EVENT INDUSTRY: IMPACT, CHALLENGES AND EVOLVEMENT IN POST PANDEMIC ERA

Norlida Zakirai@Zakaria
Faculty of Business and Management,
Universiti Teknologi MARA (UiTM), Melaka, Malaysia

Noor Haty Nor Azam
Faculty of Business and Management,
Universiti Teknologi MARA (UiTM), Melaka, Malaysia

Siti Norashikin Bashirun
Faculty of Business and Management,
Universiti Teknologi MARA (UiTM), Melaka, Malaysia

Aida Nur Mohd Kodri
Faculty of Business and Management,
Universiti Teknologi MARA (UiTM), Melaka, Malaysia

Fatanah Jislan
Faculty of Business and Management,
Universiti Teknologi MARA (UiTM), Melaka, Malaysia

Corresponding Author's Email: noorhaty@uitm.edu.my

ABSTRACT

COVID-19 has had an impact on almost every aspect of life. The events industry was, predictably, one of the worst affected by the pandemic. Therefore, this review paper intends to explore the impacts, challenges and evolement of the event management industry by reviewing the available literature. This study indicates that the pandemic situation significantly has effects on economic activities, events workforce, and organizers. In addition, there are also some challenges of COVID-19 such as the emergence of the online event management system and the need to upskill the event workforce. This review then highlights the event theory that supports the evolution of the industry after the pandemic era. It appears that events activities arising with the implementation of virtual and hybrid events. Future research on the event industry should be undertaken to

assess recovery strategies by other hospitality industries as a benchmarking approach.

Keywords: Event Industry, COVID-19, Impacts, Challenges

INTRODUCTION

In many parts of the world, the event industry is major contributor towards economy and businesses. This industry including festivals, meetings, conferences, exhibitions and sports, provides employment opportunities and the entire supply chain that are related to the business event. Not only the economic growth, but the social development of the society benefited from the entire industry. For instance, in 2017, the event industry generated more than RM 3.9 billion in gross national income and offered about 16 720 jobs (The Star, 2017). Meanwhile in 2019, business events generated about RM3.9 billion in direct expenditure to Malaysia and created RM9.2 billion in economic impact.

However, in 2020 the revenue was dramatically decreased due to the COVID-19 outbreak. The COVID-19 has overwhelmed real global health systems. As a result, the government has prohibited travels, gatherings, and events around the world. More than 1,250 business events in Malaysia have been postponed or cancelled, resulting in an unprecedented economic loss of over RM1.75 billion and leading to massive layoffs and unemployment (Malaysia Business Events Industry Report 2020). This unfortunate circumstance affected the overall performance of the business events industry as a whole, (Madray, 2020).

Many destinations throughout the world rely heavily on the event business for revenue (Getz, & Page, 2020; Raj, Walters & Rashid, 2017). Events are major sources of revenue for the tourism sector and destinations, as they attract visitors to the area (Mohanty, et al., 2020). Governments have restricted travel and gathering for events since the advent of the COVID-19 pandemic, putting the event business in jeopardy (Jamal & Budke, 2020). Research in socio-anthropology helps us to understand the importance of the event industry. This branch of human and societal studies indicates that people want and need to interact, and the event business helps to provide those needs. (Getz & Page, 2020).

Indeed, events play a vital role in communities by allowing people to assert their identities while also sharing rituals and celebrations with others. (Raj et al., 2017). Due to the needs of events in society, it is crucial for event industry to establish a resiliency approach to deal with unexpected challenges especially in uncertain world disasters today. The outbreak of the COVID-19 offers event industry an opportunity to reinvent itself and contribute even more to the well-being of the society through forming their resiliency.

LITERATURE REVIEW

Event Management Industry after COVID-19 Pandemic

Most industries in Malaysia suffered from the outcomes of the COVID-19. The two years pandemic also caused impacts on the event management industry because previously, this industry relied on the face-to-face platform. This is supported by Madray (2020) the event industry that revolves around face-to-face meetings and public gatherings, has been severely impacted by the COVID-19. Therefore, after invading an endemic in 2022, the event industry finally moves into the recovery stage and an event manager should come out with different strategies and methods to adapt to this endemic. Thus, the event industry must consider various scenarios that might occur and prepare itself for potential opportunities in facing uncertain situations (Liu-Lastres & Cahyanto, 2021).

Currently, the future of the event management industry depends on the new technology and the people in this event industry must be proactive to acquire the new knowledge. The event managers should admit that this industry did not rely on the traditional platform anymore. Innovativeness and creativity must be instilled to sustain in this industry. Surplice (2020) stated there is a way to prepare event managers in adapting to the era of endemic which is through digitisation.

When discussing new norms in the event management industry, an event manager should consider several important areas which include providing pre-recorded events, and attendees' virtual engagement, and must attend to any issue that occurs during a virtual event, especially on the technical aspect. Besides, switching to a hybrid event also could be the best solution without ignoring the current standard of procedures to avoid spreading the COVID-19. Ranasinghe, Damunupola, Wijesundara, Karunarahtna, Nawarathna, & Idroos (2020) identify transferring live events to virtual or hybrid event modes can be considered the best substitute. World Health Organization (2020) maintains social distance and avoids gathering as the main prevention methods to control the spread of the virus. In response to that, to keep going in this industry, the event managers should switch to the new format of the event including a digital platform and adjust to the new norms. Virtual and hybrid events appeared as a strategic response to the COVID-19 pandemic around the world (Nikitina, 2020).

IMPACT OF EVENT INDUSTRY DUE TO COVID-19

i. Economic Impact

When the government announced travel restrictions and the Malaysia Movement Control Order (MCO) nationwide, the events were cancelled. Besides, within two years of the pandemic era, the COVID-19 struck the event management industry and this scenario had an impact on the event industry, especially on economics. The organizers must bear the loss and replace it with different methods which are

virtual events. This is supported by Perera (2021) some event management companies, and related business establishments had to shut down because of bankruptcy and were forced to use personal savings to manage the company.

In 2020, many companies reduced their expenses as a strategy to survive in a pandemic era. In response to the issue, the government introduced a moratorium to help individuals and small and medium companies. The government granted a concession for existing performing loans of small and medium enterprises including debt moratoriums (Gunawardena, 2021). With the moratorium, the company could pay employees' salaries and allocate the money for debt settlements. The employees also can opt to take a leave without salary until the business resumes.

According to Indika (2021), few companies that succeed in transforming the live events into virtual events were able to survive and operate their business continuously without reducing the staff. Therefore, from a positive perspective of economics, in the year 2020 after the COVID-19 emerged globally, proactive event managers opted for virtual and hybrid event modes to minimise the loss of income in the event management company.

ii. High Rate of Cancelled Events

Outcome report of Professional Convention Management Association (PCMA) highlighted that 88 percent of respondents involved in their survey and majority were Event Professionals marked the cancellation of events they have been booked for, while 66 percent have postponed their events to organize after COVID-19 affecting the business and dependent sectors drastically. This result also consistent with the study done by EEMA (Events and Entertainment Management Association) showed that 90 percent of the business being cancelled of around 52.91 percent of companies between March to July 2020 (Madray, 2020). With these major events cancelled, a maximum loss of more than $666 million until April and 85.9 million jobs at stake. The struggling, suffering and difficulties of business to rise during this pandemic has seen a huge downfall with a huge capital shortage where they must sustain their services through use of technology, employers' livelihood at stake, revenue being affected globally and requirement of funds to attain stability in long run.

iii. Emerging of Modern Advertising Techniques

Advertising techniques are well seen in this pandemic era when the usage of social media platforms have increased tremendously since people are confined to stay at their homes and methods have grown more dynamic, consumer-centric and engaging. Through this advancement, organization believed varieties of methods in advertising helped to promote and strengthen their product and services by claiming to take proper care and sanitization measures. As example, event companies also promote their webinar, live chats and events by providing free masks, electronic or webinar certificates, using bar code to generate

attendance, engaging audiences through their COVID-19 measures and increasing their web traffic and participation (Madray, 2020).

CHALLENGES FOR EVENT INDUSTRY IN POST-PANDEMIC

The onset of the recent COVID-19 pandemic has created a huge barrier in such growth and development of the event management industry that has turned the traditional practice of virtual platforms to host events. However, this has led to several challenges in which event management practitioners have to face. With the development of digital technologies, such as online event management systems that are used to shift the managing events to a virtual platform, Deborah (2021) pointed out that physical interaction experience could not be replicated and making the virtual event lacking in few major aspects.

i. Online Event Management System

The online event management system is the software that serves the functionality of the event manager in which the process of managing an event can be monitored, coordinated and communicated via the system (Khan et al., 2019). Furthermore, the system shall provide a platform for all collaborating members to keep tabs on the progress of the event, reduce the gap in communication among the event management teams and between the customers and serve the needs of respective events stakeholders.

To name a few of the existing online event management systems such as those used by Fruitation Event Planners, Kampala consists of basic technical scopes-user registration and log in, event scheduling, reservation and registration, customers complaint and feedback, report generation and printing, booking and payment, etc. Despite all the great functions of the technical scope offered, there are some challenges that are possibly occurring that have disrupted the smoothness of the event management process. According to Andrew (2018), confidentiality is an issue in which accessing full details and certain information requires time to understand the use of the system's functionality.

On the other hand, meeting and convention organizers are also facing the challenges of organizing virtual or hybrid meetings format considering the health and safety risk, travel restrictions (CIMERT,2020). The use of event online management systems in conducting such events basically requires the right combination of technologies, staging, production skills, strong support from sponsors and participant interest. Therefore, failure of the event managers to provide an immersive and engaging experience using the technologies in which replicate human interaction will become the main challenges for the efficacy use of the system.

ii. Upskilling Event Workforce

Challenges for the event sector beyond the pandemic era is to upskill the staff in order to serve the needs of hybrid events by learning new technology. Since the industry is adopting new alternatives of virtual and hybrid events, a new set of skills to face these challenges and cope with the situation should be overseen by event's companies. The existing and new talents should be well trained in conducting digitized events to sustain their relevance in industry. Event curricula program has gained much attention in order to train future event managers (Arcadia, et al. (2020). Meanwhile, Sharma et al. (2021), conducted a bibliometric analysis from the industry perspective and identified a resilience framework that proposes four key factors for recovery including government response, technology innovation, local belonging and consumer and employee confidence.

EVOLVING OF EVENT'S INDUSTRY IN POST PANDEMIC

Travel and gathering restrictions imposed in many countries around the world to combat COVID-19 transmission resulted in the cancellation of many events, as well as job losses for various stakeholders in the event industry and indirect negative impacts on the host event destination. Despite obvious losses suffered by the event sector as a result of COVID-19, the event industry's resilience was demonstrated (PCMA, 2020). Practitioners in the event industry have stated that they are using this difficult time to reassess their value propositions and strategies, as well as create value propositions for the future, in which virtual events will play an important role.

Ideally, humans are social beings, and the social side of our life plays a significant role. Virtual events may not seem to be able to replace the pleasure of face-to-face or whole-body conversation, but they do play a significant role in networking and socialising. Past literature on event studies highlighted strategies proposed by Getz, (2012) for the event industry to cope with the crisis during trial time. Getz (2012) presents seven alternative future scenarios (FSs) on how the event industry might evolve in the future.

Table 1: Future Propositions (FPs)

FP1	Planned, live events, both personal and societal in scale and meaning, will always be a prominent feature of civilization, in all societies and cultures.
FP2	Virtual events will gain in frequency and importance in response to advances in global technology, and because of globalization forces and the costs or risks of travel, but they will be in addition to and not substitute for live event experiences.
FP3	Corporate influence on the field of planned events will continue to increase, especially in terms of events produced as manifestations of marketing and branding.

FP4	The strategic justifications for public-sector involvement with events, especially mega events bearing heavy costs, will be increasingly scrutinized and more difficult to defend, while social, cultural and environmental justifications will become more acceptable.
FP5	Generic 'event management' professionals will become the norm, forcing the various professional associations to adapt their recruitment appeal and to demonstrate their added value.
FP6	The event professionals of the future will be competent in event management theory and applications, knowledgeable about the importance of events in society, an effective advocate for event-related police, and a constant learner within the field of event studies.
FP7	Even if travel and tourism collapse, possibly because of the cascading effects of global warming, another energy crisis, war terrorism or global pandemic, events will still remain important globally because they meet fundamental human needs.

Source: Getz, 2012

As presented in Table 1, there are seven future scenarios proposals that oversee what the future of the event industry might look like. Out of seven, there are three propositions that are relevant to the current context of COVID-19 which are FP1, FP2, and FP7 as its cover topics of virtual events; travel; and pandemics. Hence, this section will explain briefly about FP1, FP2 and FP7 as it is more applicable in the current situation.

Future proposition 1 (FP1) describing the importance of events towards societies and culture. Individuals participate in events due to various cause; socializing, togetherness, running from daily routine life (Crompton & McKay, 1997; Jepson et al., 2019). Through attending events, visitors experience some sort of transformation. Further explained by Mezirow (1997), the concept of transformative learning theories demonstrates how a learning environment can emotionally prepare to change learners' mindsets. Kotler, (1997), stated that, from a study of psychology, consumers may change a worldview and personally transform via well-planned, customized travel experiences. Another study that links learning and travel by Morgan, (2010) highlighted the influence of culture elements on the broadening of mindset. Even before the pandemic, the need for transformative experiences was noted. Event attendees experience personal transformation and elements of flow during a festival and under the influence of positive emotions (Csikszentmihalyi, 2014). Since the pandemic has disrupted the event business, it is critical that event professionals adapt to the role of technology in the future as a means of dealing with crisis (Sigala, 2020).

Future Proposition 2 (FP2) highlighted the needs for virtual events as a recovery strategy to approach the crisis coming from the COVID-19. Despite the cancellations of all events, industry needs to ensure that they can sustain. The strategies that they need to implement are taking the physical event to virtual platforms. Professional conference organizers were forced to learn new technologies to deliver their business online to avoid cancellation. Even after the

epidemic, virtual events such as online, teleconferences, and webinars have been the greatest alternative (Getz, 2020). The pandemic also broadens the skills required for future event managers. Clark et. al, (2017) claim that event managers need to engage in ongoing learning to keep abreast of technological advancement. The imposition of lockdown required the event industry to use a wide range of technology since it became a necessity.

Future Proposition 7 (FP7) explains about the importance of events as it fulfils human needs even with uncertain future crises. Bowdin et al. (2011) reckon that events have tied up with people's life, together with the influence of social media in an individual's life, the live event industry is still growing fast. According to Getz (2012), the event industry is being more resilient than the tourism industry, and it is predicted to see significant growth for the event industry when the restrictions are over (Sanchez & Adam, 2008). Society cannot skip being in social interaction for so long. Supported by Dialogue self-theory (DSG), humans need interaction with others to create self-identity, even more than that people find themselves while interacting with others (Hermans, 2001; Seraphin, 2020; Jamal & Budke, 2020). People will gather and participate in events as soon as the pandemic becomes endemic. The responsibility of the event practitioner, on the other hand, is to demonstrate their capacity to maintain an event with good safety and security standards following a crisis. As a result, event companies will fight to provide a safe environment while also staying ahead of their competitors.

CONCLUSION AND RECOMMENDATION

In conclusion, this present paper provides a review that will give an insight to event practitioners to move forward and keep abreast with the changes in the event industry. Impact from COVID-19 that affects the economy globally due the cancellation of events during government restriction will open new opportunities for event practitioners to grow globally with the emerging of modern technologies in event practices. However, to take advantage of the potential, event professionals should train their staff to add new skills using modern technologies to execute hybrid and virtual events. Moreover, theories of the event industry proposed by many scholars can be adapted to ensure that the event industry will be able to navigate a pathway to successful recovery. Future studies could consider empirical research on assessing recovery strategies executed by any other hospitality industry as benchmarking approaches during catastrophe. Apart from that, future studies should perform a comparison assessment of event industry achievement during pandemic and endemic eras to analyse how the industry has transformed with the use of digitalized systems.

REFERENCES

Arcodia, C., Novais, M. A., & Le, T. H. (2020). Using job advertisements to advance event management research. Event Management, 24(5), 661–664. https://doi.org/10.3727/152599520X15894679115529

Bowdin, G., Allen, J., Harris, R., McDonnell, I., & O'Toole, W. (2011). Events management. Routledge.

Center for International Meetings Research and Training. (2020). The impact of the COVID-19 pandemic on the international meetings industry across the globe.

Clark, H., Dimanche, F., Cotter, R., & Lee-Rosen, D. (2017). Human capital challenges in the events industry of Canada: Finding innovative solutions. Worldwide Hospitality and Tourism Themes, 9(4), 424–432. https://doi. org/10.1108/WHATT-04-2017-0018

Crompton, J. L., & McKay, S. L. (1997). Motives of visitors attending festival events. Annals of Tourism Research, 24(2), 425–439. https://doi.org/10.1016/S0160-7383(97)80010-2

Csikszentmihalyi, M. (2014). Toward a psychology of optimal experience. In Flow and the foundations of positive psychology (pp. 209–226). Springer.

Deborah., C. C. (2021). Virtual events: a study of challenges faced by local event organisers inadapting to Covid-19. ScholarBank@NUS Repository.

Estanyol, E. (2022). Traditional Festivals and Covid-19: Event Management And Digitalization in Times of Physical Distancing. Event Management, 26(3), 647-659.

Getz, D. (2012). Event studies. Theory, research and policy for planned events. London: Routledge.

Getz, D., & Page, S. J. (2020). Events studies. Theory, research and policy for planned events. London: Routledge.

Gunawardana, D. (2020). The Impact of COVID 19 to SME Sector in Sri Lanka (Publication). Colombo: UN DESA/DSDG.1-23.

Hermans, H. J. (2001). The dialogical self: Toward a theory of personal and cultural positioning. Culture & psychology, 7(3), 243-281.

Indika, M. K. A. (2021). Impact of Covid-19 and Business Revival Strategies of Event Industry in Sri Lanka. In Business Revival of Service Sector: Strategies, Approaches and Practices. New Delhi: Bharti Publications.

Jamal, T., & Budke, C. (2020). Tourism in a world with pandemics: Local-global responsibility and action. Journal of Tourism Futures. doi:10.1108/JTF-02-2020-0014

Janiszewska, D., Hannevik Lien, V., Kloskowski, D., Ossowska, L., Dragin-Jensen, C., Strzelecka, M., & Kwiatkowski, G. (2021). Effects of COVID-19 Infection Control Measures on the Festival and Event Sector in Poland and Norway. Sustainability, 13(23), 13265

Jepson, A., Stadler, R., & Spencer, N. (2019). Making positive family memories together and improving quality-of-life through thick sociality and

bonding at local community festivals and events. Tourism Management, 75, 34-50.

Juliana, H. D. R., Naveen Kumar, V. G., Richard, G., & Shivadarshini, P. (2021). Evecurate–A Smart Event Management App Using Flutter and Firebase.

Khan, A., Pundalik, A., Shinde, T., Gupta, S., & Patil, S. J. (2019). Event Management System International Research, Journal of Engineering and Technology (IRIET) Vol. 06, Issue, 1, 1752.

Kottler, J. A. (1997). Travel That Can Change Your Life: How to Create a Transformative Experience. Jossey-Bass.

Liu-Lastres, Bingjie and Cahyanto, Ignatius P. (2021). Building A Resilient Event Industry: Lessons Learned during the COVID-19 Pandemic, Travel and Tourism Research Association: Advancing Tourism Research Globally. 38.

Madray, J. S. (2020). The Impact of Covid-19 On the Event Management Industry. International Journal of Engineering Applied Sciences and Technology, 5(3), 533-535.

Malaysia Business Events Industry Report. (2020). https://maceos.org.my/the-malaysia-business-events-industry-report-2020/

Mezirow, J. (1997). Transformative learning: Theory to practice. In P. Cranton (Ed.), Transformative learning in action: Insights from practice – New directions for adult and continuing education, 74 (pp. 5–12). Jossey-Bass.

Mohanty, P., Dhoundiyal, H., & Choudhury, R. (2020). Events tourism in the eye of the COVID-19 storm: Impacts and implications. Event Tourism in Asian Countries: Challenges and Prospects (1st ed.): Apple Academic Press (2020).

Morgan, A. D. (2010). Journeys into transformation. Journal of Transformative Education, 8(4), 246–268. doi.org/10.1177/1541344611421491

Nikitina, O. (2020). Convention and Exhibition Industry: Digitalization and Strategic Leadership During the COVID-19 Crisis and After the Pandemic. Advances in Economics, Business and Management Research, 171, 215-220. doi:10.2991/aebmr.k.210318.035

Nuwagaba, A. (2018). Online event management system a case study: Fruitions event planners Kampala.

PCMA (2020). How is COVID-19 changing the business events industry? pcma-convenecovid19-survey-p5d3.pdf

Perera, D. (2021). Event management companies on brink of bankruptcy. Daily News.

Raj, R., Walters, P., & Rashid, T. (2017). Events management. Principles & Practice. London: Sage.

Ranasinghe, R., Damunupola, A., Wijesundara, S., Karunarathna, C., Nawarathna, D., Gamage, S., Idroos, A. A. (2020). Tourism after Corona: Impacts of Covid 19 Pandemic and Way Forward for Tourism, Hotel and Mice Industry in Sri Lanka. SSRN Electronic Journal. doi:10.2139/ssrn.3587170

Sanchez, P. M., & Adams, K. M. (2008). The Janus-faced character of tourism in Cuba. Annals of Tourism Research, 35(1), 27–46. doi: 10.1016/j.annals.2007.06.004

Seraphin, H. (2021). Covid19: an opportunity to review existing grounded theories in event

 studies. J. Conv. Event Tour, 22, 3–35.

 Seraphin, H. (2018). Natural disaster and destination management: The case of the Caribbean and hurricane Irma. Current Issues in Tourism, 22(1), 21–28.

Sharma, G. D., Thomas, A., & Paul, J. (2021). Reviving tourism industrypost-COVID-19: A resilience-based framework. Tourism Management Perspectives, 37, 100786. https://doi.org/10.1016/j.tmp.2020.100786

Sigala, M. (2020). Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research. Journal of Business Research, 117, 312–321. https://doi.org/10.1016/j.jbusres.2020.06.015

Surplice Poppy (2020), Post-Pandemic: What's Next for the Events Industry, Centre for Brexit Studies, 1-3.

Werner, K., Junek, O., & Wang, C. (2022). Event Management Skills in the Post-covid-19

World: Insights from China, Germany, and Australia. Event Management, 26(4), 867-882.

World Health Organization, 2020. Key planning recommendations for mass gatherings in the context of COVID-19. Interim guidance. file:///C:/Users/44796/Downloads/ WHO-2019-nCoV-OE_mass_gathering-2020.3-eng.pdf.