The relationship between the organizations that communicate through events and the outsourcing companies

by
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Abstract. The aim of the article is to reveal the connections and implications of the organizations whenever they communicate with their stakeholders through events, no matter if they are from the internal or external environment, by appealing to specialized companies in order to reach communication general marketing objectives. Communication through events is placed on one of the top positions in the management system in which strategic marketing planning is a component of the marketing mix and communication sub-mix. A research is conducted in order to highlight the amount of control upon the outsource company and also the degree of implication regarding the strategies taken into consideration by the organization. Drawn from the conclusion of the research, is suggested strategies planning in events communication.

Key words: events, communication, mechanism model
JEL classification: M31, M30, M37.

1 Introduction

“‘I hear and I forget. I see and I remember. I do and I understand.’” Confucius
”People will forget what you said, people will forget what you did, but people will never forget how you made them feel.”” Angelou Maya

These two proverbs present mostly the problematic communication between organizations and its stakeholders whether they are part of the internal or external environment of the organization. People forget what they hear on the radio, sometimes they remember the video clips seen on TV and internet, but they will understand the message if they take part in an event, as the impact of face-to-face interaction is tremendous, and the organization can transmit the wanted information and interact with the audience by making them feel special.

For these reasons, many companies resort to communication through events (Moise, 2014) to achieve the marketing objectives in order to increase: sales, awareness of the brands and company, market share value, or to launch new products / services.

Events had, have and will have a major role in the evolution of society in general and in particular in the success of the organizations. In deploying an event, organizations can manage themselves to conduct it especially if there is a target audience, from internal and external environment, in this case most of the organizations appeal to outsource companies that are specialized in realizing events.

Some of the main motives to outsource the process of accomplishing an event refer to more affordable costs and at the same time cost-saving, the specialization and the knowhow of the company, and to the fact of how many successful events it carried out in the past.

Another reason would be the main risks and responsibilities taken by the organizing company, and in the case of incidents, or bad turnover that may occur during the event, the image of the organization which ordered the event will not suffer any damage provided they are going to use public relations by launching press releases in which they can state that they stand only for the position of a client of the event and that they regret what happened.
2 Outsourcing

Outsourcing is “the contracting or subcontracting of noncore activities to free up cash, personnel, time, and facilities for activities in which a company holds competitive advantage” (BusinessDictionary.com).

Rodriguez-Diaz and Espino-Rodriguez (2006) define outsourcing as a means of recognizing that there are suppliers in the market that are able to perform part of the transformation activity better than the firm itself. According to Franceschini et al. (2003) outsourcing is a management approach that allows delegating to an external agent the operational responsibility for processes or services previously delivered by an enterprise.

Elmuti and Kathawala (2000) considers that outsourcing can be defined as “… the purchase of a product / service that was previously provided internally”.

In a competitive market and in situations of economic crisis, many organizations have started to outsource to a provider of outsourcing services and thus, reducing costs.

The reasons for organizations to use outsourcing are numerous:
- reducing the cost;
- improving performance and increasing operational models;
- ability to adapt to market opportunities;
- innovation;
- access to new skills and abilities.

Outsourcing should be viewed as a process in which the customer outsources his processes (named outsourced) and the enterprise that delivers outsourced services (named outsourcer). Currently companies resort to a strategic outsourcing, which requires a careful analysis of all the activities and internal processes that do not provide competitive advantages and can therefore be outsourced.

From this perspective, “the client firm is the company outsourcing an aspect of their business operations, while the outsourcing service provider is the company contracted to perform the outsourced operation (Bhagat, Byramjee and Taiani, 2010, p. 306). Outsourcing arrangement depends on finer service quality in terms of the knowledge, flexibility to adjust to market dynamics, competence in working systems, and cost-efficiency that the outsourcer brings (Totty, 2007).

Therefore, outsourcing provides value to the client firm that outsources its work to other companies.

3 The relationship between the organization and the outsourcing companies

The research was conducted upon 435 organizations that communicate with their stakeholders through events, and of these 94.7% are profit and only 5.3% are non-profit organizations. 82.3% of the organizations have organized over the past three years, events for employees, while only 61.3% made events for their customers. Among the main reasons of not communicating through events were: 58.1% - for financial reasons, with shoe string budgets, 11.1% - considered that the events do not have efficiency and utility, and other motives: 13.7% - lack of time and lack of opportunities until now.

In order to evaluate these phenomena accurately both metric and non-metric scales of measuring have been used. For these researches we have used face-to-face survey as a way of gathering information relying on a questionnaire as an instrument.

Regarding the intentions to communicate through events, only 21.5% of the organizations will not realize events; on the other hand, 40.9% intend to organize events for employees and 37.6% for clients and other partners.

More than half of the organizations use events such as conferences, symposiums and seminars to communicate with their stakeholders, to launch products / services or to rebrand 48.1%, take part in international and national trade fairs and exhibitions 40.4%, to sponsor 34.7%, while only 22.8% use workshops and Open Day as can be seen in figure 1.

Among the most sponsored areas figure 2, by the organizations surveyed, we find humanitarian causes 53.9%, science,
technology, education 40.9%, sports 34.2%, healthcare 33.7%, environment protection 31.1%, music 15%, as well as other types of events, such as charity balls, commemoration of historical monuments, literary, political, religious and aerospace events, and film festivals 31.1%. The most important reasons to sponsor different types of events were discovered that the organizations want to consolidate the corporate image, to promote products or services, increase the notoriety both of the organization and its brands; sponsoring the event with their own products they want to show how they behave in real context.

![Figure 1](image1)

The most frequent holidays, figure 3, during the year that the organizations take full advantage of so that they could communicate through events, in order to highlight the brands of their products / services and also their corporate image in general, we can find: Christmas with more than 80%, Easter 55%, Mother’s Day 44%, New Year’s Eve 23%, St. Valentine’s Day 16.2% and Children’s Day 12%.

Organizations which took part in the research had to rate the importance of the decision to participate in an event / realize an event, in order to achieve the communication objectives. Grade 5 was granted as the highest mark while 1 the lowest.

![Figure 2](image2)

![Figure 3](image3)
The results were passed in table 1, and it can be concluded that reinforcing the organization's image has got an average of 4.26, closing deals and boosting sales 3.90, followed closely by the possibility of establishing a large number of direct contacts in a short time 3.87, we find that the majority of the respondents considers the presence of the competing companies at the event less important, so the average is only 2.75.

<table>
<thead>
<tr>
<th>Reasons</th>
<th>The average of importance measured from 1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the organization's image</td>
<td>4.26</td>
</tr>
<tr>
<td>Closing deals / boosting sales by offering favorable trade conditions</td>
<td>3.90</td>
</tr>
<tr>
<td>The possibility of establishing a large number of direct contacts in a short time</td>
<td>3.87</td>
</tr>
<tr>
<td>Introducing new products / services to potential customers</td>
<td>3.77</td>
</tr>
<tr>
<td>Positive results at previous events</td>
<td>3.30</td>
</tr>
<tr>
<td>Testing a new product / service</td>
<td>3.00</td>
</tr>
<tr>
<td>Presence in the event of competing firms</td>
<td>2.75</td>
</tr>
</tbody>
</table>

Both the organization client and the outsourcing event organizer exert control on various types of activities as shown in figure 3.

It is noted that activities such as: choosing suppliers 43.3%, promoting the event 41.1%, event schedule 41.4%, choosing the location of the deployment of the planned event 36.3%, and establishing the budget 20.7%; all of them are decisions taken by both entities together; while activities such as: determining the number of participants 78.8%, establishing the budget 78.9%, establishing the number of the audience 78.8% and other activities like sending invitations and designs of the promotional materials 87.5%, choosing the location 60.8%, scheduling the manifestation 54.8% are made predominantly by the organization itself. Activities such as choosing suppliers 16.3% and promotion of the event 15.9% are made only by the engaged company.

The coordination and verification of compliance with the contract for deploying the event is done by the staff in the marketing department 62.6% of respondents as shown in figure 4, at a considerable distance of the staff from the Public Relations department 21.60 %, human resources department 16.20%, sales department 10.1% and these actions can be performed by other departments in 7.9% cases as for example: Events Department, Department of Administrative Management, Department of Communication, Department of Economics, Department of Logistics or Finance / Legislative Department.

It may be concluded that the Events Department is not yet a distinctive department in many organizations, as the main activities are carried out by personnel from marketing or public relations departments.
4 Conclusions

Communication through events is one of the most successful strategies to reach the target audience of the segment market and to transmit the wanted message in order to shape them how to act, feel, react and even behave towards the organization. Events can be also used as a way of gaining new customers, modifying the attitudes and behavior of the existing customers to create long and lasting relationships. The main reasons are to increase the notoriety of both the corporate image but also the brands of the products and services that the organization commercialize.

The survey used was an ad-hoc type, conducted at the headquarters of the organization through interview operators who administrated a structured questionnaire. The studied collectivity was composed of the profit and non-profit organizations with headquarters in Romania, in urban areas (cities with over 50,000 inhabitants), domestic or foreign ones, regardless of the sector field they are from, except for those which have as main object of activity implementing and realizing events.

The observation unit was the organization that communicated via events, both with clients, business partners, with the stakeholders in general leaving out their own employees. The sampling unit was a member of the organization, such as the General Manager, Marketing Director, Sales Director or employees of the company that deal with deploying events without being specialized in realizing events.

Organizations make use of the most important holidays, for example: Christmas, Easter, Mother’s Day, New Year’s Eve and St. Valentine Day; to communicate through events with their stakeholders, as the impact and ease of reaching the marketing objectives are more likely to succeed.

We have discovered that the organizations want a greater control over the activities, when deploying an event, like: establishing the budget, establishing the number of the audience, choosing the location and scheduling the program of the manifestation. Activities as promoting the event and choosing the suppliers are mainly taken by both entities together.

Organizations will appeal to outsource companies whenever they want to communicate through events for many reasons, as lower costs, expertise, experience, specialization. It is even advisable to appeal to outsource companies if the organization has just entered a new foreign market and wants to launch products / services with a higher rate of success, bearing in mind "Think Globally, but act locally."

The evaluation and post-evaluation of the events are realized through a meeting with the outsourced company, the organization that requested the event, and in exceptional cases...
with the participants to the specific event as well.

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