

Viability of Event Management Business in Batangas City, Philippine: Basis for Business Operation Initiatives

Asia Pacific Journal of
Multidisciplinary Research
Vol. 4 No.4, 46-56
November 2016 Part II
P-ISSN 2350-7756
E-ISSN 2350-8442
www.apjmr.com

Jeninah Christia D. Borbon

College of International Tourism and Hospitality Management, Lyceum of the Philippines University, Capitol Site, Batangas City, Philippines
jcdborbon@lpubatangas.edu.ph

Date Received: September 19, 2016; Date Revised: November 3, 2016

Abstract - *The research study on Viability of Event Management Business in Batangas City: Basis for Business Operation Initiatives aimed to assess the viability of this type of business using Thompson's (2005) Dimension of Business Viability as its tool in order to create business operation initiatives. It provided a good framework for defining success factors in entrepreneurial operation initiatives in a specific business type – event management. This study utilized event organizers based in Batangas, a southern popular province, which also is a great popular destination for many types of events. Findings showed that the event management business in Batangas City is generally a personal event type of business whose year of operation ranges from one to three years, mostly link to church or reception venues and usually offers on the day coordination. In the assessment of its perceived viability, it was found out that this type of business is moderately viable in terms of market, technical, business model, management model, economic and financial, and exit strategy. Among all the dimensions tested, only market, management model, economic and financial, and exit strategy showed significant relationship with the profile variables of the event management business. From the enumerated problems encountered, those that got the highest rate were demanding clients, overbooking of reservation/exceeding number of guests and failure to meet spectators and/or competitors expectations. And, the recommended business operation initiatives were based on the weaknesses discovered using Thompson's Dimension of Business Viability Model.*

Keywords: *Business Operation Initiatives, Event Management, Viability*

INTRODUCTION

Event management is a multi-million dollar industry, growing rapidly, with mega shows and events hosted regularly. The recent growth of festivals and events as an industry around the world means that the management can no longer be ad hoc. Ad hoc generally signifies a solution designed for a specific problem or task, non-generalizable, and which cannot be adapted to other purposes. Thus, a standard in managing events should be designed as a general guide.

Events and festivals, such as the Asian Games, have a large impact on their communities and, in some cases, the whole country. These impacts generally include economical, socio-cultural and environmental impacts, and should be seriously considered [1]. The industry now includes events of all sizes from the Olympics down to a breakfast meeting for ten business

people. This means, from an event with millions of people to an event for small group only. Because the nature of event industry is fragmentary in nature, it is very difficult to have an over-all assessment on the market size of this type of business. Nevertheless, four attributes were identified when taking into account the uniqueness of the event marketplace [2]. These attributes include size and volume of the output, complexity and variety of services or products to be offered to the customer, uncertainty of numbers attending, cost, time schedule and technical requirements, and interaction with the consumer and degree of consumer/customer contact [3].

For a flourishing industry such as events industry, it is vital to assess whether it is a viable business in a specific place, so as to make sound decisions in the allotment of investments. One tool that most investors

rely upon is a business feasibility study which specifically discusses the various dimensions of business viability. The examination of viability is very vital for the future decisions of present and prospect entrepreneurs in the event industry.

In the Philippines, demand for special service in the hospitality industry urged many entrepreneurs to specialize on this aspect. They range from large companies to those small-scale entrepreneur who uses only their creativity, connections and time to make an event extra special for their clients.

Their skills in organizing, technical knowledge, personal relation, marketing, advertising, catering, logistics, decor, glamour identity, human relations, study of law and licenses, risk management, and budgeting are just some of the requirements for these companies and entrepreneurs to be successful in this industry [4]. The rapid growth of event industry has been evident in the Philippines particularly those companies targeting the market of special and corporate events.

Batangas is known to be one of the most famous tourist destinations near Metro Manila. Batanguenos are also known for celebrating every little event. Such a mindset makes it a good venue for events, thus a potential market for event organizers. For the past years, catering businesses have bloomed rapidly in this province and more locals are already patronizing the service of caterers managing the preparations of their events. Past researches predicted the growth of this business and concluded its positive prospects; however, catering business is simply a branch of a greater industry, which is the special event industry.

Currently, there are already few entrepreneurs who are venturing to event management business in Batangas. Some of them are owners of famous catering businesses, while some are independent small-scale entrepreneurs. Most of them work in teams, contributing their special skills in planning, marketing, and implementing events. The demands for a more unique, themed celebration make event organizers more preferred by Batanguenos. However, it has been observed that this industry has not yet deeply penetrated Batangas City in particular. Many people are not yet aware of event organization as a profession and a sound business idea. There is also a dearth of research on event management that gives information on the present status and viability of this particular business.

This study aimed to determine the viability of event management business in Batangas City to serve as the basis for business operation initiatives. The researcher deemed it important to find out whether this new industry has the capacity to survive and progress in the same growing city of Batangas in the years to come. Using Thompson's [5] Dimension of Business Viability as the instrument, this research investigated the core dimension of market viability, technical viability, business model viability, management model viability, economic and financial viability, and exit strategy viability. By examining these aspects and considering the common problems encountered by existing firms, it can be determined whether a business, particularly event management business, can survive and continue growing.

The output of this research is the possible business operation initiatives that can be suggested to present and future entrepreneurs venturing on this kind of business. Findings of this study could help present event organizers in improving their business. In addition, it will also aid future entrepreneurs who may want to engage in this particular business, which may later on contribute to the development of the economy, particularly in Batangas City. In the view of the Graduate School, this study could serve as a springboard for the future researchers who are inclined to analyzing the viability of their chosen business because they could use the same tool which was Thompson's Dimension of Business Viability.

OBJECTIVES OF THE STUDY

The present study determined the perceived viability of event management business using Thompson's Model as to Market, Technical, Business Model, Management Model, Economic, Financial Model, and Exit Strategy. It also identified possible relationship of the business profile variables in terms of type of event business, year of operation, business linkages, and type of coordination to the perceived viability. In the operation of the business, problems were also discussed in order to propose programs for further improvement. Business operation initiatives based on the assessment of perceived viability were also designed to enhance the sustainability of event management business in Batangas City.

MATERIALS AND METHODS

The study used the descriptive design utilizing a survey questionnaire for the event management

business. This study aimed to provide a description of relationships among the following variables: demographic profile and the perceived viability of events management business in Batangas City. This research design was chosen because it can provide essential knowledge about the concepts being used in this study as well as its relationship with each other.

This method was deemed appropriate to the present study since this involved assessment of prevailing conditions.

The questionnaire was answered by the team leader and team members of the ten identified DTI registered event organizers in Batangas City. Each team composed of not less than three members, thus the researcher is targeting 30 members of the event management business for this study.

The following steps were undertaken in gathering the data to answer the questions in the study. An initial informal interview with the present event organizers was conducted by the researcher to gain reliable and related information that was used in constructing the questionnaire. In order to obtain the necessary data, the researcher used a constructed survey questionnaire. Modifications were incorporated through the help of experts in the field. A letter of request to conduct the study, together with the three-part questionnaires was sent to the different event management businesses in Batangas City.

To measure the concepts relevant in the study, the researcher sought questionnaire from on-line source and modified the versions of instruments used by other studies and collated these to have an instrument appropriate for the study. The instrument was a modified version of on-line source particularly Thompson's [5] Dimension of Business Viability and also the profile variables included in Celis' [6] dissertation. These will be used to gather data needed for the study on the viability of events management business in Batangas City.

Part I covered the detail on the profile of the existing events management business in Batangas City which included queries on the type of event business, year of operation, business linkages and type of coordination.

Part II conveyed items included in Thompson's [5] Dimension of Business Viability such as market, technical, business model, management model, economic and financial model, and exit strategy.

Part III enumerated the common problems encountered by the event management business in

Batangas City, as formulated through informal interview and from literature review pertaining to problems of event management business.

The draft of the questionnaire was submitted for both external and internal validation. To fully determine the items' clarity, relevance and appropriateness, the researcher set the questionnaire for external validation by experts in research and event management. The researcher personally distributed the questionnaire and retrieval was done two weeks after the distribution of the questionnaire.

The following statistical measures were applied to analyze the data: Frequency and percentage distribution was used to determine the profile of the event management business in Batangas City. Weighted Mean and Ranking was used to know the perceived viability of the respondents in terms of the given dimensions. Pearson Correlation Test was used to determine the relationship between the perceived viability of the event business and its profile variables. Weighted Mean and ranking were used to determine the most common problems being encountered by event management business in Batangas City. To interpret the data, the following Likert scale was used: 3.50 – 4.00: Always (A); 2.50 – 3.49: Often (O); 1.50-2.49: Seldom; 1.00-1.49

RESULTS AND DISCUSSION

Table 1 shows the distribution of the business profile. In terms of type of the event, majority are personal event which include weddings, birthdays and anniversaries since it obtained the highest frequency of 22 out of the 30 respondents. As to duration of year that the business has been existing, 43.30 percent fell on the year range of 1 to 3, while 4 to 6 years got 26.70 percent and the least is more than 9 years. As to business linkages, church and reception venue obtained the highest frequency of 90%, while ISO Certification Agencies revealed no linkage at all. In terms of the type of coordination, there are almost an equal number of all the three types used by majority of the event business. However, on-the-day coordination got the highest frequency of 24 and full event coordination got the least frequency which is 20.

Therefore, generally, new in the business and event management business in Batangas City is relatively conducted through personal gatherings. This type of business is commonly linked to church and reception venue and coordination is through either on-the-day coordination or partial coordination.

According to Shone and Perry [2], personal events as weddings, birthdays and anniversaries are considered by many as special milestone of their lives which they will never forget, thus they want it to be perfect and memorable. Therefore, unique and creative ideas need to be formulated for such goal. Contradictory to Goldblatt's [1] claim that event management is a multi-million dollar industry, growing rapidly, with mega shows and events hosted regularly, it is not yet true in the city of Batangas at this point in time. The event management industry has not yet fully penetrated this specific area, though some had starting to discover it as one of the profitable business in the future.

Table 1. Distribution of the Profile of the Event Management Business (N = 30)

Profile of the Business	f	%
Types of Event		
Leisure (for the purpose of leisure, sport and recreation)	3	10.00
Cultural (ceremonial, sacred, heritage, art and folklore)	1	3.30
Personal (weddings, birthdays, anniversaries)	22	73.30
Organizational (commercial, political, charitable, corporate and sales)	4	13.30
Duration of Year		
Less than 1 year	5	16.70
1-3 years	13	43.30
4-6 years	8	26.70
7-9 years	-	-
more than 9 years	4	13.30
*Business Linkages		
Party needs services (balloons, clowns, chocolate fountain, etc.)	26	86.70
Catering Services	25	83.30
Travel Agencies	9	30.00
Flower arrangements	15	50.00
Video and Photo Coverage	19	63.30
Tailoring Services	12	40.00
Reception Venues	27	90.00
Church	27	90.00
Sound System	16	53.30
Entertainment	6	20.00
Hotels and motels	7	23.30
Restaurants	12	40.00
Alliance of Event Mgmt Businesses	4	13.30
Department of Trade and Industries	15	50.00
ISO Certification Agencies	-	-
*Type of Coordination		
Full Event Coordination	20	66.70
Partial Coordination	23	76.70
On the day Coordination	24	80.00

**Multiple Response*

Table 2. Viability of the Event Management Business on the Dimensions of Market (N = 30)

Market Viability	WM	VI	Rank
1. The size of the potential and target market is huge.	3.03	O	8
2. The target market of this particular business is highly sustainable and will continue to grow in time.	3.47	O	2.5
3. There are very few competitors offering the same services that your business is offering.	3.43	O	4.5
4. The products offered by your business is different from the products offered by the competitors.	3.47	O	2.5
5. The products are packaged in a way that could be attractive to prospect clients.	3.33	O	7
6. There is an efficient system of distribution of your products to your market.	2.90	O	9
7. We see to it that our business is featured in magazines or newspaper for its goods and services.	2.03	S	10
8. Our location is accessible to different types of transportation.	3.53	A	1
9. We assure our customers of their security while under our care.	3.40	O	6
10. There are certain products or features that can be found in our services.	3.43	O	4.5
Composite Mean	3.20	O	

Table 2 presents the over-all assessment of the respondents on the viability of the event management business in terms of market which resulted with a composite mean of 3.20. Among the items enumerated, location is accessible to different types of transportation which got the highest weighted mean of 3.53 and verbally interpreted as always.

Choosing the right location for your business can be a major factor in its success or failure. A good location may allow a struggling business to survive, but a weak location could mean trouble for even a very well-run business.

This was confirmed by Campbell [7] when he said that although it was not always thought of, where to locate a business is a defining feature which managers have to make. It can have an impact on many different departments of a business and, therefore, on the profitability and chances of success for the whole firm. Newly formed businesses will have to consider where to set up their first premises. This is often close

to the owner's area of residence because the owner knows the area very well.

Table 3. Viability of the Event Management Business on the Dimensions of Technical (N = 30)

Technical Viability	WM	VI	Rank
1. The business has the capacity to supply the demand of the total market.	3.00	O	9.5
2. There are available resources in your area.	3.67	A	3
3. The company has high level of labour and professional expertise.	3.07	O	7.5
4. Service is our business.	3.83	A	1
5. Goods and services that our place is known for are available in our business.	3.07	O	7.5
6. Our business is known for quality services.	3.60	A	3
7. Our services and goods can speak well of our business.	3.70	A	2
8. There are minimum supply chain implications.	3.17	O	6
9. There are available technologies that can make our tasks more convenient.	3.20	O	5
10. The process of providing our service is not complicated.	3.00	O	9.5
Composite Mean	3.33	O	

Table 3 is the over-all assessment of the respondents on the viability of the event management business in terms of technical was 3.33 and interpreted viable. Among the items enumerated, service is the business got the highest weighted mean of 3.83, followed by our services and goods can speak well of our business and our business is known for quality services which obtained weighted mean values of 3.70 and 3.60 respectively, both rated highly viable. The least among the technical viability were the business has the capacity to supply the demand of the total market and the process of providing service is not complicated which both got the 3.00 and interpreted viable.

The event management business views the total market as a market too big to handle. Perhaps there are instances when they could no longer accommodate some client due to full-packed week schedule.

In table 4, the over-all assessment of the respondents on the viability of the event management business in terms of business model was 3.44 and interpreted as viable.

Among the items enumerated, the company has a clear knowledge of what the customer wants and needs and got the highest weighted mean of 4.00 and verbally interpreted Always. It was followed by your

business model has the ability to create wealth and your business model is constructed in a way that it will minimize costs which both obtained weighted mean value of 3.77, rated always.

Table 4. Viability of the Event Management Business on Dimensions of Business Model (N = 30)

Business Model Viability	WM	VI	Rank
1. Your business has a unique purpose, offerings, strategies, infrastructure, organizational structures, trading practices, and operational processes and policies.	3.53	A	6
2. Your business model is unique from your competitors.	3.63	A	4.5
3. The company has a clear knowledge of what the customer wants and needs.	4.00	A	1
4. You can consider your business model as your competitive advantage.	3.33	O	7
5. The competitors cannot easily duplicate the business model that your company possesses.	3.63	A	4.5
6. Your business model has the ability to create value through priority knowledge and process.	3.03	O	8
7. Your business model has the ability to create wealth.	3.77	A	2.5
8. Your business model has the ability to duplicate and delegate as in the documentation of tacit and explicit knowledge.	2.70	O	10
9. Your business model is constructed in a way that it will minimize costs.	3.77	A	2.5
10. The company views designing business model as an important part of business strategy.	2.97	O	9
Composite Mean	3.44	O	

The least among the business model viability was your business model has the ability to duplicate and delegate as in the documentation of tacit and explicit knowledge with 2.70 and interpreted often.

According to Fenell [9], successful business models involve researching the industry you're in and knowing how to approach customers. Information to include within industry research includes traditional business models and expenses. In regards to approaching customers, a successful business model attracts high quality customers while maintaining high levels of customer satisfaction. Since the service given by event management business in personalized, having a clear knowledge of what the customer wants and needs is one of its advantages. This will definitely

increase the customer satisfaction and this is mostly because event management business has an effective business model.

This is supported by Kandampully [10] when he defined service quality as the extent to which a service meets the expectations of customers. This can only be done if the business either meets or exceeds the expectation of the customers. And in a business offering event as their primary product, it is very important that the event team knows exactly what the customer is looking for in the event they are organizing.

Table 5. Viability of the Event Management Business on Dimensions of Management Model

Management Model Viability	WM	VI	Rank
1. There is a high need for the application of knowledge and skills.	3.70	A	3
2. Employees are given sufficient trainings.	3.20	O	7
3. The company has a systematic way of managing and recruiting employees.	2.97	O	10
4. Intellectual property is efficiently managed.	3.77	A	1.5
5. The company is able to manage potential risks.	3.53	A	5
6. There is a capability to delegate tasks to staff.	3.77	A	1.5
7. The company has a suitable organizational structure.	3.00	O	9
8. There is the presence of suitable management and quality protocols.	3.63	A	4
9. Business process is highly measurable.	3.03	O	8
10. The company has an effective management model.	3.37	O	6
Composite Mean	3.40	O	

As seen from table 5, the over-all assessment of the respondents on the viability of the event management business in terms of management model was 3.40 and interpreted often. Among the items enumerated, intellectual property is efficiently managed and there is a capability to delegate tasks to staff both got the highest weighted mean of 3.77 and verbally interpreted Always. It was followed by there is a high need for the application of knowledge and skills and there is the presence of suitable management and quality protocols which obtained weighted mean values of 3.70 and 3.63 respectively, both rated always.

The least among the management model viability was that the company has a systematic way of

managing and recruiting employees with 2.97 and interpreted often.

According to one of the respondents, it is normally the structure of the event management business in Batangas City that they do not need too many human resources. Usually, they ask for help from on-call employees, but they do not employ regular employees doing regular tasks. It works that way because acquiring more employees may lead to greater loss on the part of the business. Nevertheless, the respondent claimed that employee training and regular exposure to events are indeed necessary. Therefore, it can recommended that the employees or the member of the events management team may be trained in all the management aspects and be exposed to events regularly to learn from their experience.

Table 6. Viability of the Event Management Business on Dimensions of Economic and Financial

Economic and Financial Viability	WM	VI	Rank
1. The business needs minimum start-up costs.	3.57	A	4
2. The company has sufficient working capital.	3.10	O	9
3. The business needs very minimal operating costs.	3.47	O	7
4. There is a low raw material cost.	3.50	A	5.5
5. The business has a quick return of investment.	3.67	A	3
6. This type of business is highly profitable.	3.77	A	1.5
7. The business needs a minimum level of sales in order to make a profit.	3.13	O	8
8. The market is highly sustainable that it the company can project high revenue.	2.87	O	10
9. The business has high ability to generate economic value.	3.50	A	5.5
10. This type of business is not financially risky.	3.77	A	1.5
Composite Mean	3.43	O	

Table 6 shows the over-all assessment of the respondents on the viability of the event management business in terms of economic and financial was 3.43 and interpreted viable.

Among the items enumerated, this type of business is highly profitable and this type of business is not financially risky both got the highest weighted mean of 3.77 and verbally interpreted highly viable. It was followed by the business has a quick return of investment and the business needs minimum start-up

costs which obtained weighted mean values of 3.67 and 3.57 respectively, both rated highly viable.

The least among the economic and financial viability is that the market is highly sustainable that the company can project high revenue with 2.87 and interpreted viable.

Findings show that event management business, since it is not financially risky and it has minimum initial cost required, has a very good economic and financial viability. In the long run, this type of business can produce large amount of profit. There is also a good sign of sustainability.

On the other hand, it was also found out that the revenue of this type of business in Batangas City is not sustainable. The frequency of client transaction is fluctuating depending on the demand and season. This is the weakness of this type of business since such irregularity will affect the constant flow of revenue for the business.

Table 7. Viability of the Event Management Business on Dimensions of Exit Strategy (N = 30)

Exit Strategy Viability	WM	VI	Rank
1. The company has devised ways of recouping the capital they have invested in case the business decline.	3.60	A	3
2. Transition of ownership of the company is easy.	3.73	A	2
3. The business has the ability to create wealth from its exit strategy.	2.60	O	9.5
4. The sale of equity to someone else can be immediately conducted.	3.77	A	1
5. The company has already planned for an exit strategy even before the start of the business.	2.60	O	9.5
6. The company has the ability to define its exit strategy.	3.30	O	4
7. The business has the ability to relate its exit strategy to industry model.	2.80	O	7
8. The company has the ability to identify potential buyers and/or strategies.	3.10	O	5
9. The business has the ability to create capital assets.	2.73	O	8
10. The company has the ability to schedule exit strategy.	2.97	O	6
Composite Mean	3.12	O	

As seen from the table 7, the over-all assessment of the respondents on the viability of the event management business in terms of exit strategy was 3.12 and interpreted viable. Among the items

enumerated, the sale of equity to someone else can be immediately conducted got the highest weighted mean of 3.77 and verbally interpreted highly viable.

It was followed by transition of ownership of the company is easy and the company has devised ways of recouping the capital they have invested in case the business decline which obtained weighted mean values of 3.73 and 3.60 respectively, both rated highly viable.

The least among the exit strategy viability were the business has the ability to create wealth from its exit strategy and the company has already planned for an exit strategy even before the start of the business with 2.60 and interpreted viable.

Planning how you exit your business is just as important as how you start it. The goal is to maximize the value of your company before converting it to cash, and to minimize the amount of time consumed. Getting out of business is a process. The length of time required to complete the process is directly related to the complexity of the business, and the circumstances underlying this decision to get out of business. It can range from one week for a home-based sole proprietorship to several years for a corporation forced into involuntary bankruptcy. Disputes and litigation add another dimension to the timeframe. [5]

The process for getting out of business successfully requires the same amount of planning as going into business. While the process should be easier, it is likely to be less enjoyable and more stressful. The best advice for business owners is to think about the future during the early stages of getting into business. Exert managerial influence to ensure that complications and problems which could affect dissolution, and net value, do not develop into roadblocks. When the time for getting out of business comes, engage the invaluable expertise you will need, and prepare a plan.

Based from table 8, the computed r-values of 0.424, 0.586, 0.396, 0.503, 0.421 and 0.494 indicates moderate positive correlation which implies that there is an association occurs on the tested variables. In addition, the resulted p-value (sig. value) of 0.019 under viability dimensions in terms of market, 0.030 under business model and 0.021 under exit strategy were less than 0.05 level of significance, thus the hypothesis of no significant relationship between the profile of the business and the viability of the event organizing business in terms of market, business model and exit strategy is rejected. This means that there is a significant relationship on the two variables treated. It

also indicates that the viability of the business (market, business model and exit strategy) is affected by the business profile.

The alpha level under 0.01, the obtained p-value of economic and financial (0.001), (0.005) and market (0.007) were less than the criterion value, therefore indicates significant relationship on the business duration of year, business linkages and type of coordination.

Result shows that market viability is affected by the type of event and the type of coordination. Market Viability, according to Thompson [5], includes the components of market environment (e.g. size, sustainability, potential market, target market, potential value), competitors, similar products, pricing, packaging, distribution to markets, and promotion/advertising.

Type of event may be leisure, cultural, personal, or organization and it broadly depends on the demand of the business' target market. The market viability will highly depend on the available market in the area and their demand for specific type of event. Thus, it is expected that a relationship will occur between the two variables.

Types of coordination, on the other hand, may include full, partial or on-the-day coordination, and every client has their own preference. Potential market of event management business widely varies depending on the type of coordination that the market demands. The pricing also differs depending on the extent of service that the client requires. It is crucial to note that market viability is an analysis of the

marketplace characteristics that are vital to the acceptance and success of new product offerings. Probability of product acceptance is based on the factors such as market's potential for growth, early market adoption and likelihood of sustained industry growth. Therefore, having a clear knowledge on the type of service that the client needs increases the viability of the business in terms of market.

It can be observed that the economic and financial viability of a business is affected by the duration of year that the business has been operating and its business linkages while market viability is affected by the type of coordination that the business is offering.

Economic and financial viability, as limited by Thompson (2005), covered start-up costs, working capital, operating costs, raw material costs, overall return on investment, overall profitability, breakeven point, sustainability of market versus projected revenue, and ability to generate economic value.

Since the nature of event management business is primarily coordination, the need for less initial capital is aided by enough business linkages which will supply the resources needed for the event being organized. It then lowered the material costs and increased the overall profitability of the business.

The effect of duration of year to economic and financial viability shows that in a short period of time, there is already an overall return on investment for event management business. This type of business has just been flourishing for the past years but the owners are already claiming that they had already achieved their return on investment.

Table 8. Relationship Between Profile of the Business and the Viability of the Event Management Business

Profile of the Business	Viability of the Event Organizing Business	Market	Technical	Business Model	Management Model	Economic and Financial	Exit Strategy
Types of Event	Pearson Correlation	.424(*)	.068	.030	.342	.072	.193
	Sig. (2-tailed)	.019	.720	.877	.064	.704	.307
Duration of Year	Pearson Correlation	.022	.127	.179	.278	.586(**)	.097
	Sig. (2-tailed)	.907	.504	.344	.137	.001	.611
Business Linkages	Pearson Correlation	.241	.107	.396(*)	.040	.503(**)	.421(*)
	Sig. (2-tailed)	.200	.573	.030	.835	.005	.021
Type of Coordination	Pearson Correlation	.494(**)	.025	.058	.323	.055	.293
	Sig. (2-tailed)	.007	.896	.764	.087	.779	.123

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Therefore, the economic and financial viability of event management business is affected primarily by the number of business linkages that they have and the length of year that they had existed.

Business model and exit strategy viability are both affected by business linkages. As defined by Thompson [5], business model viability entails uniqueness of model in terms of competitive advantage, ability of competitor to duplicate, ability to create value through priority knowledge and process, ability to create wealth, and ability to duplicate and delegate. Establishing relationship with various business linkages would definitely be one of the competitive advantage of event business in such a way that they can effectively manage the use of these resources to deliver better services.

The exit strategy is critical in that it explains how investors will "cash out" on an investment. Failure to explain the exit strategy puts companies at a competitive disadvantage [11]. Since event managers merely coordinate with business linkages and do not actually invest on material costs, it is easier for them to plan an exit strategy wherein they can conveniently withdraw from the business without much financial risks.

Table 9 presents the problems encountered by event management business, wherein demanding clients got the highest rank with a frequency of 3.50. It was followed by overbooking of reservation/exceeding number of guest and failure to meet spectators and/or competitor's expectations with a frequency of 3.47 and 3.23 respectively. The least frequency is 23.5 which were incurred by lack of risk management procedure and repetition of event program.

Since demanding clients ranked as the most common problem of event management business and was verbally interpreted as strongly agree, it is manifested that the team is facing customer relation and customer complaints handling challenges.

The clients pay for the services of an event management business in order to create a better event, thus it is expected that they would demand a lot from the team. However, the team should also define to the client the boundary of their payment's value.

Samar [12] suggests a way on how to deal with demanding clients using a 3 to 5 point standard policy. Depending on the problem that is faced with the client, the points should include stating that the pay being discussed is for the original assignment, clarifying that the further additions to the work after it has been

assigned may cost more, including a fee for rush jobs, and including a minimum day for turning in rush work. Tonge [13] added that not meeting the expectation of the client is a common concern in the event industry.

Table 9. Problems Encountered by Event Management Business (N = 30)

Problems Encountered	WM	VI	Rank
1. Security and safe problems	2.10	Disagree	20
2. Lack of risk management procedure	2.00	Disagree	23.5
3. Weak and inadequate promotions	2.17	Disagree	18.5
4. Minimal client transaction	3.07	Agree	7.5
5. Unavailability of some members of the team	2.73	Agree	11
6. Lack of resourcefulness of employees	2.30	Disagree	16
7. Lack of training/knowledge in events creation	2.93	Agree	10
8. Overbooking of reservation/Exceeding number of guest	3.47	Agree	2
9. Clashing of event dates	1.53	Disagree	25
10. Overly optimistic income projection	2.43	Disagree	12
11. Failure to allow sufficient planning time	2.17	Disagree	18.5
12. Inadequate planning	2.07	Disagree	21.5
13. Problems within the organization committee (i.e. power struggles, infighting, lack of necessary skills)	2.37	Disagree	14
14. Inadequate market research	2.37	Disagree	14
15. Ad hoc approach to marketing (lack of marketing plan)	3.07	Agree	7.5
16. Restrictions due to government regulations	2.07	Disagree	21.5
17. Inadequate budget and/or poor financial management	2.37	Disagree	14
18. Failure to meet spectators and/or competitor expectations	3.23	Agree	3
19. Changing weather conditions	3.07	Agree	7.5
20. Demanding clients	3.50	Strongly Agree	1
21. Guests who are not cooperative	3.17	Agree	4.5
22. Idea generation	3.17	Agree	4.5
23. Market penetration	3.07	Agree	7.5
24. Lack of business linkages	2.20	Disagree	17
25. Repetition of event program	2.00	Disagree	23.5
Composite Mean	2.58	Agree	

From the analysis of the problems encountered, it can be recommended that the staff of event

management business in Batangas City may undergo seminar on customer relations and handling customer complaints. They may also formulate a standard policy that may limit the demands that the customer may claim. This will ensure that the business will provide exact service equivalent to the amount the client paid.

Table 10 shows the recommended business operation initiatives that were drawn from the assessment of viability according to Thompson's Dimension of Business Viability. The weaknesses identified during the assessment were given emphasis.

Business operation initiatives, as defined by Celis [6], refer to the plans or programs of a business with regards to the operation of the business. In this study, this refers to the propose action or scheme for event management business on how to sustain its business operation and make it more viable in all dimensions. Thus, the researcher drafted the following initiatives that the existing and future event managers could take into consideration in operating their business.

Table 10. Business Operation Initiatives for Event Management Business

Business Operation Initiatives	Objectives	Strategies	Person Involved
1. MARKET. Augmentation of more marketing practices such as the use of magazine and newspaper	· To efficiently promote not only the event management businesses but moreso, the event management industry as a whole	· Coordinate with media such as printing press companies	· Marketing staff · Media
2. TECHNICAL. Form an alliance of event management business in Batangas City	· To strengthen the event management industry · To have other event management business where a client could be endorsed in case it cannot be supplied by business	· Coordinate with the existing event management business in Batangas City · Formulate by-laws that should be followed by the members of the alliance	· Event management business owners
3. BUSINESS MODEL. Conduct seminar on current trends on event management	· To update the event management business in Batangas City regarding the advancement of technology which can be applied in the industry	· Invite an experienced speaker to talk about the current trends on event management	· Expert speaker · Event management owner
4. MANAGEMENT MODEL. Conduct employee training and event exposure	· To elevate the level of efficiency of employees	· Conduct employee training · Regular exposure of employees to events	· Employees · Trainer
5. ECONOMIC AND FINANCIAL. Institutionalize the event management industry in Batangas City	· To formally promote the existence of event management industry in Batangas City · To ensure that more clients will avail of the services offered	· Intensively advertise the event management industry · Conduct a trade fair for event management business in Batangas City	· Event management business · Batangas residents
6. EXIT STRATEGY. Orientation to newly venturing entrepreneurs regarding exit strategy	· To orient the newly venturing entrepreneurs on the importance of exit strategy and how to create one	· Conduct seminar on exit strategy to prospective event manager	· Event management expert · Business planning expert · Prospect event manager

CONCLUSION AND RECOMMENDATION

The event management business in Batangas City is generally a personal event type of business whose year of operation ranges from one to three years, mostly link to church or reception venues and usually offers on the day coordination. In the assessment of its perceived viability, it was found out that this type of business is moderately viable in terms of market, technical, business model, management model, economic and financial, and exit strategy. Among all the dimensions tested, only market, business model, economic and financial, and exit strategy showed significant relationship with the profile variables of the

event management business. From the enumerated problems encountered, those that got the highest rate were demanding clients, overbooking of reservation/exceeding number of guests and failure to meet spectators and/or competitors expectations. The recommended business operation initiatives were based on the weaknesses discovered using Thompson's Dimension of Business Viability Model.

The identified event management business in Batangas City could increase its business linkages and try to offer other types of event such as corporate events for businesses. The future researchers may conduct another study on viability on other industries or businesses using Thompson's Dimension of

Business Viability. The existing event management business may increase their business linkages and form an alliance of event management business in order to strengthen this industry. The event management business may conduct a seminar on customer relations and establish a standard policy to set boundaries for clients' demands. The existing and prospect event management business may apply the business operation initiatives designed by the researcher to further improve the business.

REFERENCES

- [1] Goldblatt, J. (2004). *Special Events: Event Leadership for a New World*. Wiley
- [2] Shone, A. & Perry, B. (2004). *Successful Event Management*. Australia: Thomson.
- [3] Tum, J., Norton, P. & Wright, J.N. (2006). *Management of Event Operations*. Amsterdam: Elsevier Butterworth-Heinemann.
- [4] Devney, D. (2001). *Organizing Special Events and Conferences: A Practical guide for Busy Volunteers and Staff*. Pineapple Press
- [5] Thompson, A. (2005). *Entrepreneurship and Business Innovation of Successful Business Start-ups and Business Plan*
- [6] Celis, M. (2008). *Development Prospect of Tourism Attractions in the Calabarzon Region: Basis for Business Operation Initiatives*.
- [7] Campbell, T. (2010). *The Importance of a Business Location*. Journal Article from <http://ezinearticles.com/>
- [8] Festijo, B. (2010). "Recreational Business in Batangas City: Its Status and Prospect"
- [9] Fenell Z. (2010). *How to Improve Your Business Model*. Journal article from <http://www.ehow.com/>
- [10] Kandampully, J. (2002). *Services Management: The New Paradigm in Hospitality (First Edition)*. Australia: Pearson Education.
- [11] Lavinsky, D. (2005, April 3). *Growthink explains importance of documenting the exit strategy in your business plan*. Retrieved from <http://www.prweb.com/>
- [12] Samar. (2009). *Dealing with Demanding Clients*. Article from <http://thewritingbase.com/>
- [13] Tonge, Rob. (2010). *How to Organise Special Events and Festivals*. Gull Publishing

COPYRIGHTS

Copyright of this article is retained by the author/s, with first publication rights granted to APJMR. This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4>).