segmenting business markets on the basis of geographical location is more relevant to some events than others. For example a local literary event will probably target a sponsor from the same city. Likewise, mega events like Commonwealth or Olympics will target their top-tier sponsors who are multinationals with a strong global presence, such as Coca-Cola and Nike. Lower-level tiers will attract companies from the city or country in which the event will be staged. But events like trade exhibitions and fairs will rely heavily on segmenting their markets by geographical location, as this will reflect the geographical spread of the business or industry which the event is meant for.

*Companyographics and Annual Turnover* – Just like demographic criteria the companies can be divided into homogenous groups based on the type of industry, product, size of the company in terms of sales / profits, size of the company (number of employees), scale of operations, age of the company, end customers of the targeted company and so on. Particularly large-scale events which will require huge sponsorships will need to approach companies that can provide sizeable amounts for sponsorship.

*Industry sector and / subsector* – In this kind of segmentation of businesses from a particular industry sector or subsector, a particular type of product or service will be highlighted and this will be useful in linking up with the profile of the individuals attending that event.

*Company's culture and objectives* – Companies can be conservative, modern, risk-averse, and risk-takers in their overall approach towards buying. They can be extremely cost conscious on one hand, or value maximizers on the other.

*Company reputation* - A company is assessed and graded for its reputation too. Engagement of such companies with their audiences is strong, and leaves them with a memorable event experience.

*Attractiveness of products / services offered by a company* – Understanding the profile of the core attendees / audiences of an event. The companies
Marketing Concepts

will be targeted depending on how attractive their products are to the audience segments. This attractiveness will be determined by the consumer preferences of the expected event attendees.

**Benefit segmentation** - Segmentation is done on the basis of different levels of benefits offered by events such as reach and interaction. Clients seeking high reach with less interaction, equal reach and interaction or low reach with high interaction are segmented.

2) Two approaches relevant in segmenting the market are:

- **User based segmentation** – This is also known as the top-down approach. The company first uses the geographic segmentation to identify similar layers in the markets followed by further segmentation based on demographics, lifestyle and attitude. These segments are refined further by adding the relevant behavioural variables.

- **Usage based segmentation** – This is also known as bottom-up approach. The company first studies the behavioural patterns of the potential customers, and then finds commonality on the basis of psychography, demography and geography.

Increasingly, the companies are resorting to the bottom-up approach. The aim is to go as deep as possible in segmenting the market, subject only to practicality.

3) The tasks involved in market segmentation include:

- Profiling the differences between one segment and the other in terms of their wants / value requirements and their likely responses to a particular product offer and other marketing mix elements.

- Finding out, by what descriptive characteristics can consumers be tagged to a specified segment.

- Disaggregating the consumers into suitable segments based on the above two steps.

- Checking whether it is possible to formulate separate marketing programmes / marketing mix for the different segments.

- Identifying which segments will be particularly attracted to the offerings of the company and hence, can be called as the target segment for the company.

- Estimating the likely purchase level by each of the segments.

- Ensuring that the segments are attractive and effective.

4) Targeting is the process of choosing the target market and is a subsequent step to market segmentation. After drawing up the profile of the identified segments and having assessed their attractiveness, the company decides to target one or more of these segments where it believes it has better chance of creating success for itself. This is referred to as targeting. The five targeting options given by Kotler are:
i) Single Segment Concentration

In the below diagrams, ‘M’ represents the market segment and ‘P’ represents the product.

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The company using this option will concentrate its targeting to one segment of the market with one product matching its requirement. For example – an event management company may just specialize in destination wedding (product) targeting a particular segment.

ii) Selective Specialization

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The company will select more than one product-segment combination, which it wishes to target. For instance, the event management company is into organizing events such as sports events, fund raising events and also corporate events for different market segments.

iii) Product Specialization (event specialization)

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The company wishes to create an image of a product specialist. Here the company will target various segments with the same product, though there will be minor modifications in the product to suit each segment’s unique requirements. For example – an event management company may just specialize in entertainment events which could be for market segments like birthday parties, cultural events or any other social events.

iv) Market Specialization

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The company wishes to create an image of a consumer segment specialist. Here the company focuses their target on one segment and strives to fulfill all the requirements of that segment through various product developments. For example – an event management company may decide to be known as an event specialist for Bollywood celebrities as their only customer segment and may organize all kinds of events for them.

v) Full Market Coverage

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In this targeting option, the objective of the company is to cover the entire product-segment combination. This is possible only for the company with enough resources and scale of operation. Typically, the largest company or the market leader company follows full market coverage targeting strategy.
UNIT 4 CONSUMER BEHAVIOUR

Structure
4.0 Objectives
4.1 What is Consumer Behaviour
4.2 Motivation and Type of Involvement
4.3 Determinants of Event Participation
4.4 Decision Making Process for Event Participation
4.5 Consumer Research
4.6 Consumer Protection in India
4.7 Conclusion
4.8 Let Us Sum Up
4.9 Keywords
4.10 References and Suggested Readings
4.11 Check Your Progress - Possible Answers

4.0 OBJECTIVES

Event marketing as a business function like in any other industry is driven by consumers. It is the consumer whose behaviour defines the demand for an event and the complete marketing strategy as well. Thus, the consumer becomes the reason, target and purpose of marketing. The previous Unit - ‘Market Segmentation’ helped us to understand the ‘who’ dimension of consumer behaviour involving the process of segmentation and targeting. In this Unit, we will explore the other dimensions of consumer behaviour such as ‘what’, ‘how’, ‘when’ and ‘where’ to understand their behaviour and decision making process with respect to event consumption. After reading this Unit, you will be able to:

- Relate to consumer behaviour in the context of events, and understand consumers’ motivation and their involvement in event participation;
- Ascertain the determinants of event participation;
- Identify the different decision making processes in attending an event; and
- Understand the relevance of consumer research and Consumer Protection Act in relation to event marketing.

4.1 WHAT IS CONSUMER BEHAVIOUR

Consumer behaviour is a field of marketing that deals with an understanding of how consumers make decisions, what they think and feel while going for a product, what makes them buy a particular product or service or brand and so on. In this, the complete market orientation is towards the consumer and it functions by putting the consumer in the centre of marketing. Therefore, consumer behaviour is defined as the behaviour that consumers display for purchasing, using, evaluating and disposing products and services that they expect will satisfy their needs.
The marketing concept stresses that it is far easier to sell those products and services to the consumers which ‘they’ want, rather than trying to persuade the consumer to buy what has already been produced. Marketing concept therefore stresses upon the need to research and study consumer behaviour to identify what a consumer wants. This philosophy of marketing concept focuses on consumer needs and wants. This concept also covers consumers’ expectations and satisfaction of the present day consumers.

Consumer behaviour is an outcome of interaction between their personal, psychological, social and environmental factors. Over and above this, the amount and type of marketing activity also contributes in influencing consumer buying behaviour. Identifying the needs and wants of the consumer become the fundamental responsibility of the marketing manager. It is important to understand that consumers are only willing to attend an event over others and spend their available resources like time, money and effort when the event is able to satisfy their range of functional and emotional needs. For continued success of an event, it is very essential that the event marketer is able to anticipate the future needs and wants of existing and potential consumers, and not just current needs and wants.

The study of consumer behaviour focuses on the following aspects:

- What consumers buy
- Why do they buy it
- When do they buy it
- Where do they buy it from
- How often do they buy it
- How often do they use it
- How they evaluate it after the purchase
- Impact of these evaluations on future purchases
- How do they dispose it

All of us are consumers of various products and services. However, all consumers can be broadly divided as personal consumers and organizational consumers. Personal consumers are those individuals who make purchases for self-consumption. Their personal characteristics like age, sex, social status, education in addition to their needs and wants govern their decisions. For example, an individual hiring an event organisation to hold his anniversary party is a personal consumer.

On the other hand, organizational consumers include business organizations, NGOs, government agencies and so on. They make purchases on behalf of their organization and their buying decisions are governed by the organizational needs and objectives. For example, a company organizing a product-launch event is an organizational consumer.

### 4.2 MOTIVATION AND TYPE OF INVOLVEMENT

Motivations are the driving forces of human behaviour which provide reasons behind individual’s action and explanation for not choosing alternative options.
Interaction between emotions, basic urges and cognitive process affects motivation and direct behaviour. Same activation process can lead to different motivations, and different activation processes can lead to same motivation.

Consumer behaviour is driven by the desire to satisfy the needs and wants. Maslow’s hierarchy of needs identifies five levels of human needs which arrange themselves in a hierarchy based on the principle of relative potency. Physiological needs are at the bottom level in the hierarchy comprising of food, water, air and sex, required for an individual’s immediate survival. Physiological needs are followed by safety needs like protection, certainty and the avoidance of pain or anxiety required for survival in the long-term. After these basic needs follow the social needs comprising of belongingness, affiliation and love. These first three needs are perceived as deficiencies, as they must be satisfied to fulfill a lack of something. Next in the hierarchy are esteem needs and self-actualization needs driving the individuals for recognition, career and realizing their unique potential. These are called growth needs. The theory proposes that growth needs (social needs, esteem needs and self-actualization needs) do not appear to consciousness till the deficit needs are not met on a regular basis. Though the theory had been widely accepted it has its own critics.

![Fig.4.1: Maslow's Hierarchy of Needs](source: Adapted from Bowdin et al.(2011))

Buck argued that the growth needs are always present and keep influencing consumer behaviour even during times of deprivation, when basic needs are not met. Moreover, it is the individual’s judgment that defines the value of some needs as more important than others. For example, one individual may keep satisfying her / his growth needs at the cost of health and family. In addition, some theorists criticized Maslow’s assumption of predictable human behaviour through his model of hierarchy of needs. They say that consumer behaviour does not always follow rational decision making but is actually made based on a variety of other factors. Social needs and growth needs are therefore, aspired by individuals even when deficit needs are fulfilled partially. This justifies the growing importance of leisure, entertainment and recreational activities among consumers, emphasizing that consumers buy products not only for their utilitarian
value but also for pleasure value. This aspect provides insight to consumers’ motivations to participate in a range of events.

**Type of Involvement**

Although consumers’ motivation to participate in an event is based on their need, personal interest and intrinsic pursuit of happiness, it can be further differentiated into situational involvement and pre-dispositional involvement.

*Situational involvement* in an event occurs when an individual identifies a particular need or the individual gets in contact with the object by chance. This type of involvement exists for a limited period of time. In such type of involvement, the participation of the consumer gradually declines or even disappears once the need is fulfilled. For instance, an individual intending to buy a new house would show high participation in the events organized by different builders. However, as the need gets fulfilled, the individual may show no interest in attending such event any more. Many times organization consumers show situational involvement wherein the employees attend a particular event/s till they are representing the organization, but may not attend those events after they leave the organization as their interests will become different from organization’s interests.

*Pre-dispositional involvement*, on the other hand, highlights long-lasting participation of consumers emerging out of their personal interest and desires. The interest could either be in the brand or content of the event. People with such involvement are motivated to attend events even where there is no immediate need for it. But even the pre-dispositional involvement may change over a period of time due to change in personal values, interest and desires. For instance, an individual has an interest in classical music which becomes a motivation to attend cultural events but subsequently, the person may switch her/his interest to instrumental music.

Situational involvement has a critical role in designing the event marketing strategy whereby consumers are motivated to attend the event. Moreover, even the pre-dispositional involvement may start accidentally than being actively sought. Therefore, consumers seek to participate in events depending on their pre-dispositional and situational involvement.

**4.3 DETERMINANTS OF EVENT PARTICIPATION**

Consumer needs are the basis of all modern marketing. The key to a company’s survival, profitability and growth in a highly competitive market is its ability to identify and satisfy unfulfilled consumer needs better and sooner than others. It is important for the event marketers to understand that it is the perceived value of an event which brings the individual customers to that event and induces the consumption of that event. Here, ‘value’ refers to the bundle of benefits that bear the capacity to satisfy a range of functional and emotional needs and wants of a consumer.

The more the perceived value of the event, the better is the motivation of consumer to attend the event and the level of involvement. Besides the type of involvement, there are a range of factors present in the micro and macro-environment. It is essential for the event marketer to be aware of underlying forces of demand for
an event. This section discusses the four key determinants – economic, geographical, socio-psychological and marketing inputs that influence the demand for events.

**Economic Determinants**
Individual’s disposable income is one of the key factors that dictates to the consumer whether or not to attend a particular paid event or look for other cheaper and free options. Another economic determinant is the price of the ticket. This not just takes into consideration the cost of attending event but also considers a range of other factors such as cost of food and drinks during participation in the event, cost of travel to and from the event site, cost of accommodation and cost of buying merchandising and souvenirs. All these costs are referred to as the actual costs of participation. Economic determinants also take another cost into consideration, the ‘opportunity cost’. Opportunity cost evaluates what the individual could have done with time and money that was spent on event participation and compares this in terms of degree of satisfaction with event participation.

**Geographical Determinants**
Event participation greatly depends on the consumer’s mobility and ability to reach to the event destination. However, sometimes the barrier posed by geographical distance is inversely proportional to the uniqueness, scope, size and reputation of the event. For instance, customers travel long distances to experience the uniqueness of mega events like the Olympics. The size, uniqueness and reputation of these events have such a strong pull that they provide sufficient reason to overcome the barriers posed by geographical location.

**Social-psychological Determinants**
The choice of whether to participate or not in an event ultimately depends on every individual’s discretion, i.e., the freedom to choose and the exercise of choice. Moreover, it also depends on the type of events. In corporate events, the consumers are more flexible on cost and distances to travel as many times the cost of participation is borne by the employer in full or in partial. Such events are linked with personal and professional development. On the other hand, consumers of social, cultural, sports or entertainment events are more cost conscious and less willing to travel long distances unless the event has a very strong pull. Social-psychological factors can be divided into two, as follows:

- **External Factors** which determine whether the consumer will be able to attend the event or not.
- **Internal Factors** that influence the decision to attend an event or not, after the clearance from external factor.

The various determinants under external and internal factors have been discussed in Table 1.
### Table 1: Determinants under External and Internal Factors

<table>
<thead>
<tr>
<th>Determinants under External Factors</th>
<th>Determinants under Internal Factors</th>
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<tr>
<td>Global - political, economic, social and technological factors</td>
<td>Circumstances, including:</td>
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<td></td>
<td>• Health</td>
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<td></td>
<td>• Available disposable income</td>
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<td>• Available leisure time</td>
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<td>• Work commitments</td>
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<td>• Family commitments</td>
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<td></td>
<td>• Car ownership</td>
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<tr>
<td>National - society-wide political, economic, social and technological</td>
<td>Knowledge of:</td>
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<tr>
<td>factors</td>
<td>• Destinations</td>
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<tr>
<td></td>
<td>• Availability of different types of events</td>
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<tr>
<td></td>
<td>• Price differences between events and competing leisure offerings</td>
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<tr>
<td>The influences of media</td>
<td>Attitudes and perceptions, including:</td>
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<td></td>
<td>• Perceptions of localities in which events take place</td>
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<td></td>
<td>• Political views (precluding certain types of events or making certain types of events particularly interesting to attend)</td>
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<td></td>
<td>• Preferences for particular cultures</td>
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<td></td>
<td>• Fear of certain modes of travel (limiting the locations to which the consumer is able to get to, thus eliminating particular events based on their location)</td>
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<td>• Propensity to plan attendance in advance</td>
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<td></td>
<td>• Ideas on what constitutes value for money in an event / leisure context</td>
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<td></td>
<td>• Attitudes to standards of behaviour at particular types of events</td>
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<tr>
<td>The marketing activities within the events industry</td>
<td>Experience of:</td>
</tr>
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<td></td>
<td>• Types of events</td>
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<td></td>
<td>• Different venues and localities</td>
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<td>• Particular event organizers</td>
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<td></td>
<td>• Participation in events with particular individuals or groups (how good of an experience can it be?)</td>
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<tr>
<td></td>
<td>• Attempting to spend as little as possible (getting discounts on tickets, or freebies).</td>
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<tr>
<td>Views of friends and relatives</td>
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Source: Swarbrooke and Horner (2007); Reic (2017)

### Marketing Inputs

We have studied about these under ‘marketing mix’ in this Block’s first Unit ‘Marketing Fundamentals’. Thus, the company’s marketing activities are a direct attempt to reach, inform and persuade both personal and organizational consumers to buy and use its products. These inputs like product (including size, guarantees and special services), pricing policy, promotion (mass media selling, personal selling etc.) and the channel of distribution influence consumer’s demand for the product / service / event. Box No. 1 depicts an event that was organised keeping into consideration the needs and interests of consumers.
Ola had planned to organize ‘Auto Driver Partner Melas’ across all major cities and towns in India. The first-ever Auto Driver Partner Mela- ‘Ola Baasha Mela’- that was held in Chennai, Tamil Nadu was a very successful event. The three-day Chennai Mela (April 8-10, 2017) attracted thousands of auto rickshaw drivers to partner with Ola and avail the opportunity of becoming micro-entrepreneurs by owning auto rickshaws. Other value additions such as free vehicle insurance, and garage services including the unique opportunity to join Ola as a driver partner were offered. Ola had planned such a multi-city programme keeping the needs and interests of the consumer segment. The initiative was taken to help thousands of aspiring auto driver partners to take the first step towards entrepreneurship and achieve their dreams. Ola designed the event of Auto mela to bring together a host of manufacturers, service providers and financial institutions under one roof so as to enable deep discounts and savings for their customers. In addition, this platform was also aimed at improving livelihoods of driver partners. This mega initiative under its multi-city programme would cover other cities such as Mumbai, Delhi, Hyderabad and Pune over future months.

To increase the participation of customers in the event, the event had free entry, many contests and free gifts. Several driver partners won free Piaggio Autos, gold coins and many other goodies including tickets to watch the cult movie of the legend Rajnikaanth, called ‘Baasha.’ For long-term partnerships and for their empowerment, Ola has also partnered with various state governments to skill and train partners, creating entrepreneurship opportunities for hundreds of thousands. The case study of this event clearly shows how the whole marketing strategy was designed by Ola keeping the needs and wants of the customer segment into consideration.

Source: www.eventfaqs.com
2) What are the types of involvement consumers show while attending events?

3) Describe in brief, the key determinants influencing demand for events.

4) List down the external and internal factors of socio-psychological determinants

Intext Activity 1

Attend an event of your choice and interact with the consumers to identify the motivation behind their attending the event. Find out the type of involvement shown by consumers at the event.

4.4 DECISION MAKING PROCESS FOR EVENT PARTICIPATION

We as consumers take many decisions every day. Most of the times we are not aware of the process involved in it or our motivation for taking that particular decision. A decision can be termed as a selection of one option from two or more available options. This means that to make a decision we must have options or alternatives to choose from. Also, there are many factors which govern the selection of option.
Consumer Decisions

Consumer decisions are the act of selection of one alternative (to purchase particular goods or services or to attend an event) from many available alternatives, with the help of decision making process. The factors which help an individual to select one alternative from all available ones have already been discussed in section 4.3 as key determinants for event consumption/participation in an event. Consumers usually utilize three types of decision-making processes. Let us understand them as follows:

**Routine response behaviours** are the results of decisions taken for our daily routine and are usually related to low-value products, such as groceries or fast-moving consumer goods like tooth paste, soap and so on. This implies little or no information search, and hence fast decision making.

**Limited problem solving** pertains to decisions relating to consumer durables, fashion clothing, entertainment and recreation. These imply consideration of alternatives and some information search, to come to a decision.

**Extensive problem solving** relates to decision making with respect to expensive or important occasional purchases such as decision for higher studies, buying a house or car and so on. These require considerable time to identify and evaluate alternatives using all the stages of the decision making process.

After going through the types of decision making processes as discussed above, it is clear that consumer decisions related to participating in an event usually fall in the second category which is ‘limited problem solving’. However, for taking decisions for attending mega-events, the consumer is likely to devote considerable amount of time evaluating in terms of money to be spent and the worth of attending the event before taking the final decision.

**Decision-making Process for attending an Event**

The decision making process of a consumer in relation to attending an event is a six step process (See Fig. 4.2) which is discussed below:

**Need Recognition**

When a consumer faces a problem it leads to recognition of the need for a product or a service. For example, a person wishes to hold a grand wedding of his daughter. His problem may be where and how to hold a wedding and who will look into the details of all the functions, guests, hospitality, food, stay and other arrangements. The recognition of this need by an event manager will enable him to do all arrangements for the wedding with professionalism and perfection.

**Information Search**

Information search begins when a consumer perceives a need that might be satisfied by the purchase and consumption of product or a service. The recollection of past experiences might provide the consumer with adequate information to make a present choice. On the other hand, if there was no prior experience, the consumer may have to engage in an extensive search for useful information which could act as a basis for the selection of alternatives. Here, all the inputs we have just discussed would influence a person. For example, a person who wishes to engage an event agency to organize his daughter’s wedding would
now search for one. He may have attended any such event organized by any event organisation, or would search for them, and can also ask friends, people in the family and social circle to recommend a suitable event organisation. Internet can be another source from where information can be obtained. On the basis of this search, a list of alternatives can be formed which can be evaluated to arrive at a decision.

![Figure 4.2: Consumer Decision Making Process](Source: Adapted from Reic (2017))

**Evaluation of Alternatives**

In order to evaluate all the potential alternatives, a consumer usually sets criteria for selection. This criteria has all the parameters on the basis of which every potential alternative in the list will be evaluated. For example, the criteria for selecting an event organisation for organizing a wedding may include some of the following points:

- The event organisation should be reputed, known and should have enough experience in holding similar events.
- The organisation should be able to plan a grand event.
- The organisation should work on schedule and should be able to arrange good venue on the set date.
- Their services should be suitably priced.

For example, an individual looking for a wedding planner would select one such organisation from his list of many alternate event organizers. The selected event organizer would be the one who will fit the consumer’s criteria best. Thus, a consumer has arrived at a decision (i.e. selected a suitable event organisation) after going through all the three stages of decision making process.

**Purchase Decision**

Every alternative on the list is evaluated in the light of some criteria and the best suitable alternative is selected by the consumer, reflecting the final decision.

**Post Purchase Behaviour**

Many times in the events there is a waiting period between the actual ticket purchase and the event itself. During this period there is likelihood of a phenomenon occurring called cognitive dissonance wherein the consumers start
rereading on their purchase and wondering if they have made the right decision or not. Cognitive dissonance, post-purchase, compels the consumers to re-evaluate the alternatives so as to reaffirm that they have made the right choice, and brings them to a maximum amount of enjoyment and satisfaction.

**Post Event Experience**

Event experience of the consumer has a significant contribution towards attending future editions of the same event or an event of a similar type. At this stage, the consumers are able to compare the experience with their initial expectations and are able to evaluate its worth in terms of the money, time and energy spent, and value addition it has made. This analysis influences their final level of satisfaction (or dissatisfaction) with the event and promoting the event with positive or negative word of mouth, accordingly.

### 4.5 CONSUMER RESEARCH

A marketer must understand the need and expectation of a specific group of consumers (i.e. target market) and then design the products and services to satisfy these needs more effectively than the competitors. Thus, every marketer has to gain understanding of the consumer decision making process and the inputs which influence consumers to suitably design their products and services, establish prices, select distribution outlets and design promotional messages. This has led to the emergence of a field called consumer research. The findings of consumer research help marketers to predict how consumers will react to promotional messages and to understand why they make the purchase decisions that they do. Consumer research helps marketers to study and understand consumers’ needs and wants, and how they make consumption decisions. Today, marketers engage trained researchers for this purpose who use both qualitative and quantitative research methodologies to study consumer behaviour. Quantitative research is an objective research using measurable data to formulate facts and quantify opinions, behaviours and attitudes. It collects data using structured form of surveys, questionnaire and interviews. On the other hand, qualitative researches are exploratory researches used to gain insights to various problems, opinions and underlying reasons. Qualitative data collection methods include unstructured to semi-structured techniques such as in-depth interviews, focus groups, and projective techniques. The findings are analyzed by highly trained interviewers and findings tend to be subjective. Usually a combination of both type of methodologies are used to study consumer behaviour.

**Consumer Research Process**

The major steps in consumer research process include the following:

**Defining the Objectives of the Research**

The first step in this process is to carefully define the objectives of the study. Is it to find out consumer attitude or experiences about the event? Or is it to determine what percentage of consumers hires event agencies to organize their family, social or religious events? The understanding of these objectives would help a research manager to ensure that the research design is appropriate.
Collecting and Evaluating Secondary Data

Following the statement of objectives is a search for secondary data. Secondary information is any data that was originally generated for some other research, other than the present research objectives. The data generated in-house (within the event company) for earlier studies, analysis of consumer files, past consumer transactions, letters from consumers, sale-call reports, consumer lifetime value profiles and data collected via warranty cards are considered as secondary data. Also, data generated by government agencies about the economy, business and other demographic data, and commercial data published by marketing research companies is used extensively for consumer research as secondary data.

Designing a Primary Research Study

The design of a research study is based on the purpose of the study. The purpose of the study will govern the methodology (quantitative or qualitative), research design (experimentation, observation, survey or any other), sample size and selection, data collection method (questionnaires, attitude scale, interview or any other suitable method), evaluation and interpretation techniques (for example: projective analysis, consumer satisfaction measurement) to achieve the objectives.

Collecting Primary Data

The primary data is usually collected by trained field researchers. The key data collection techniques for qualitative studies are in-depth interviews, focus group discussions, projective techniques and metaphor analysis. These techniques are regularly used in the early stages of attitude research to pin point relevant product or service, and beliefs or attitudes. Consumer satisfaction measurement is done with the help of customer satisfaction survey and professional observers.

Analyzing the Data

The researcher usually analyzes the responses received by coding and quantifying them in tabular form. Different statistical techniques are used, usually with the help of sophisticated computer programmes to analyze this tabulated data. This helps researcher to arrive at the results being sought.

Preparing a Report on the Findings

The research reports are prepared to show the findings. The research report may also include suggestions for marketers. The research report includes full description of the methodology used, tables and graphs to support findings, and summary of findings with or without recommendations.

Ethics in Consumer Research

Consumer researchers must ensure that the studies are objective and free of bias. Sometimes some studies are undertaken to justify a predetermined conclusion. This is violation of ethics in research. For example, an organisation may do a study to show that their products or services are found most satisfying by the consumers. For this purpose some researchers often use biased samples, biased questions, manipulate statistical analysis or ignore relevant information. Mistreating respondents by holding interviews for too long is another ethical problem. Thus, an ethical research should be undertaken to reach the conclusion drawn from unbiased responses of the consumers. Also, the privacy of the respondents must be protected and guaranteed.
Intext Activity 2

Design and conduct a consumer research on a sample size of 20 people to identify the type of entertainment the attendees would prefer in a technology conference.

4.6 CONSUMER PROTECTION IN INDIA

All marketing efforts are directed towards consumers. They are the backbone of any economy. Their awareness, education and protection are very important for any government. We have already studied about laws pertaining to Event Management in Course 2. In this Unit we would like to discuss the consumer protection law for the protection of all the consumers in India. If consumers are not satisfied with any product or service, they can seek compensation for their grievance.

The Consumer Protection Act (CPA) (1986) is a landmark legislation under which separate consumer courts are set up at district, state and national level to provide compensation to the consumers for their grievance. This act was amended in 2002. This is an important legislation as any consumer can file grievance against any event organisation if there is no satisfaction with their service.

The CPA has for the first time in India clearly defined the term consumer and tried to protect the consumer of services as well as products. This law is based on the principle of ‘self-help’ to protect consumers against all kinds of exploitations and unfair dealings, such as overpricing, defective goods and cheating. This act has two important implications for the consumer. First, it gives the consumer the right to complain to an authority when aggrieved and seek redressal speedily without much running around. Secondly, the consumer can claim compensation for any loss or injury suffered on account of the negligence of the manufacturer or service provider.

This act applies to all goods and services in both private and public sector, except those rendered free. Depending on the amount of compensation sought, consumers can file a case against any service provider or manufacturer if they find deficiency in their service or product in the district, state or national forum. They can seek compensation for the damage, agony or injury suffered to them due to the negligence of the manufacturer or service provider. Every event manager must be aware of the provisions of CPA and event managers must ensure that they always provide the services promised to their clients to avoid any consumer grievance.

4.7 CONCLUSION

We have come to the end of this Unit and Block which gave you an exposure to the basic marketing concepts pertaining to events – the marketing fundamentals, marketing environment, market segmentation and understanding of consumer behaviour. These Units have provided us with basic insights to learn about event marketing approaches which we shall be learning in the next Block.
Check Your Progress II

Note: Use the space provided for your answer

1) Briefly describe the three types of decision-making process utilized by the consumers.
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2) Explain the decision-making process that consumers use before deciding for an event.
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3) What is cognitive dissonance? How does post-event experience influence the consumers in attending future events?
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4) List down the steps involved in consumer research.
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5) Write about the Consumer Protection Act.
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4.8 LET US SUM UP

A consumer becomes the reason, the target and the purpose of marketing. It is
the consumer whose behaviour defines the demand for an event and the complete
marketing strategy as well. Therefore, it is very important for event managers to
understand the different dimensions of consumer behaviour. The Unit discussed
the type of involvement and determinants of event participation, in detail to
understand decision making process of consumers for event consumption. The
Unit has described all those steps taken by the consumer to arrive at a final
decision to attend or not to attend an event. The Unit has also introduced the
concept of consumer research which is highly essential in designing the event
satisfying the needs of consumers more effectively than the competitors. The
last section of the Unit has discussed the Consumer Protection Act which takes
care of awareness, education and protecting the rights of consumers.

4.9 KEYWORDS

**Personal consumers** : Personal consumers are those individuals who make
purchases for self-consumption.

**Organizational consumers** : Organizational consumers participate in events on
behalf of their organization and their buying decisions are governed by the organizational needs and
objectives.

**Cognitive dissonance** : Cognitive dissonance is a phenomenon wherein the
consumers, after purchasing the tickets to the event, start rethinking their purchase and wonder if they have
made the right decision or not.

4.10 REFERENCES AND SUGGESTED READINGS

Press.

Bowdin, Glen, Toole, William O’`, Allen, Johnny, Harris,Rob, McDonnel, Ian

Sons.

Delhi: S. Chand and Company Ltd.


Education Ltd.

Delhi: CBS Publisher.

4.11 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

1) Consumer behaviour is defined as the behaviour that consumers display for purchasing, using, evaluating and disposing products and services that they expect will satisfy their needs. The key to a company’s survival, profitability and growth in a highly competitive market is its ability to identify and satisfy the unfulfilled consumer needs better and sooner than others.

It is important for the event marketers to understand that it is the perceived value of event which brings the individual customers to the event and induces the consumption of an event. Here ‘value’ refers to the bundle of benefits that bear the capacity to satisfy a range of functional and emotional needs and wants of the consumer. More the perceived value of the event, better is the motivation of consumer to attend the event and the level of involvement. Besides the type of involvement, there are a range of factors present in the micro and macro-environment which are essential for the event marketer to be aware of the underlying forces of demand for the event.

2) The consumer can show two types of involvement while attending events. These are situational and pre-dispositional involvements. They are discussed as follows:

Situational involvement in an event occurs when an individual identifies a particular need and such an involvement exists for a limited period of time. In such an involvement, the participation of the consumer gradually declines or even disappears once the need is fulfilled. A good example is when many times consumers of an organisation attend a particular event/s till they are representing the organization, but may not attend those events after they leave the organization as their interests will be different from the organization’s interests.

Pre-dispositional involvement on the other hand highlights long-lasting participation of consumers emerging out of their personal interest and desires. The interest could either be in the brand or content of the event. People with such involvement are motivated to attend events even where there is no immediate need for it. But even the pre-dispositional involvement may change over a period of time due to change in personal values, interest and desires. For instance, an individual has an interest in classical music which becomes a motivation to attend cultural events but subsequently, the person may switch her / his interest to instrumental music.
3) The key determinants influencing the demand for events are as follows:

**Economic Determinants** - Individual’s disposable income is one of the key factors that dictates to the consumer whether or not to attend a particular paid event or look for other cheaper and free options. An economic determinant is the price of the ticket and a range of other factors such as cost of food and drink during participation in the event, cost of travel, accommodation, buying of merchandising and souvenirs. These are the actual costs of participation. Another cost, the opportunity cost evaluates what the individual could have done with time and money that was spent on event participation and compares this in terms of degree of satisfaction with event participation.

**Geographical Determinants** - Event participation greatly depends on the consumer’s mobility and ability to reach to the event destination. Sometimes the geographical distance does not matter because of the uniqueness, scope, size and reputation of the event. For instance, customers travel long distances to experience the uniqueness of mega events like Olympics.

**Social-psychological Determinants** - Ultimately, the choice of whether to participate or not in an event depends on every individual’s discretion - ‘the freedom to choose and the exercise of choice’. Moreover, it also depends on the type of events. In corporate events, the consumers travel distances as the cost of participation is borne by the employer in full or in partial. Such events are linked with personal and professional development. On the other hand, consumers of social, cultural, sports or entertainment events are more cost conscious and less willing to travel long distances unless the event has a very strong pull. Social-psychological factors can be divided into - *External factors* that determine whether the consumer will be able to attend the event or not and; *Internal factors* that influence the decision to attend an event or not, after clearance from external factor.

**Marketing Inputs** - A company’s marketing activities are a direct attempt to reach, inform and persuade both personal and organizational consumers to buy and use its products. These inputs like product, pricing policy, promotion (mass media selling, personal selling etc.) and the channel of distribution influence consumer’s demand for the event.

4) To participate or not in an event ultimately depends on external factors of socio-psychological determinants which are - Global: political, economic, social and technological factors; National: society-wide political, economic, social and technological factors; The influences of media; and The marketing activities within the events industry. The internal factors are mentioned below:

- Views of friends and relatives.
- Circumstances including health, available disposable income, available leisure time, work commitments, family commitments, and others.
- Knowledge of destinations, availability of different types of events, price differences between events and competing leisure offerings.
- Attitudes and perceptions, including - perceptions of localities in which events take place, political views, preferences for particular cultures,
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fear of certain modes of travel, propensity to plan attendance in advance, ideas on what constitutes value for money in an event / leisure context, and attitudes towards standards of behaviour at particular types of events.

- Experience of: types of events, different venues and localities, particular event organizers, participation in events with particular individuals or groups and attempting to spend as little as possible (like getting discounts on tickets, or freebies).

Check Your Progress II

1) The act of selecting one alternative (to purchase particular goods or services or attending an event) from many available alternatives, with the help of decision making process is called consumer decision. The three types of consumers’ decision making processes are-

**Routine response behaviours**: are the results of decisions taken for our daily routine and are usually related to low-value products, example groceries or fast-moving consumer goods like soaps etc. There is little or no information search, and hence fast decision making.

**Limited problem solving**: pertains to decisions relating to consumer durables, fashion clothing, entertainment and recreation. These imply consideration of alternatives and some information search, to come to a decision.

**Extensive problem solving**: relates to decision making on expensive or important occasional purchases like decision for higher studies, buying house or car etc. It involves time, to identify and evaluate alternatives using all stages of the decision making process.

2) The decision-making process for attending an event includes the following steps:

**Need Recognition**

The recognition of the need for a product or a service happens when a consumer faces a problem. For example, if a person wishes to hold a grand wedding, the problem may be - where and how to hold a wedding and who will look into the details of all the functions, guests, hospitality, food, stay and other arrangements. The recognition of this need by the event manager will enable him to do all arrangements for the wedding with professionalism and perfection.

**Information Search**

Information search begins when a consumer perceives a need that might be satisfied by the purchase and consumption of a product or service. The recollection of past experiences might provide the consumer with adequate information to make a present choice. For example, a person who wishes to engage an event agency to organize his daughter’s wedding would search for the event organisers who organised such an event before, that was attended by him. He can also ask his friends, people in his family and social circle to recommend a suitable event organisation. Internet can be another
source from where he can get such information. On the basis of his search, he will form a list of many alternatives, which he will evaluate to arrive at a decision.

**Evaluation of Alternatives**

In order to evaluate all the potential alternatives, a consumer usually sets criteria for selection. This criteria has all parameters on the basis of which every potential alternative in the list will be evaluated. The criteria for selecting an event organisation for organizing a wedding may include:

- The event organisation should be reputed, known and should have enough experience in holding similar events.
- The organisation should be able to plan a grand event.
- The organisation should work on schedule and should be able to arrange good venue on the set date.
- Their services should be suitably priced.

**Purchase Decision**

Every alternative on the list is evaluated in the light of some criteria and the best suitable alternative is selected by the consumer, reflecting the final decision.

**Post Purchase Behaviour**

Many times there is a waiting period between the actual ticket purchase (post purchase period) and the event itself, wherein the consumers start rethinking on their purchase and wondering if they have made the right decision or not. This period, also called cognitive dissonance compels consumers to re-evaluate the alternatives, to reaffirm that they have made the right choice, and brings them to a maximum amount of enjoyment and satisfaction.

**Post Event Experience**

Event experience of the consumer has a significant contribution towards attending future editions of the same event or events of a similar type. At this stage, the consumers are able to compare the experience with their initial expectations and are also able to evaluate its worth in terms of the money, time and energy spent and value addition it has made. This analysis influences their final level of satisfaction (or dissatisfaction) with the event and promoting the event with positive or negative word of mouth, accordingly.

3) Cognitive dissonance is a phenomenon wherein the consumers start rethinking their purchase and wondering if they have made the right decision or not. It occurs during the waiting period between the actual ticket purchase and the event itself. Cognitive dissonance, post-purchase, compels the consumers to re-evaluate the alternatives so as to reaffirm that they have made the right choice, thus bringing them to a maximum amount of enjoyment and satisfaction.

For Post-event experience, refer to the last sub-heading of the previous answer.
4) The steps involved in consumer research process are as follows:

- Defining the objectives of the research
- Collecting and evaluating secondary data
- Designing a primary research study
- Collecting primary data
- Analyzing the data
- Preparing a report on the findings
- Ethics in consumer research

5) The Consumer Protection Act (CPA) (1986) is a landmark legislation under which separate consumer courts are set up at district, state and national level to provide compensation to the consumers for their grievance. CPA was amended in 2002. This legislation is important as any consumer can file grievance against any event organisation if there is no satisfaction with their service. This act applies to all goods and services in both private and public sector, except those rendered free. Depending on the amount of compensation sought, a consumer can file a case against any service provider or manufacturer if they find deficiency in their service or product in the district, state or national forum. They can seek compensation for the damage or agony suffered due to negligence of the manufacturer or service provider. Thus, every event manager must be aware of the provisions of CPA in India and must ensure that they always provide the services they promise to their clients to avoid any consumer grievance.