

IMM - Week 3

Event Management

**Financial / Marketing /
Operations.**

Session's Aim

- To examine the importance of Strategic Management for the delivery of events.
- Focus: Marketing / Operations / Finances
- To explore the steps in the Planning Process

1) Marketing Management

Q&A + Group Discussion:

- What do you remember from your Marketing Essentials module at Level 4?
 - What is marketing? Why is it important?
 - What forms of marketing can you think of?



What is Marketing and WHY is it important?

The need / importance for marketing:

- Marketing principles and techniques provide a framework for decision making
- Sponsoring bodies (where applicable) need reassurance that their sponsorship is linking their brand with their target markets
- All levels of government require a demonstration of marketing expertise before committing funding
- Industry must compete against other leisure activities

Marketing/Events Marketing - Definitions + Context

- “*Marketing* is concerned with satisfying consumer needs and wants by exchanging goods, services or ideas for something of value” (Bowdin et al 2011, P366)
- “*A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others*” (Kotler et al 2008 p7, cited by Bowdin 2011)
- “*Event Marketing* is the process by which event managers and marketers gain an understanding of their potential consumers’ characteristics and needs in order to produce, price, promote and distribute an event experience that meets those needs, and the objectives of the event”. (Bowdin et al 2011, P366)

Event Marketing



HOSPITALITY
AND
TOURISM
MANAGEMENT



Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales

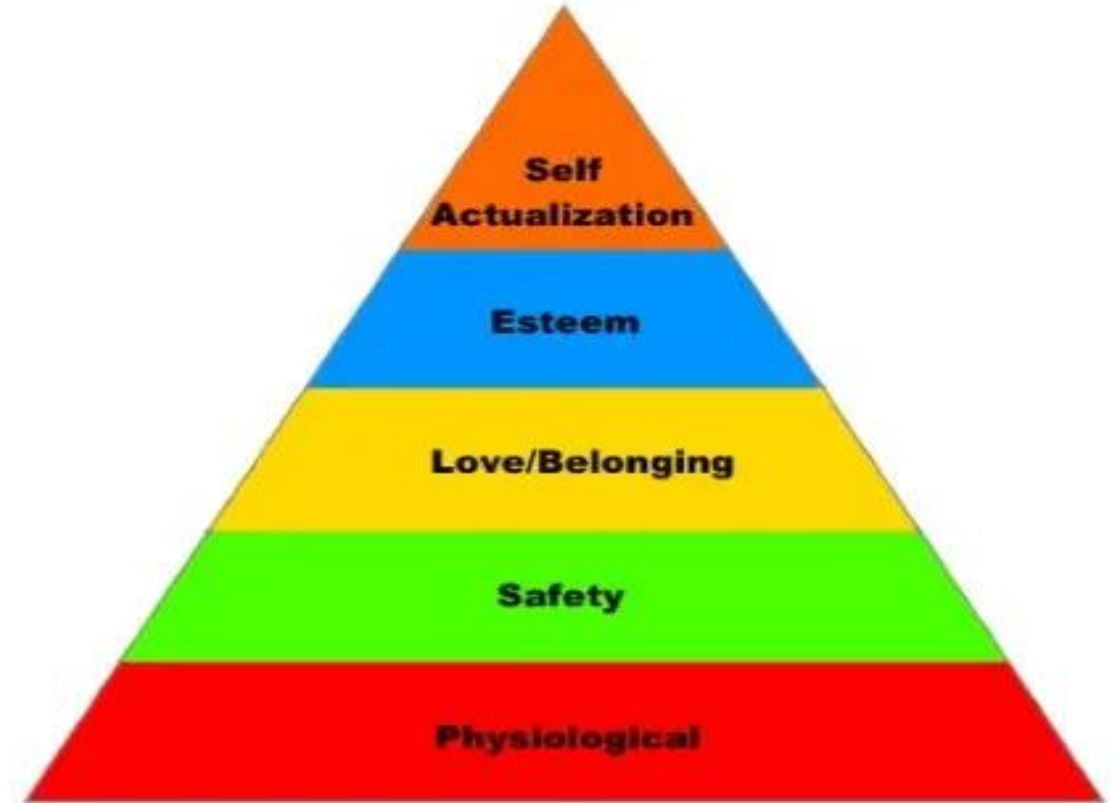


Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Meeting Consumer Needs and Wants :

- Remember :

- Maslow Hierarchy of Needs
- Differences between Needs and Wants.
- Service Sector Industry – Consumers wanting ‘Experiences’ over products



Event Marketing

Events are classed as



‘Service Experiences’

Consider the Challenges of marketing / delivering a Service Experience

DISCUSS

Challenges of 'Events' Marketing / Delivery

Event Characteristics:

- The delivery and consumption of an event are **Inseparable**
- Because of the immediacy of service consumption, event experiences can have *variations in quality* each time it is held - **Heterogeneous**
- Events are **Intangible**
- Events have **credence qualities** – characteristics that consumers aren't able to understand or evaluate
- The event experience is **Perishable**

Steps in the Marketing Planning Process

To Market / Promote Events.... It is important to consider the 'Services Marketing Mix' (Extension of the Product Marketing Mix 4Ps). These help to address the Service Sector challenging characteristics.

- *Place*
- *Physical-Setting*
- *Processes*
- *People*
- *Partnerships*
- *Price*
- *Integrated Marketing Communication*

**Give examples
for each of these**

7Ps

- **Place** (where the event is held, and tickets are distributed);
- **Physical-Setting** (venue layout to satisfy visitor needs)
- **Processes** (on-site queuing etc.)
- **People** (cast, audience, hosts and guests)
- **Partnerships** (sponsors, media etc.)
- **Price** (or exchange of value)
- **Integrated Marketing Communication** (the strategic mix of media and messages to address markets)

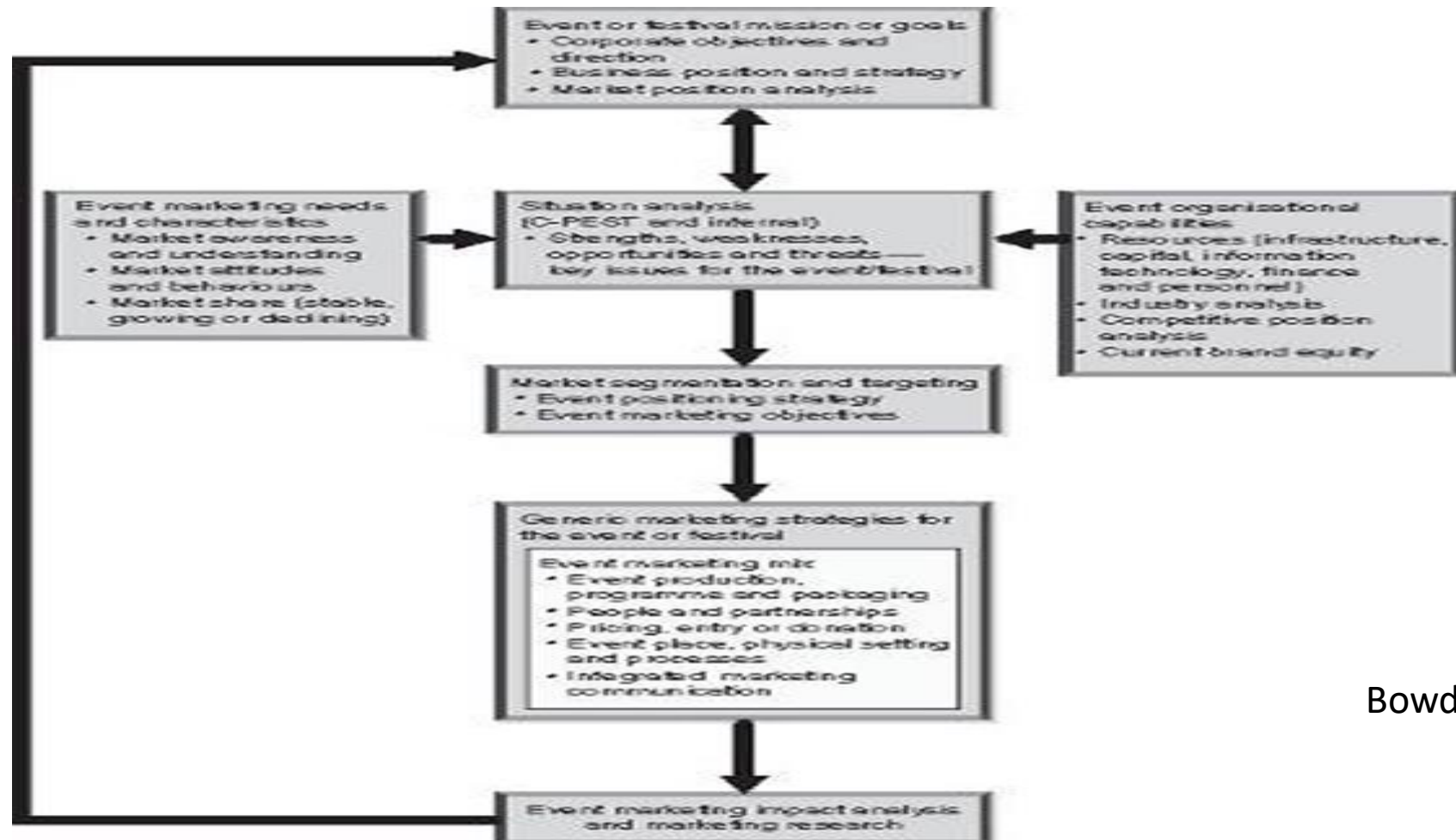
Strategic Marketing

The role of strategic marketing planning:

- Strategies are:
 - Based on careful analysis of internal resources and external environments
 - Longer term rather than short term
 - Not another word for tactics
 - Essential to survival

The Role of Strategic Marketing Planning

Figure 11.3 The strategic event marketing process

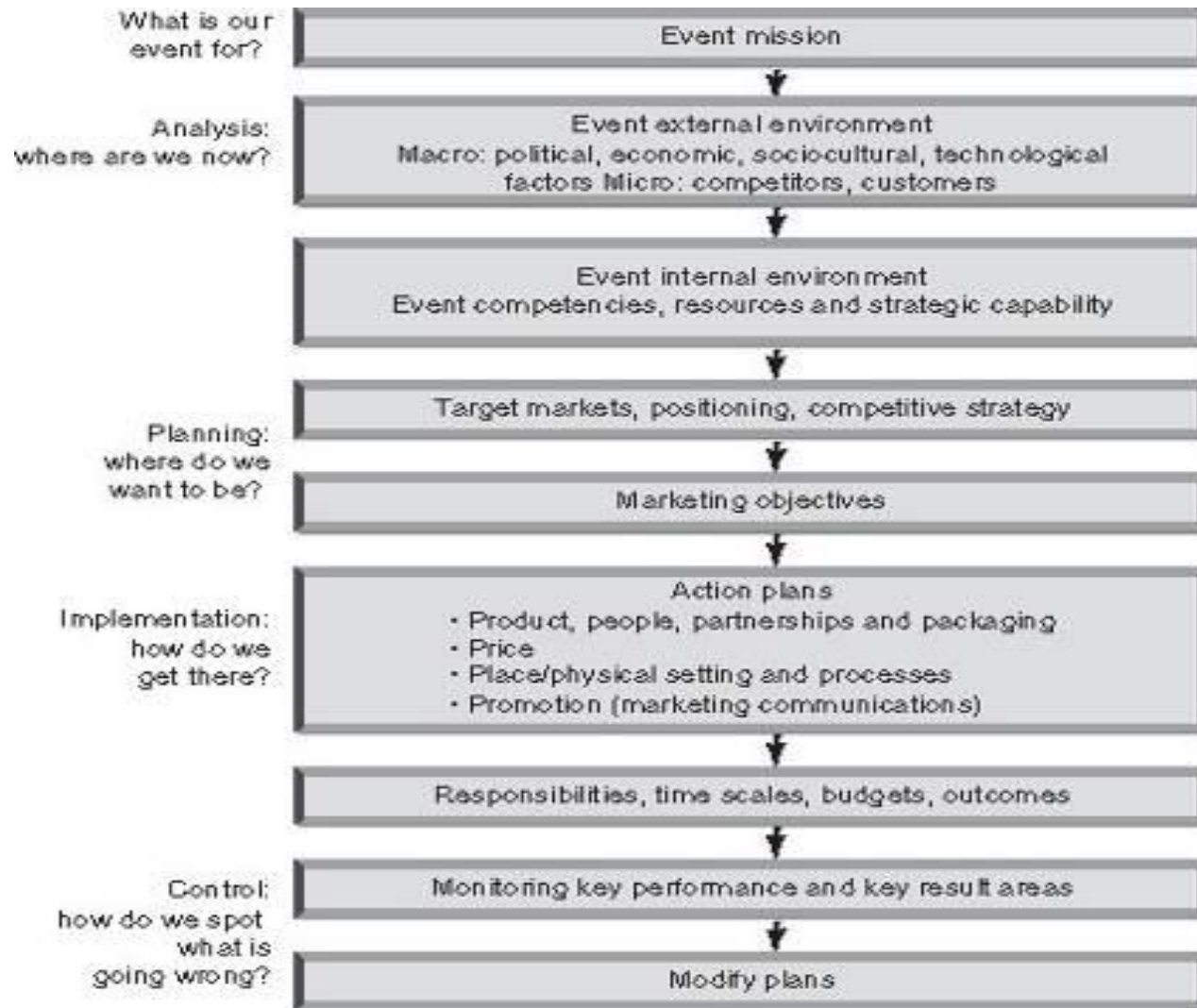


Bowdin 2023

How to Create a MARKETING PLAN



The Marketing Plan



**Marketing Plan :
Operational
and Strategic!**

**The Marketing Plan
and the
Management Plan
need to be in
harmony.**

Bowdin 2023

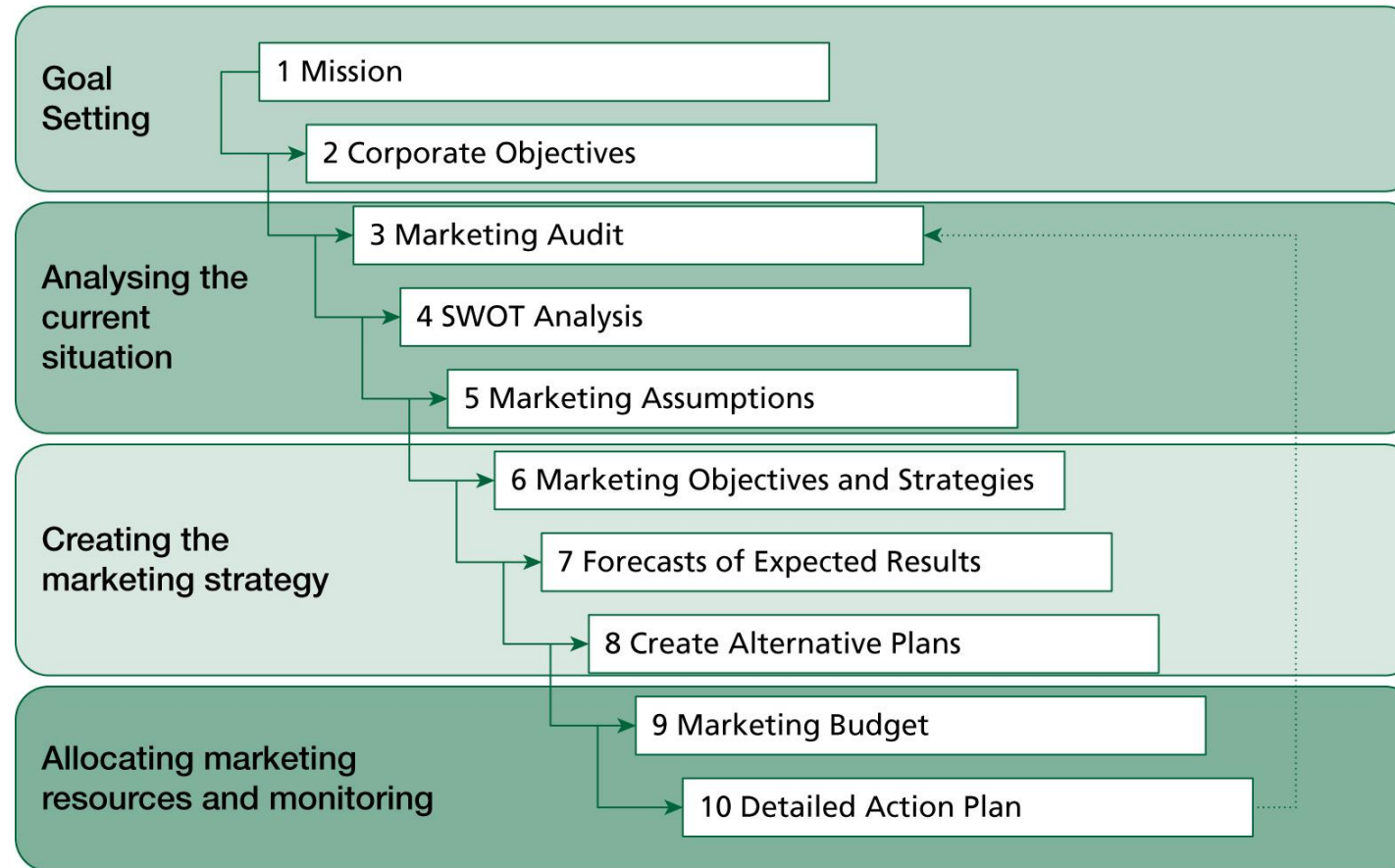


Figure 7.1 McDonald's marketing planning process

Source: Adapted from McDonald and Wilson 2011

Understanding the Consumer's Decision Making Process

- 'PIECE' Acronym
- P - Problem Recognition (Consumer's thought processes of a product deficit = Need / Demand)
- I - Information Search by Consumer –
(NB: Consider type of consumer – Demographic)
- E - Evaluation and Selection of a product / service by the consumer
- C - Choosing the product / Event
- E - Evaluation of the product / service by the consumer.

Devising a Marketing Plan

- List all activities in the plan and for each, show the earliest start date
- Group each activity into a logical order based on when it should, or is most likely to occur
- Responsible person/team
- Estimate the time required to perform each activity.
- Draw up spreadsheet activity plan or Gantt chart

Time Planning : Example of a Gantt Chart

Event Marketing Project Gantt Chart

The following Gantt chart outlines the entire cycle for any marketing project. All marketing team members are expected to create a project schedule and track that progress using the below template. All marketing projects should fall under a twenty-day cycle.

Activity / Day	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Marketing Research	✓	✓	✓	✓																
Define Specifications				✓	✓															
Marketing Plan					✓	✓	✓													
Detail Design							✓	✓												
Software Development								✓	✓	✓	✓	✓	✓	✓	✓	✓				
Test Plan											✓	✓	✓	✓						
Testing & QA																	✓	✓	✓	
User Documentation																✓	✓	✓	✓	✓



For any questions or concerns, contact Jessica Belle at belle@marketingpro.com or call her at 353-643-7653.

2) Event Planning - Operations / Logistics.

The Strategic Planning Process and Event Organisation

Strategic Plan:

- Situational analysis
- Identification of strategy options
- Strategy evaluation and selection
- Operational planning

Situational Analysis

Situation analysis is the process of collecting, evaluating, and organising information regarding an organisation's internal and external environments.

Consider KEY IMPACTS AREAS:

- Political/legal
- Economic
- Social/cultural
- Technological
- Demographic
- Physical/environmental
- Competitive

Logistical Considerations in the Planning Phase

- Destination knowledge
- Venue sourcing and accommodation
- Site inspections
- The venue report
- The infrastructure
- Working with vendors and subcontractors
- Contingency planning
- Event set-up

Logistical Considerations in the Planning Phase – Cont'd

- Meeting rooms/lay out plans
- Air and ground transportation
- Pre-event catering planning
- Provision of drinking water
- The invitation and registration process
- Financial management

Further Logistical Considerations

- Load-in timings
- Guest arrival times and patterns
- The flow of people around the venue at key or busy times
- A plan for on-site communication
- Space for amenities
- Removal of waste and cleaning
- Determining requirements for VIP's, artists and media representatives
- Emergency planning and risk assessment

On-Site Operations

- ✓ Venue facilities/lay-out plans
- ✓ Staff resources, contact details and duty rotas
- ✓ Registration and signage
- ✓ Event programme and timings
- ✓ Speakers and/or entertainment
- ✓ Food and beverage details
- ✓ Cloakroom, toilet facilities

On-Site Operations

- ✓ Transportation/parking
- ✓ Accommodation and rooming lists
- ✓ Movement and distances and audience flow
- ✓ Technical and production aspects
- ✓ Audience disabilities and any special requirements
- ✓ Emergency procedures

Capacity Planning and Provision

- *Safety*
- *Safe Capacity*
- *Legal capacity*
- *Crowd prediction*



Workforce Planning – Choosing the On-Site Team

- Who is in charge?
- Who will liaise with the client or budget holder?
- What specialist skills are required to deliver the event?
- How many additional staff or freelancers will need to be recruited? Volunteers?
- What tasks will the various team members carry out?
- Who in the team will do what?
- Will training be required?



3) Finance Management

The Budget

- An event budget is used to compare actual costs and revenues with projected costs and revenues
- Cash flow is important as most aspects of an event require expenditure before revenue is obtained
- Funding or sponsorship bodies need to see a budget before committing to the event

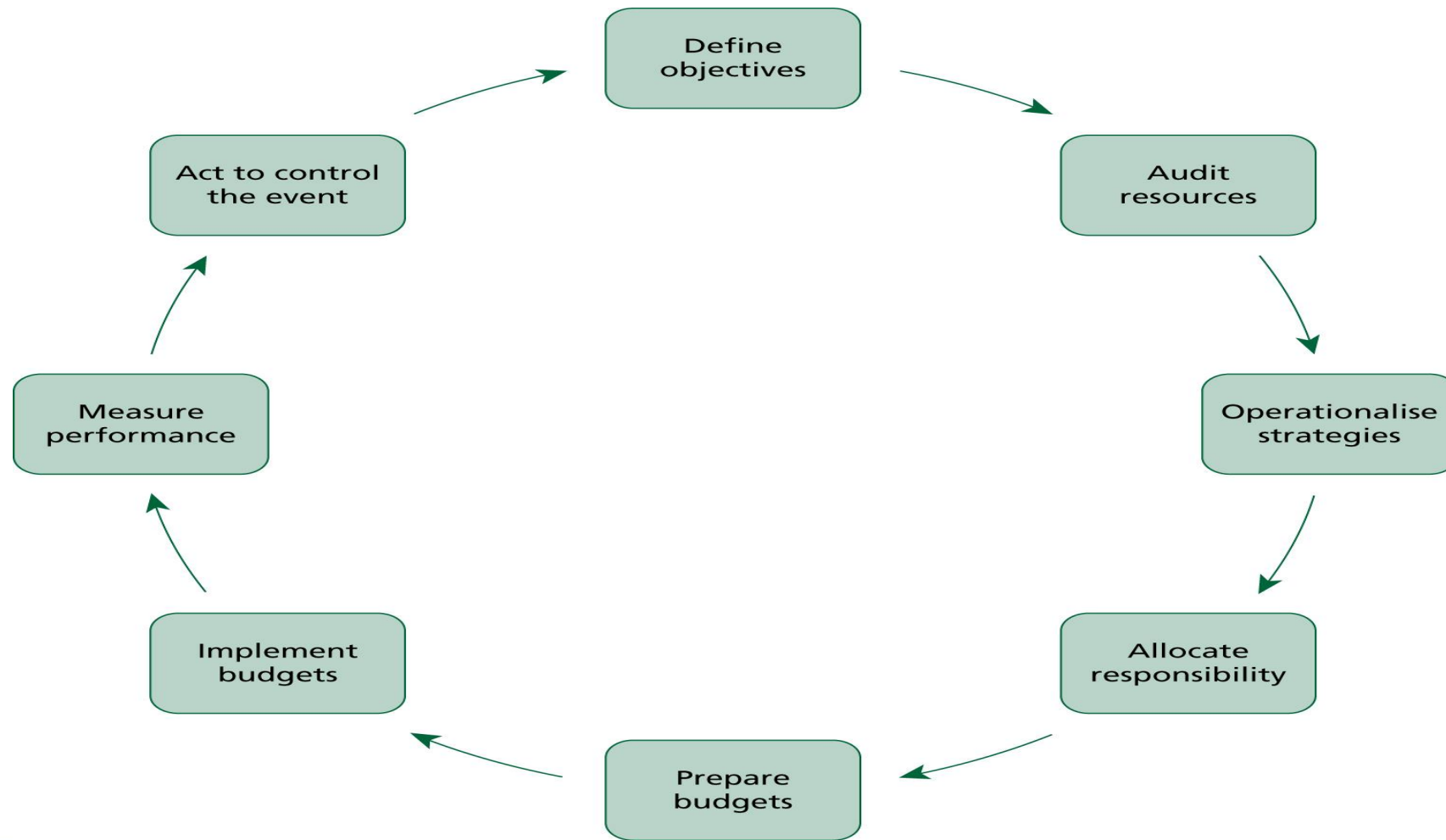
Costs / Budget Setting

Key Considerations:

- Operational / Production Costs.
- Venues / Sites
- Promotion / Marketing
- Talent / Staffing
- Supplies

(Catherwood and Van Kirk 1992)

The Budgeting Process



Users of financial information and their information needs

<i>User Groups</i>	<i>Areas of interest</i>
Event managers	Managers require financial information so that they can make present and future plans for the event and see how effective their decisions have been.
Trade contacts (e.g. suppliers)	Suppliers and other trade contacts need to know if they are going to be paid on time by the event organiser.
Providers of private finance (e.g. banks and so on)	Banks and other lenders of finance need to ensure that any loans and interest payments are going to be made on time before they lend money and during the repayment period.
Providers of public finance (e.g. government agencies, quangos and so on)	Funding bodies will want to ensure that their funds are being used for the appropriate purpose and that those funds are helping to meet their performance objectives.

Users of financial information and their information needs (contd.)

<i>User Groups</i>	<i>Areas of interest</i>
Tax authorities	The tax authorities require information about the profits/surplus of the event so that they can work out how much tax the organisation owes. They also need details for VAT and employees' income tax.
Employees/volunteers	Organisations' employees and volunteers often wish to know whether their jobs are safe and that they are going to be paid on time or that the event is likely to go ahead.
Spectators	It is normal for spectators to know if goods/services purchased are going to be delivered/provided.

Budgeting Objectives

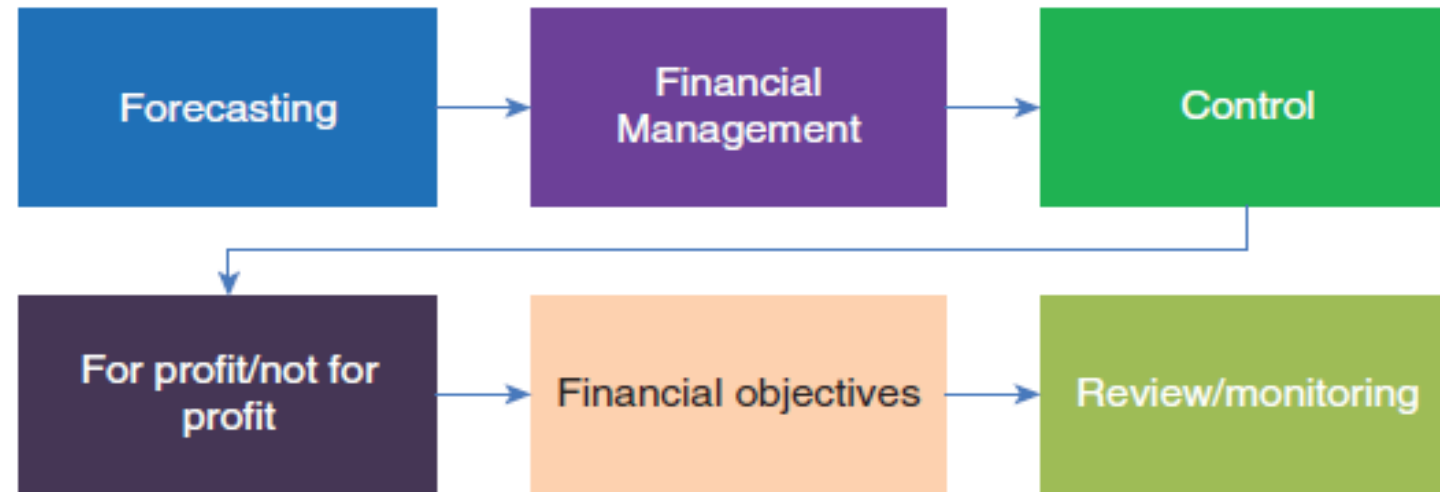
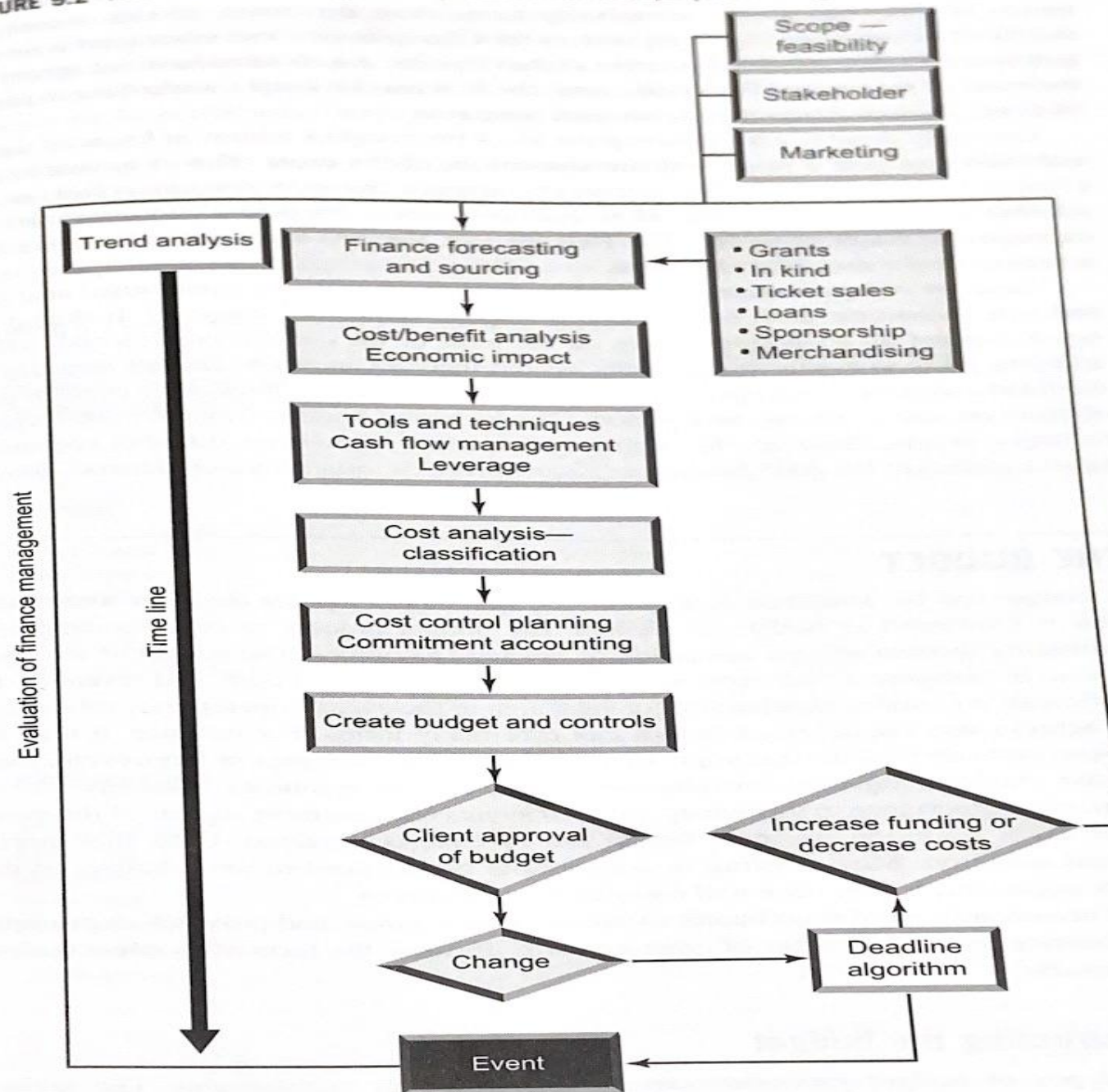


FIGURE 7.2 Budgeting objectives

Evaluation of Finance Mgt. Financial Mgt Process

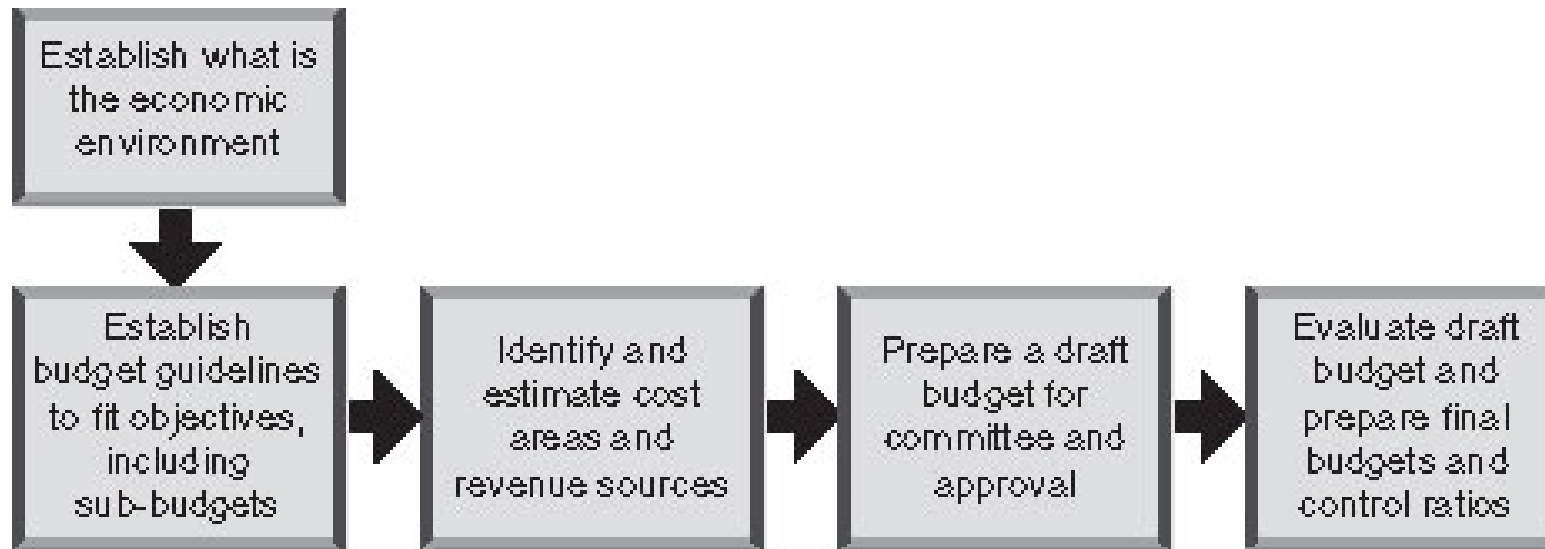
(O'Toole 2006 –
Cited by Bowdin
2023)

FIGURE 9.2 The financial management process from the project management point of view



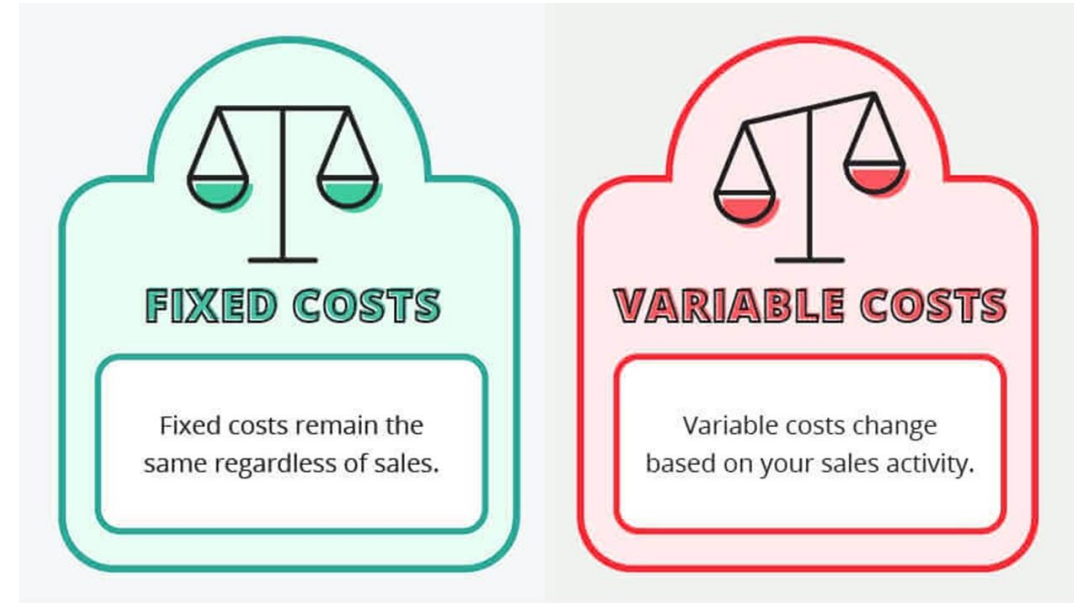
(Source: O'Toole, 2006)

Constructing the budget (Bowdin 2023)



Areas of Expenditure

- Venue costs
- Food & Beverage costs
- Staffing costs
- Design and Production costs
- Marketing and Promotional costs
- Branding costs
- Hidden and Miscellaneous costs



Generic budget

Income	£	Ticket sales	£
Grants	Local government	Ticket sales	Box office
	Central government		Retail outlets
	Millennium Fund		Admissions
	Arts Council		SUB-TOTAL
	Other	Merchandise	T-shirts
	SUB-TOTAL		Programmes
Donations	Foundations		Posters
	Other		Badges
	SUB-TOTAL		Videos
Sponsorship	In kind	Fees	SUB-TOTAL
	Cash		Stalls
	SUB-TOTAL		Licences
Individual contributions			Broadcast
	SUB-TOTAL		SUB-TOTAL
Special programmes	Raffle	Advert sales	Programme
	Auction		Event site
	Games		SUB-TOTAL
	SUB-TOTAL	Concessions	
			SUB-TOTAL

An Income & Expenditure Basic Statement

<i>INCOME</i>	<i>This year (£)</i>
Spectator Tickets	1,450
Other Ticket Sales	250
Sponsorship	1,700
Catering	220
Merchandising	130
Total Income	3,750
<i>EXPENDITURE</i>	
Volunteer Kit	700
Pool Hire	2,500
Marketing Activities	136
Administration	342
Total Expenditure	3,678
PROFIT/(LOSS)	72

Hidden Costs



- De-rig costs
- The cost implications of going over the allotted time in the contract
- Registration costs
- The cost of any AV equipment not included in the package rate
- The cost of on-site technical support
- Staff/crew expenses
- VAT
- Gratuities, local taxes and service charges
- Other expenses

Control and Financial Ratios

The break-even chart

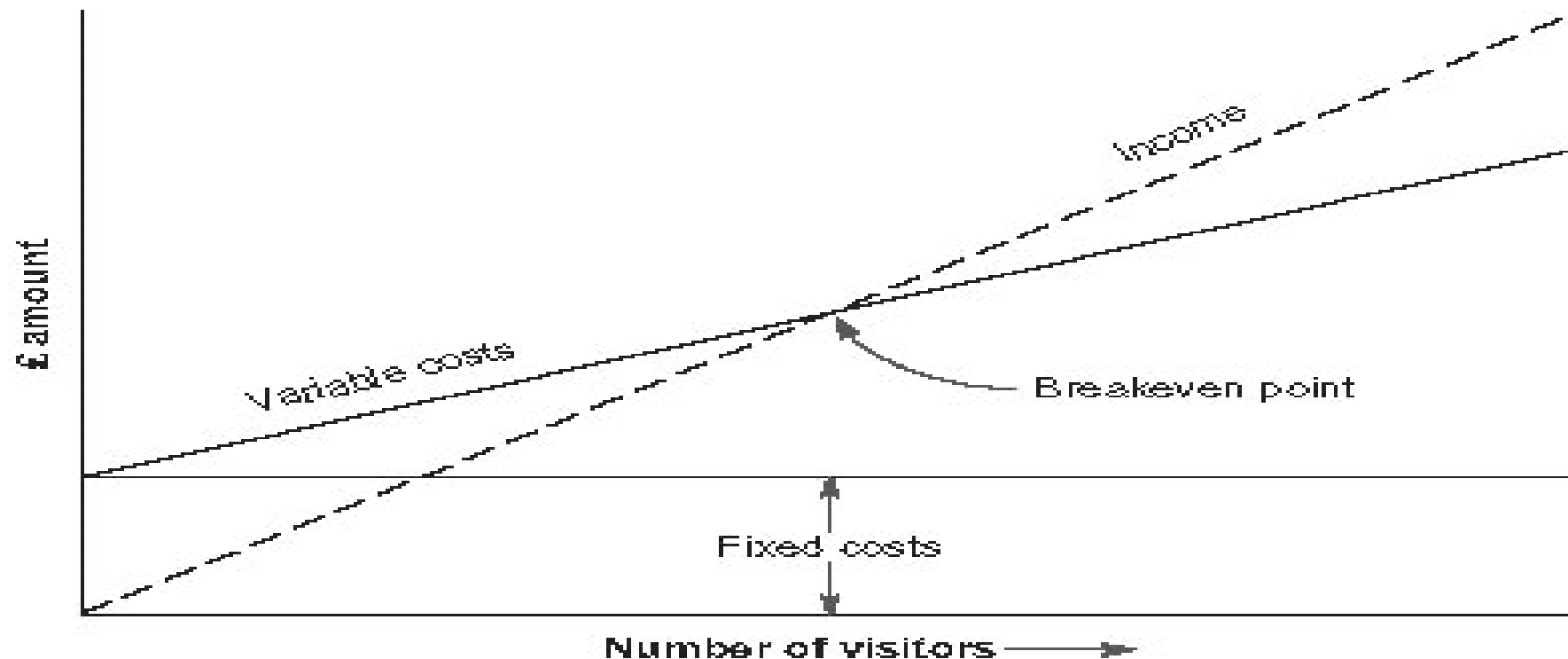
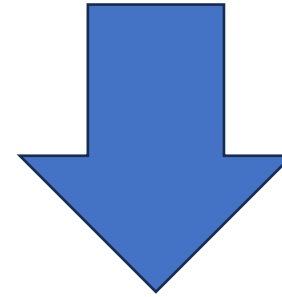


Figure 9.8

References – Operations Management

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- The Guide Liverpool (2022) *Liverpool's bid video to host the Eurovision Song Contest* [video]. Available at: <https://www.youtube.com/watch?v=u0x0WF-HFSU> (Accessed: 25th May 2023).

Next Week...



- Assignment 1 Completion!!!!

(No Formal Lecture – presentation only)