

# Event Organizer Marketing Strategy in Palembang Facing the Covid-19 Pandemic

## Case Study: Assamsi Media Group

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### ABSTRACT

This study aims to produce a marketing strategy that can be implemented by Assamsi Media Group during the Covid-19 pandemic. This type of research is field research reinforced by survey methods to two sample categories using the proportionate stratified random sampling method resulting in 52 consumer respondents and 3 internal company respondents. The analytical tool used is quantitative SWOT to determine the current condition of the company so that the resulting marketing strategy selection is more precise and measurable. Internal factors of the study were reviewed through the marketing mix and external factors were reviewed through suppliers, customers, economy, and socio-culture. The results show that the best strategy that can be implemented is the turn-on strategy, namely by replacing the physical presence of the office into a virtual one using digital information technology to build interactive websites and prepare advertisements in the form of videos with quality content and the company's ability to be disseminated through social media.

**Keywords:** Marketing Strategy, Event Marketing, Quantitative SWOT

### 1. INTRODUCTION

The Covid-19 virus, which has spread for 2 years, has spread evenly to many places in the world. The data in August 2020 stated that the national Gross Domestic Product (GDP) was in the second quarter, which could mean a contraction. by 5.32 percent and also the Gross Regional Domestic Product (GRDP) for the southern Sumatra region is in the second term position which can be interpreted as a contraction of 2.30 percent (Badan Pusat Statistik Indonesia, 2020)<sup>[3]</sup>.

It is not only the economic sector that has an impact, but the Covid-19 pandemic has also had a bad impact on all event organizers or MICE industry players. The reason is, the event industry has an important role in a company, especially to increase GDP income in Indonesia. It was found data from the Indonesia Event Industry Council (IVENDO) which explained that before the Covid-19 outbreak, in 2017 the event industry in Indonesia could provide GDP income of 7800 trillion rupiah and also created more than 200 thousand jobs. But since the entry of the Covid-19 pandemic in 2020 in Indonesia, data from the Indonesia Industry Council event shows that it has decreased by almost 95 percent (Adi Ahdiat, 2020)<sup>[1]</sup>.

Assamsi Media Group (AMG) is one of dozens of event organizer companies located in the city of Palembang. Assamsi was ratified on April 6 in 2010. During its 11-year journey, AMG has had 52 clients, both private and government, with more than 150 events held. There are several national-scale events that have been carried out by AMG such as Palembang Musi Triboattoan, Asian Canoe, Asian Vollybeach Governor Cup, Carnival Road to Asian Games and many more. The results of observations made directly by the author, it was found that there was no increase in the number of new AMG clients in the last four years. The following is a list of clients who have worked with AMG until December 2020.



Figure 1. Number of event and profit

Based on the graph, it is known that AMG's profit in 2020 has decreased considerably compared to the previous year. The increase in profit only occurred from 2017 to 2018 by three percent. Meanwhile, from 2019 there was a significant decline in 2020 by eight percent, as well as the number of managed events, a large decline of 20 percent.

Every business or business that is in the pandemic era must be innovative and creative to survive, including service businesses such as event organizers. The event organizer is one of the businesses that have a very close scope of movement with many limitations on health factors, market share, consumer behavior patterns that are currently happening, so a strategy is needed to be able to survive or even be able to go hand in hand during the current pandemic. The strategy pattern built in this study uses a SWOT matrix, with the aim of event organizers in the city of Palembang in general and AMG in particular, being able to have guide maps and alternative marketing strategies so that they become more focused on developing their business from the company's point of view internally and consumers externally, to be able to survive running a business during the Covid-19 pandemic.

## **2. LITERATURE REVIEW**

### **2.1. Marketing Strategy**

Marketing strategy has a different definition according to experts, both conceptually and from general perception, depending on which angle is considered, but ultimately has the same goal. In general, marketing strategy activities are not only aimed at how to sell goods and services or transfer usufructuary rights from producers to consumers but are an integrated effort to develop strategic plans that are directed at formulating the needs and desires of buyers to get sales that generate expected profits.

Kotler stated that marketing strategy is a social process or innovation in which individuals and groups obtain what they need and want by creating, offering, and exchanging products of value with others. This understanding shows that the marketing strategy contains social aspects both individually and in groups to meet their needs and desires, due to these needs and desires, interaction is formed which is called an exchange of goods and services transactions. The goal is to be able to fulfill a desire and need for consumers both for individuals and for groups (Kotler, Philip & Armstrong, 2016)<sup>[8]</sup>.

The American Marketing Association states that marketing strategy is the result of achieving work with business activities that are related to the flow of goods and services from producers to consumers. In this case, many marketing strategy decisions must be made better than before the product was produced, such as decisions about the product made, target market, price, and

promotion. The decisions contained in the product must be related to the target market to be addressed. It can be concluded that the marketing strategy is a comprehensive, directed, and unified plan in the field of marketing that provides direction on what activities will be carried out to achieve a company's marketing objectives, which can be used to face market competition that is always fluctuating. Marketing strategy activities are carried out to maintain the company's business continuity through the identification of the relationship between the company and consumers in understanding and understanding consumer wants and needs in detail (Gallart-Camahort et al., 2020)<sup>[5]</sup>.

Strategy can describe a business direction to follow the chosen environment and is also a reference for allocating well the resources and efforts of an organization. Strategy according to Kenneth R. Andrews is defined as a process of considering a company's strengths and weaknesses compared to the opportunities and threats that exist in the environment faced to finally be able to decide on a product market strategy that is under the company's ability to the opportunities that exist in the environment (Rumelt & Lamb, 1984)<sup>[11]</sup>. Strategy according to Hamel and Prahalad states that actions that are always increasing and continuous, and are carried out based on a point of view of what customers are expecting for the future (Ali & Kaynak, 2021)<sup>[2]</sup>. In achieving a strategic strategy there must be things that need to be considered as follows:

1. Strength, can be interpreted to take into account a strength that is owned and usually can involve people and funds.
2. Weaknesses, can be interpreted to take into account any weaknesses that are related to aspects of strength.
3. Opportunity, can be interpreted to see how big some opportunities may be available from outside to very small opportunities that can happen.
4. Threats, namely taking into account the possibility of external threats.

Jack Trout provides the essence that strategy talks about how to make a good perception in the minds of consumers different. Knowing the strengths and weaknesses of competitors, then identifying, put in simple words that are acceptable, and can provide direction to understand market realities by being the first instead of being the best (Goyal, 2018)<sup>[6]</sup>. This shows that the strategy is a sales planning process to the market with good and appropriate marketing implementation planning to be able to achieve a company mission, namely maximum sales by controlling the target market.

Things need to be considered when the company chooses a strategy to be determined. In the process of

identifying a strategy for the company, a three-step process can be used as follows:

1. Perform strategic analysis of the company using SWOT analysis.
2. Develop relevant and reliable measures for the previously identified key success factors for the company's success.
3. Develop a strategic accounting system that can help management achieve the key success factors of the company's success.

Formulating a strategy in marketing, the company must be able to pay attention to the surrounding environment which will have a very large influence, especially to achieve long-term success, the company must be able to adapt to the environment around the company (David, 2009)<sup>[4]</sup>.

The company's environment consists of two, namely, the internal and external environment. Companies need to consider internal and external factors that can affect the company's performance in marketing its products, as well as to be able to identify opportunities and threats for companies in marketing products.

## **2.2. Internal Environment**

Every company has strengths and weaknesses which are an internal part of the company which, if identified properly, will provide benefits for the company to achieve its goals. The internal environment includes the company's internal factors, namely the strengths and weaknesses that need to be identified so that the company can take advantage of opportunities in the most effective way and can face the threats contained in corporate environment (Moya & Camacho, 2021)<sup>[10]</sup>.

Marketing strategy planning is a step that plays an important role for internal companies because marketing success will be able to determine the ability to survive and develop a company. The marketing strategy can be implemented through the determination of the marketing mix strategy. The marketing mix is a set of marketing tools that a company uses to continuously achieve its marketing objectives markets. The marketing mix in a service business can be broken down into 7 variables including product, price, place, promotion, people, physical facilities, and process (Kotler & Keller, 2016)<sup>[9]</sup>.

## **2.3. External Environment**

Companies can not only focus on the internal environment but must also realize the importance of external influences on the company. The external environment is a set of conditions in the form of opportunities and threats that arise and are outside the reach and are usually independent of the company's operational situation.

Wahyudi defines the external environment as a force that is outside the company where the company does not influence at all so that events that occur in this environment will affect the performance of all companies in the industry. The company's external environment consists of opportunities and threats, and marketing opportunities are referred to as a buyer's need in which the company can operate profitably. Meanwhile, environmental threats are challenges that occur due to unfavorable trends or developments, which will reduce sales and profits if defensive marketing actions are not taken. In line with this, Kotler divides the external environment into four parts, which consist of providers/suppliers, customers, economic, social, and cultural (Wahyudi, 2017)<sup>[12]</sup>.

## **3. METHODOLOGY**

This type of research is an observational study with a descriptive-analytical survey method through questionnaires and interviews. The research approach used is the mixing method, where the qualitative approach emphasizes narrative development on the phenomena due to the Covid-19 pandemic with the aim of producing alternative marketing strategies understudy, while quantitative emphasizes numerical research in the form of identifying market positions in terms of external and internal companies.

The research was carried out starting March 2020 for 4 months with the research population being all clients who had directly interacted with the team from Assamsi Media Group. Adopting Karo in a similar study, the samples came from two categories including internal, namely event managers within the company and external, namely consumers or often called clients (Karo & Hamonangan, 2021)<sup>[7]</sup>. Then the sampling was through probability sampling using the proportionate stratified random sampling technique and the number of samples through the Slovin approach was obtained as many as 52 people. the client represents the external and the 4-person team of the company represents the internal.

### **3.1. Variable Operational Definition**

The questionnaire was built with 26 indicators that were observed and measured through a rating scale including: Internal factors as many as 18 indicators, divided into:

1. Products include product variety (concept), quality, and product appearance
2. Prices include affordability, discounts, and payment system variations.
3. Location includes strategic location, ease of access to location, and location facilities.
4. Promotion includes attractive advertising and social media.

5. People include worker quality and worker communication
6. Physical evidence includes company buildings, office support equipment, and company profile
7. The process includes the work timeline, how to serve clients, team competencies, and job reports

External factors as many as 6 indicators, including:

1. Suppliers include meeting event needs, and updated product availability specifications
2. Customers include client requests and budget
3. The economy includes the purchasing power of clients
4. Social culture includes the application of social distancing

**3.2. Instrument Test**

Instrument testing is done through validity and reliability tests. The validity test was carried out through the corrected item-total correlation approach with a degree of freedom of 28 and an alpha significance level of 5 percent. The reliability test was carried out through one shot using the Cronbach alpha coefficient approach at an indication greater than 0.70.

**Table 1.** Instruments test result

Butir	Corrected Item	Cronbach's Alpha
Product: Q1-Q3	.610 - .631	.883 - .884
Price: Q4-Q6	.610 - .631	.883 - .884
Place: Q7,Q8	.792 - .922	.880 - .884
Promotion: Q9,Q10	.784 - .885	.877 - .881
People: Q11	.913 - .913	.878
Process: Q12,Q13	.940 - .964	.879 - .882
Phy. Evidence: Q14-Q18	.694 - .848	.876 - .887
Supply: Q19-Q22	.691 - .837	.881 - .885
Consumer: Q23,Q24	.611 - .691	.884 - .885
Economy: Q25	.606 - .606	.881
Socio-cultural: Q26	.688 - .688	.879

Based on table 1 shows that the tcount value of each item is greater than the corrected item-total correlation approach value of 0.361 indicating that each question item is declared valid. The results of the reliability test of each item show that the value of each item is greater than the Cronbach alpha coefficient approach indicating that each question item is declared reliable.

**4. RESULTS AND DISCUSSION**

**4.1. Characteristics of Respondents**

Based on the age factor, it is known that the age of the respondents varies in the age range of 21 years to 52 years. The greatest value was at the age of 32 years by 25 percent and at the age of 35 years by 17 percent. If the respondents are divided based on the age range of the generation group, the following results are obtained:

1. Generation X, with a birth range from 1965 to 1980, means that 15% are currently in the 40-55 year age range.
2. The Millennial Generation, with a birth range from 1994 to 1981, means that they are currently in the 26-39 year age range by 78%.
3. Generation Z with a birth range from 1995 to 2010, means that they are currently 25 years old and younger, at 7%

Referring to the three age groups based on these generations, it is shown that the research respondents are corporate clients dominated by the millennial generation, in other words, most individuals are familiar with technological developments which of course have a huge impact on the pattern of making events and travel patterns.

The distribution of respondents based on the domicile factor shows that 62 percent of respondents are dominated by outside the city of Palembang, while the remaining 38 percent are from the city of Palembang. This shows that there is a great opportunity for the need to organize events in the Province of South Sumatra, outside Palembang. If it is based on the type of company factor, it is known that 49 percent of respondents come from private companies/industry, 17 percent from the tourism industry, 21 percent from government agencies. Based on the position factor, it is known that 27 percent of respondents who interact with event organizers are manager level, 26 percent are staff level and 20 percent are supervisor level. Then when viewed from the distribution based on the length of cooperation factor, it is known that all respondents are consumers with repeated purchases because it is known that all respondents have used AMG services at least two times.

**4.2. Internal Factor Analysis**

Through initial identification, obtained 13 strengths on internal factors. By looking at the score, from all the indicators of strength, it is known that the strongest indicators is the 3D event design, follow then the service and event concepts.

**Table 2.** Strength indicators

No	Faktor Internal	Bobot	Rating	Skor
<b>Kekuatan (strength)</b>				
1	Konsep event	0,082	3,33	0,272
2	Design event 3D	0,081	3,67	0,296
3	Kualitas event	0,078	2,67	0,209
4	Kesesuaian harapan dengan konsep	0,077	2,33	0,180
5	Potongan harga	0,072	2,33	0,169
6	Variasi sistem pembayaran	0,081	3,33	0,271
7	Kenyamanan kantor	0,074	3,33	0,248
8	Company profile	0,073	2,33	0,170
9	Kelengkapan peralatan meeting	0,074	2,33	0,172
10	Keseragaman baju	0,073	2,00	0,146
11	Cara melayani tim	0,083	3,33	0,276
12	Report	0,076	3,00	0,228
13	Iklan menarik	0,076	2,33	0,178

Table 2 shows that four things become the company's internal strengths including the event concept, event design, event quality, and payment system variations. However, after being combined with the internal rating of the company, this is the strongest indicator seen from the highest score. The indicators are event concept, 3D event design, and also payment system variations.

**Table 3.** Weakness indicators

No	Faktor Internal	Bobot	Rating	Skor
<b>Kelemahan (weakness)</b>				
1	Lokasi kantor yang tidak berada di tengah kota	0,206	3,67	0,754
2	Area Parkir yang kurang luas	0,206	3,33	0,685
3	Media sosial Instagram yang jarang <i>update</i>	0,192	2,33	0,447
4	Tidak adanya orang yang ahli dalam membuat video, sehingga Assamsi tidak pernah membuat iklan berupa video	0,224	3,67	0,822
5	Kurang dalam memperkirakan waktu yang tepat sehingga berpengaruh kepada <i>timeline</i>	0,173	2,00	0,346

In addition to strengths, it can also be identified five factors of the company's internal weaknesses, it is known that based on the highest score in table 3, it is known that there are three weakest indicators of weakness including expert employees in the field of video content, office locations and parking areas.

**4.3. External Factor Analysis**

Through the initial identification, four opportunity indicators and four threat indicators were also obtained. Based on table 4, it is known that the two highest opportunity indicators include the availability of venues according to health protocols and the use of digital technology, while the two highest threat indicators include reducing interest in offline events and rules for organizing events.

**Table 4.** Indicators of opportunities and threats

No	Faktor Eksternal	Bobot	Rating	Skor
<b>Peluang (opportunity)</b>				
1	Kelengkapan barang oleh vendor	0,243	3,00	0,729
2	ketersediaan <i>venue</i> yang sesuai protokol kesehatan	0,258	3,67	0,945
3	Penggunaan teknologi digital	0,259	3,33	0,863
4	permintaan <i>event</i> online meningkat	0,240	2,67	0,641
<b>Ancaman (threats)</b>				
1	Berkurangnya minat <i>event</i> secara <i>offline</i>	0,250	3,33	0,833
2	Masyarakat beralih kegiatan serba <i>online</i> , bahkan dalam hal menikmati <i>event</i>	0,235	2,33	0,549
3	Harga sewa barang <i>event</i> tidak stabil	0,254	3,00	0,763
4	Batasan dari pemerintah tentang menyelenggarakan <i>event</i>	0,260	3,00	0,781

**4.4. Quantitative SWOT Analysis**

Marketing strategy planning was developed using quantitative SWOT analysis, through the calculation of the internal factor analysis strategy (IFAS) and external factor analysis strategy (EFAS). Referring to the table of internal factors and tables of external factors, the results of IFAS and EFAS are obtained with a cumulative score of 2.814 for the strength indicator, a cumulative score of 3.054 for the weakness indicator, a cumulative score of 3,178 for the opportunity indicator and a cumulative score of 2,926 for the threat indicator. From the cumulative score, the total weight score of the IFE matrix is -0.241 and the EFE matrix is 0.252, if displayed graphically using a Cartesian diagram it will look like Figure 2.



**Figure 2.** SWOT matrix diagram

The SWOT matrix diagram shows AMG's position is in quadrant III turn around, which means the company is experiencing a condition where there are many opportunities but must focus on internals that needs to be improved because they are experiencing weakness. The strategy that can be applied is to provide a focus for improvement to reduce the company's internal problems to seize market opportunities so that they become bigger than before.

By identifying AMG's market position, through SWOT analysis, the alternative WO (Weakness Opportunity) strategy is the right strategy to be applied to AMG. This strategy can be generated by taking advantage of existing opportunities by minimizing existing weaknesses, it can be done through:

1. Replacing the physical presence of a virtual office by using digital information technology, namely by building an interactive website that is present 24 hours for consumers so that they can communicate anywhere and anytime.
2. Building advertisements in the form of videos by showing the company's attractiveness in terms of concepts so that it can attract vendors to collaborate in addition to attracting clients to create events.

3. Increase publicity through social media by displaying content for online events held by the company.
4. Prepare IT expert staff to join the team and handle all technology programs in the company

## 5. CONCLUSION

Referring to the discussion, several conclusions can be drawn, namely:

1. Identification through internal factors shows that AMG has the greatest strength in product, price and process indicators, while the greatest weakness is in place and promotion indicators.
2. Identification through external factors shows that AMG has the greatest opportunity in terms of venue availability and digital technology, while the biggest threat to AMG is related to the decline in demand for event organization and regulations during the pandemic.
3. The current position of AMG is in quadrant III of the SWOT matrix diagram with a method that can be implemented through a turn on strategy by immediately making improvements internally through the four strategies listed in the analysis.
4. All suggested alternative strategies lead to the use of information technology in building proactive communication and image for consumers. Therefore, companies must quickly, directed and systematic in preparing the model, starting from websites, video-based advertising content to publications through social media.

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