



IJEAST

INTERNATIONAL JOURNAL
OF ENGINEERING APPLIED SCIENCE
AND TECHNOLOGY



VOLUME : 5 ISSUE : 3 Print / Issue Publication Date: 15-Sep-2020



ISSN : 2455-2143



DOI : 10.33564/IJEAST.2020.v05i03.089

Indexed In



WWW.IJEAST.COM

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THE IMPACT OF COVID-19 ON EVENT MANAGEMENT INDUSTRY

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Abstract— COVID-19 stands for Corona Virus Disease, which is an infectious disease that was detected in China in late 2019. This disease has become a pandemic, causing a threat to human life globally. The impact of COVID-19 is not only on humans health but is affecting economies at both national and global level. The \$1000 billion Event management or event planning industry is one of the most affected industry of this pandemic globally as it is a business for people coming in huge numbers and celebrating an occasion. This study is about the impact of COVID-19 on Event businesses and how they are tackling in this situation.

Keywords— COVID-19, Pandemic, Events, Economy, Impact

I. INTRODUCTION

Coronavirus is a large family of virus that infects animals or humans and COVID-19 is an infectious disease caused by a newly discovered coronavirus which was detected in Wuhan, China in December 2019. This disease has now outbreak into a pandemic affecting humans life globally. It is spread normally through small droplets from the nose or mouth, which are expelled when a person with COVID-19 coughs, sneezes, or speaks. This is the reason the precautionary measure till its proper medicine is discovered, are social distancing, staying atleast 1 meter away from others, isolation of sick people (especially respiratory illness), wear a mask and wash hands regularly in a day.

Event management is defined as a well-planned and organised occasion with the view of meeting or achieving specific objectives for the benefit of person, group of people or an organization. The professionals in this business are known as Event planners. An event can be a Celebration (festivals, weddings, birthdays, and anniversaries), Education (conferences, graduations), Promotions (product launches, fashion shows, and conventions) or Commemorations (memorials, civic events).

COVID-19 has irrputed the global markets and various industries drastically, though innovative minds and leaders of respective fields are struggling and bringing new ways to survive in this condition. But, still the Tourism and hospitality industries are still suffering the most. The threat of disease has homed in the minds of the people and the policies of travel,

entertain and organise events by certain countries are leading a major setback and an edge to recession for such and interlinked industries.

In the recent studies around the globe, it has reported that maximum loss of about more than \$666 million till April is noted in event industry, due to cancellation of events worldwide and have 85.9 million jobs at stake. The businesses are suffering for huge capital shortage to sustain in long run though use of technology and measures like live chat, webinars, online discussion shows, podcasts etc. are being used by companies to continue their services but they cannot replace the revenue from big fat events or events at large scale in terms of money and people inducement. The daily wage workers associated with the industry, the small and medium event companies who do not have the platform or the target customers to provide such services are suffering more harshness of this pandemic.

II. LITERATURE REVIEW

1. Sergio Correia, Stephan Luck, and Emil Verner (2020), Pandemics Depress the Economy, Public Health Interventions Do Not: Evidence from the 1918 Flu

This study is to depict the effects of COVID-19 pandemic on global economy through Non- Pharmaceutical Interventions (NPIs) by referring to 1918 Influenza pandemic. NPIs include social distancing, isolation and shutdowns of public indulging platforms to reduce or control the spread of infection. The analysis in the study shows that the effect on economy depends on the severity of pandemic and how aggressively and earlier the actions are taken by government against disease. If it is tackled at primary levels rapidly than post pandemic time can cause a relative growth in the economy but more the delay in tackling, the more worse it will affect the mortality rate and the economy simultaneously. It can cause a relative decline in manufacturing employment, manufacturing output, bank assets, and consumer durables.

2. W.Qiu; S. Rutherford; A. Mao; C. Chu (2017), The Pandemic and its Impacts

The study explains about the concept of pandemic i.e., widespread of a contiguous epidemic disease effecting a whole country or one or more continents at a same time.



Furthermore, impacting health, economy, social and security at different levels. The impact of a pandemic leads to huge economic loss and instability of economy through direct costs, long term burden, and indirect costs.

The direct costs of a pandemic is huge as to tackle and control it requires high costs in conditions of awareness and treatments. The long term burden is inevitable and severe as the burden of loss of earnings from people who died are in huge numbers and the indirect costs include everything that contributes to a decline in GDP are also heavy.

The social impacts are also very clear as movement of people are restricted and with time grew the fear to travel and indulge in any sort of public affairs or people gatherings, affecting the social life of the society as whole.

3. Made Gede Yudiyana, Andrew Sumichan, Ni Wayan Sri Ariyani (2018) Management Information System of Event organizer

The study represents the assistance of management information system in event activities in terms of providing ticket sales, booths, accommodation and activities which are outside of events such as tours for guests. This is to highlight the importance of technology helping in the event industry to work more efficiently and easy for organizers or planners to handle other such business domains of the event management. The upgrading technologies are opening gateways for better performance, providing information, economic benefits through cutting additional costs of labor and time, better efficiency and service to the customers alongwith maintaining control of data regarding the event and guests digitally which are much better than manual keeping.

4. Joe J Goldblatt, Seung-won Lee (2012) The current and future impacts of the 2007-2009 economic recession on the festival and event industry

This study is to show the impacts on business performance of festival and event industry in the period of global economic recession from 2007 to 2009. It depicts that during economic crisis in the world, the event industry is also affected dramatically and it takes solid strategies to overcome after recession. During this period, the industry had suffered decrease in profit margins caused by decrease in sponsorship, high cost of products and services and recession on all sources of revenue. The strategies that lead to survival and a conservative growth pace after recession were to increase marketing efforts, control overall expenses and the use of technology in different ways to get sponsorships and target customers accordingly.

III. RESEARCH METHODOLOGY

The nature of study is descriptive. The source of data is secondary. The data is collected and interpreted from various academic journals, research publications, news releases and websites.

IV. DATA INTERPRETATION

1. Report of Events and Entertainment Management Association (EEMA)

EEMA has conducted a survey of their members with 170 companies which are affected by COVID-19. These 170 companies represents over a 1,00,000 companies that are struggling in this pandemic.

The report depicts a huge loss of business, employers livelihood at stake, revenue being affected globally and requirement of funds to attain stability in long run. The major statistics found in the study were:

- 90% of the business being cancelled of around 52.91% of companies between March-July 2020
- Around 7 companies envisage a 50%-80% retrenchment of their current workforce and 35 between 25%-50%
- 63.1% companies i.e. around 107 companies suffered from a revenue loss of up to 1 crore each.
- Around 97 companies will need to raise capital or debt from institutions or shareholders, VC funding etc., to survive.
- The ideal working capital/ loan expected to keep afloat for the next 6 months is around 2-5 CR for 39 companies and 1-2 CR for 118 companies.

This shows that the business in various sectors has seen a huge downfall due to this economic disruption. The major cause of this rising difficulties for the industry is either the increasing cancellation of events of 2020 or the postpone of these to 2021 worldwide. Furthermore, the daily wages workers, small and medium associates businesses are also facing brutal economic conditions leading for sudden support else there will be an increase in unemployment ratios.

2. Report of Professional Convention Management Association (PCMA)

The survey of more than thousand Event professionals were done by PCMA to know the impact of COVID-19 on their businesses. The outcome of the survey were:

- High Rate of Cancelled/ Postponed events-
The survey highlighted that 88 percent of respondents marked the cancellation of events they have been booked for and 66 percent have postponed their events to organise after COVID-19 affecting the business and dependant sectors drastically.



- **Using Time productively-**
 63 percent of respondents claim that they are using this free time to upgrade their skills and majorly focusing on virtual technology and online platforms for organising events . To learn the benefits and software required for online events and use them to overcome operational costs and meet day to day expenditures.

- **Virtual Events-**
 The future of events using technology or the survival means for event industry in this pandemic are virtual events. 7 out of 10 respondents or the businesses having facilities to upgrade certain events for their customers online are using virtual medium in this pandemic. The reason is because of the losses they are inculcating and no certain get away from COVID-19 encouraged virtual events. Due to this, there is a certain increase in webinars, online discussions and live chats to keep the industry active.

3. Other impacts on Event industry:

- a. **Increased Personalisation-**
 The positive outcome for online live events are the increase in the sense of personalisation and ease of accessibility to the customers. In conventional events, there are lot of people and large area during performances which effects the experience of customers as they get disconnected or due to overcrowding. But, the events in this COVID-19 has overcome this hurdle through the opportunity of enjoying the event while staying at own premise.

- b. **Global presence-**
 Another impact is the reformation of global village or getting close to each other by removing border barriers through this virtual growth. Though, people are waiting to pass this time rapidly but the events and festivals in this online manner has grown new opportunities for businesses around the globe and gave a sense of togetherness in this harsh times.

- c. **Modern Advertising Techniques-**
 The impact of COVID-19 on advertising techniques are well seen as in this condition when people are confined to stay at their homes the usage of social media platforms have increased and methods have grown more consumer- centric, dynamic and engaging. This lead to organisation to promote more on these platforms and strengthen their services by claiming to take proper care and sanitization measures. Event companies are also promoting their webinars , live events and chats through providing free masks, webinar certificates, engaging audiences through their COVID-19 measures and increasing their web traffics and participation.

- d. **Low costs-**
 This is both positive and negative for the industry as the virtual events costs very less than conventional events which means

low revenue also to the company due to the low charges. The usage of these forums affects the sectors and workers who are solely dependent on traditional manner of events leading to their unemployment.

V. CONCLUSION

The study shows different impacts of COVID-19 on Event management industry. The major effect of this pandemic is the severe loss in the industry due to huge cancellations and postponements. The pace of industry is very slow and surviving with the help of virtual events. The revenue and the workers are drastically impacted and require funds to survive and sustain at longer run. The innovative leaders of event industry are working on different strategies like use of virtual technology to connect people and make them participate through organizing webinars, live chats & discussions, live artist performances and podcasts. They are promoting these through different unique marketing strategies on social media platforms majorly. Therefore, the impact of COVID-19 on event management industry is severe and require support of governments and sponsors but they are still active and trying to survive through the means of virtual events.

VI. REFERENCE

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2455-2143