Business Model for Virtual Programs in The Event Organizer Company: An Analysis

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ABSTRACT

Purpose: This study aims to determine the development strategies that are applied by event organizer company in the virtual event program as an alternative to business development in the era of the industrial revolution 4.0.

Design/Methodology/Approach: This research uses a qualitative descriptive method by collecting data using in-depth interviews with several key informants, including business owners, employees, and customers of event organizer companies that organize virtual event programs. The object of this research is the business model canvas for the virtual event program which is formulated from the results of primary and secondary data collection.

Findings: The business development strategy implemented for holding virtual events is outlined in a business model canvas consisting of nine components, including (1) value proposition, (2) customer segments, (3) customer relationships, (4) customer channels, (5) revenue, (6) key activities, (7) key resources, (8) key partnerships, and (9) cost structures.

Implications/Originality/Value: This research provides benefits which are the business models that can be applied by industry practitioners in virtual event programs to adapt to the development of industrial revolution 4.0. For education, this research can be a reference for research on event organizer business development strategies.

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Introduction

Event organizer (EO) can be defined as a business in the service field that is officially appointed by the client to organize an event (Hasanti, 2019). The types of events organized by EO are quite diverse, ranging from sports, arts, speech, exhibitions, to personal activities (Suseno, 2009). In Indonesia, the EO business, which was projected to skyrocket in 2019, actually declined due to the Covid-19 pandemic.

The Covid-19 pandemic almost paralyzed the event industry, including the EO business. Restrictions on activities due to the transmission of the Covid-19 virus have resulted in many activities that have the potential to cause the virus spreading must stop (Mas'udi, Eds, 2020). The impact of these activity restrictions on the EO business included canceling events, declining finances, bearing penalties for event cancellations, creative actors losing their jobs, to EO business actors going out of business (mnp.ac.id).

The positive impact of the Covid-19 pandemic is the acceleration of digitalization in various sectors, such the EO business. Virtual events by utilizing digital technology are one of the solutions to overcome the problems faced by EO business entrepreneurs during the Covid-19 pandemic. Virtual events have advantages such as the ability to accommodate the need to interact in cyberspace by minimizing physical contact (dkhn.kemenkeu.go.id). Other advantages of virtual events are (1) production costs are more economical because several expenses can be reduced, such as venue rental, transportation, consumption, and decoration costs, (2) participants can join from various locations, (3) an ideal place to promote products, and (4) more cost-effective for event participants (mpn.ac.id).

Even though the Covid-19 pandemic is almost over, virtual events are predicted to become a trend in organizing events. Virtual events are not only a phenomenon to overcome restrictions during a pandemic, but are part of lifestyle changes in society. Based on Frost & Sullivan's research results, webinar activities will increase by 10 times in 2025 compared to 2020, while other virtual events will increase by 11% in 2025 (Frost & Sullivan, 2021). As shown in Figure 1, based on the results of predictions made by Frost & Sullivan (2021), holding virtual events (including webinars) will have a revenue increase in every year until 2025.

![Fig. 1 Webinar & Virtual Event Market: Revenue Forecast](Source: Frost & Sullivan, 2021)

The research subject is one of the event organizer (EO) service providers in Surabaya and its surroundings. The research subject has been established since 2015 and has experience in holding virtual events since the beginning of the pandemic in Indonesia until now. As predicted in Fig.1,
the virtual events held by research subject have increased from year to year since 2020. One of the challenges that research subject has to face is competition with businessmen of the same type which is getting tougher. Therefore, an optimization strategy is needed to strengthen the position of research subject as an virtual event organizer. This research will discuss virtual event business processes in the form of webinars, virtual talk shows, live streaming, and hybrid events developed by the research subject. The purpose of this study was to determine the strategy for developing virtual events as an effort to optimize the EO business by utilizing digital technology in the Industrial Revolution 4.0 Era.

The business development strategy for organizing virtual events by the research subject is outlined in the form of a business model canvas. The business model canvas consists of nine components consisting of (1) Value Proposition, (2) Customer Segments, (3) Customer Relations, (4) Customer Channels, (5) Revenue, (6) Key Activities, (7) Resources Keys, (8) Key Partnerships, and (9) Cost Structures (Jackson and Harjanti, 2015). This business model canvas can later be applied to optimize development opportunities for holding virtual events, especially in the Surabaya area and its surroundings.

**Research Methodology**

The method used in this research is descriptive qualitative. The research data with qualitative methods will be presented in the form of a description of words. Research data collection techniques were carried out using observation and in-depth interviews to obtain primary data, as well as literature review to obtain secondary data.

The research subjects were informants from one of EO business company based in Surabaya which provided information such as (1) CEO (Chef Executive Officer), to find out the value proposition, customer segments, revenue, activities, resources, and key partnerships and cost structures, (2) Employees, to know the activities and key resources, and (3) Users, to know the value proposition, segments, relationships and customer channels. The object of this research is the business model canvas for the virtual event program which is formulated from the results of primary and secondary data collection.

Primary and secondary data were then analyzed into two categories, namely internal conditions and external conditions. The data was then summed up again in a SWOT analysis. The results of the SWOT analysis were then used as the basis for creating a business model canvas in the virtual event program development strategy in the EO business.

**Result and Discussion**

This research began with analyzing the internal and external factors of the research subject. The internal and external conditions analyzed are integrated with the SWOT Analysis. The next step was to design a SWOT matrix to identify strategies that can be applied to optimize the implementation of virtual events in the EO business.

**Internal and External Factors**

Based on the results of data mining, researchers were able to identify internal factors consisting of strengths and weaknesses shown in Table 1. The table explains that there are six points of strength and three points of weakness of the company.

<table>
<thead>
<tr>
<th>Table 1. Internal Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>Having experienced human resources of multimedia</td>
</tr>
<tr>
<td>Adequate and up to date hardware and software</td>
</tr>
<tr>
<td>Collaborating with government agencies, education, and private companies (B2B)</td>
</tr>
</tbody>
</table>

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29
Providing design assets as media to support virtual events  S4
Neat and fast administrative and financial processes  S5
Most of the equipment is company assets  S6

Weaknesses
Not having integrated promotional media and publications yet  W1
The lack of consumers from individuals (B2C)  W2
The minimum number of workers is under 30 years old  W3
Schedule management and division of teams that have not been maximized  W4
Unstructured flow of capital and investment  W5
Insignificant market share development  W6

Based on the results of data mining, researchers can identify external factors consisting of opportunities and threats shown in Table 2. There are four opportunities and three threats from external companies.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Kode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having loyal customers who use services repeatedly (repeat orders)</td>
<td>O1</td>
</tr>
<tr>
<td>Having relationships with providers of supporting equipment in each region</td>
<td>O2</td>
</tr>
<tr>
<td>There are not many professional business actors with a focus on virtual events in East Java</td>
<td>O3</td>
</tr>
<tr>
<td>Having a good relationship with entrepreneurs in similar fields</td>
<td>O4</td>
</tr>
<tr>
<td>Flexible schedule and consumer demand</td>
<td>T1</td>
</tr>
<tr>
<td>Government policies regarding taxes are changing</td>
<td>T2</td>
</tr>
<tr>
<td>Technological progress is growing rapidly</td>
<td>T3</td>
</tr>
</tbody>
</table>

SWOT Analysis
The SWOT analysis data is then categorized as in Table 3 to identify strategies that can be used in the virtual event business. The Strength-Opportunity (S-O) strategy is (1) Companies must maintain the quality of virtual event services, both for new customers and loyal customers, (2) Companies need to increase engagement with loyal customers for continued cooperation, (3) Companies need to expand their network marketing of virtual event services to expand market share, (4) The Company conducts periodic inventory and updates of systems and tools to adapt to growing market needs, and (5) The Company builds cooperation with business actors in similar fields, particularly in providing human resources and ancillary equipment.


The Weakness-Opportunity (W-O) strategy is (1) The company designs promotional media and publications in an integrated manner, (2) The company utilizes consumer networks as a means of publication through testimonials, (3) The company provides facilities in the form of upgrading capabilities through training or workshops and HR recruitment by age range below 30 years, (4) the company improves schedule management by developing a measurable system, and (5) the company improves the capital and investment scheme. The Strength-Threat (S-T) strategy is to (1) use application assistance in schedule management, (2) use tax consultant services, (3) make
differentiation with competitors, and (4) conduct an analysis of consumer needs.

### Table 3. SWOT Matrix

<table>
<thead>
<tr>
<th>SWOT Matrix</th>
<th>Strength (S1, S2, S3, S4, S5, S6)</th>
<th>Weakness (W1, W2, W3, W4, W5, W6)</th>
</tr>
</thead>
</table>
| Opportunity (O1, O2, O3, O4) | **Strategy S-O**  
• Maintaining the quality of virtual event services  
• Building engagement with loyal consumers  
• Expanding the marketing network for virtual event services  
• Carrying out periodic inventory and updating of systems and tools  
• Cooperating with businessmen in similar fields  
• Adding system rental business of virtual event as an additional source of income | **Strategy W-O**  
• Designing integrated promotional media and publications to increase market share  
• Utilizing consumer networks as a means of publication  
• Upgrading HR capabilities and periodic recruitment  
• Improving schedule management using the system  
• Improving capital and investment schemes  
• Conducting risk management mapping before and during virtual events |
| Thread (T1, T2, T3) | **Strategy S-T**  
• Using application assistance in schedule management so that it is properly distributed  
• Using the services of a tax consultant  
• Making differentiation with competitors  
• Conducting consumer needs analysis  
• Providing bundling prices and promos at certain events | **Strategy W-T**  
• Utilizing social media as a B2C promotion, increasing brand awareness with potential customers, and engagement with loyal customers  
• Preparing schedule change scenarios  
• Attracting more investors with a clear benefit sharing scheme |

### Business Model Component on Virtual Event

The strategy developed in the EO business for virtual event programs is described in the business model canvas based on (1) Value Proposition, (2) Customer Segment, (3) Customer Relations, (4) Customer Channels, (5) Revenue, (6) Key Activities, (7) Key Resources, (8) Key Partnerships, and (9) Cost Structure.

#### Value Propositions

The value proposition is an illustration of the value provided to customers by answering questions in the form of (1) What is to sell? (2) How is it different from other products or services? and (3) Is the product or service really favored by the customer? (Zamrudi, et al, 2018). The description of services developed in the EO business is a virtual event program that can be broadcast live or delayed. The difference in the services provided by EO business actors lies in the quality of service and images produced by utilizing experienced human resources and supported by equipment with technology that is updated regularly. This EO business also provides consulting services related to budget estimates and event plans to be held.

#### Customer Segments

The customer segment describes the users who are the target of business people (Jackson, et al, 2015). The EO business user segments are (1) government agencies in the East Java Province area, (2) educational institutions in the Surabaya area, (3) private companies, and (4) individuals from wedding organizers. Customers are divided into two, namely loyal customers and new customers. Customer locations are in the Province of East Java, particularly Surabaya and Sidoarjo.

#### Customer Relationships

Customer relationships are an image that businesses want to build with customer segments (Wijayanti, 2020). The description of the relationship with the customer that is built by EO businessmen is continuous orders (repeat orders) by loyal customers. The strategy for optimizing
customer relationships is to increase brand awareness to prospective and new customers, and to increase engagement with loyal customers. Apart from providing offers in the form of bundling packages and promotions for certain events, EO business people also provide assistance and education to customers so that they get the maximum quality virtual events.

**Channels**
The customer channel is a strategy conducted by businessmen to reach consumers (Zulkarnain, 2020). To reach consumers, EO businesses use offline and online methods. The offline method is to provide consulting services related to the design of the event to be held. The online method is by publishing events and promotions uploaded via social media.

**Revenue Streams**
Revenue streams describe the flow of income by businessmen who are obtained from customer payments (Jackson, et al, 2015). The main income for EO businesses comes from event management services. Additional income comes from leasing the virtual event system to other event organizing partners. This opportunity can be used as an optimization step considering that the research subject has a complete system and good relationships with partners in similar businesses. Additional revenue also comes from consulting and mentoring services for customers who already have their own resources (systems and teams).

**Key Activities**
Key activities are the main activities carried out by companies in realizing the added value of a business (Wijayanti, 2020). The key activity carried out by the subject of this research is the coordinator of organizing virtual events or collaborating with other parties to provide virtual services that are carried out directly (live streaming) and delayed broadcasts via offline media and online media such as YouTube and other social media. Types of virtual events such as webinars, graduations, virtual talk shows, virtual exhibitions, and online meetings are held online or hybrid.

**Key Resources**
Key resources are the main resources owned by businessmen in establishing a business (Zulkarnain, 2020). The key resources in this research subject are divided into three such as physical assets, human resources (HR), and financial resources. Physical assets are office buildings and equipment or systems related to organizing offline and virtual events. Equipment needs to be updated regularly to maintain quality and get the best viewing results in virtual events. Human resources hold 5 (five) positions, namely Commissioners (2 people), CEO (1 person), Permanent Employees (3 people), Freelance Employees (23 people), and Apprentice Employees (tentative). Financial resources in the form of cash funds are divided into petty cash and large cash. This EO businessman has incidental investors and does not yet have investors who are involved regularly.

**Key Partners**
Key partnerships describe a network of suppliers and partners that can make a business work (Jackson, et al, 2015). Suppliers of this EO business are system support equipment rental in organizing virtual events, rental of property and media publications, as well as internet network provider companies. In addition, there are EO business partners who are similar business actors to share resources, talent, media promotion management services, as well as legal and tax consultants.

**Cost Structure**
The cost structure is a financing component issued by businessmen to run the business, create and increase added value, establish relationships with customers, and earn profits (Wijayanti, 2020). The cost structure of the research subject is divided into investment costs, operational costs, and fixed costs. Investment costs consist of equipment for production and office buildings. Operational costs consist of production costs in each event, freelance employee salaries, and company
promotion costs. Fixed costs consist of spending on regular needs, such as the basic salary of permanent employees, electricity, internet services, water and similar needs.

4. Business Model Component on Virtual Event
The results of the analysis and synthesis that have been grouped into business strategies in the nine components in the previous discussion are then summarized in the Business Model Canvas (BMC). BMC in the EO business is used to map potential and design optimization strategies, especially in virtual events, as presented in Table 4.

<table>
<thead>
<tr>
<th>Table 4. Business Model Canvas</th>
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<tbody>
<tr>
<td><strong>Key Partners</strong></td>
</tr>
<tr>
<td>1. Vendor of virtual event support system</td>
</tr>
<tr>
<td>2. Vendor of venues, property, and media</td>
</tr>
<tr>
<td>4. Similar business partners</td>
</tr>
<tr>
<td>5. Talents</td>
</tr>
<tr>
<td>6. Media promotion manager</td>
</tr>
<tr>
<td>7. Legal and tax consultants</td>
</tr>
</tbody>
</table>

**Key Resources**
1. Physical assets (office buildings, systems, and equipment)
2. HR (Commissioners, CEOs, Permanent Employees, Freelance Employees, Apprentices)
3. Financial (Cash)

**Cost Structure**
1. Investment costs: Maintenance of offices and production equipment
2. Operational costs: Virtual event production costs, freelance employee salaries, and company promotion costs
3. Fixed costs: Basic salary of permanent employees, electricity, internet service, water, and similar needs.

**Revenue Streams**
1. Main income: Virtual event management services
2. Additional income: Rental of virtual event systems to partners and consulting and assistance services for customers

**Channels**
1. Online: Social media, internet-based communication media
2. Offline: Face to face

Optimization Strategy for Virtual Event Management
In accordance with the results of the SWOT analysis and BMC mapping, optimization strategies in the EO business for virtual events can be carried out in several ways as follows.

(1) Adding vendor references and establishing good relations with vendors providing virtual event systems and equipment in various cities, especially in the East Java Region. Vendor decentralization is used to maintain the availability of suppliers of supporting equipment by not relying on only one vendor. Besides that, having a vendor network that is in the closest location to holding virtual events can minimize production costs, especially equipment distribution;

(2) Designing integrated promotional media and publications to increase market share. The design of promotional media and publications can be done by a special team or with the help of experienced partners. Promotion targets are divided into three, namely loyal customers, new
customers, and potential customers. For loyal consumers, the purpose of promotion is to increase engagement and maintain loyalty. For new consumers, the purpose of promotion is to provide education and service information according to their needs. For potential customers, the promotion aims as brand awareness and to introduce the advantages of virtual event management services.

(3) Regularly upgrading resources. For asset resources, maintenance and updating of systems or equipment is carried out as needed. For human resources, capacity upgrading is carried out through workshops and competitions, as well as giving rewards to increase enthusiasm for work. Besides that, recruitment of employees with an early productive age range is carried out to improve performance and add insight.

(4) Improving capital and investment schemes and clarify benefit sharing schemes for active investors.

(5) Using application assistance to help schedule arrangements and distribute tasks more evenly and avoid work overload.

(6) Increasing cooperation with partners, especially similar business actors to collaborate and provide a back up plan. In addition, the existence of financial, taxation and legal consultants is also an important component to expedite the administrative process, especially those dealing with customers with legal entities.

(7) Improving the risk management system by analyzing obstacles before, during and after the event takes place.

Conclusion
Based on the results of the research described in the previous section, it can be concluded that the EO business mapping and development strategy in the field of virtual events is categorized into nine components, as follow:

(1) Key Partners: vendors of virtual event support equipment, similar business partners, talents, promotional media vendors, and consultants;

(2) Key Activities: virtual event management (online and hybrid)

(3) Value Propositions: a system with broadcast standards, experienced human resources, quality results, services according to needs, and provides consulting and mentoring services;

(4) Key Resources: physical assets of buildings and equipment, human resources and finance;

(5) Customer Relationships: loyal customers and new customers;

(6) Channels: online and offline media;

(7) Customer Segments: government institutions, education, private companies, and individuals in the East Java Region;

(8) Cost Structures: investment costs, operational costs, and fixed costs

(9) Revenue Streams: main revenue (virtual event management) and additional revenue (rental of virtual event systems and tools and consulting services.

Optimization strategies for virtual event management in the EO business can be carried out by (1) expanding the vendor network, (2) designing integrated promotional media, (3) upgrading resources regularly, (4) improving capital and investment schemes, (5) managing expenses work systematically, (6) Increasing cooperation with partners, and (7) improving the risk management system. The results of this study are expected to have an impact on researchers, business actors, and society as well as become material for further research development.

References
organizer/.


