

COMPETITIVE STRUCTURE AND GROWTH POTENTIAL
OF EVENT MANAGEMENT SERVICE INDUSTRY IN
BANGLADESH: AN EMPIRICAL STUDY



PhD DISSERTATION

BY

SHAMSAD AHMED

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BANGLADESH

2018

Dedicated

To My Beloved Wife

Who Inspired Me to Pursue the Degree

DECLARATION

I do hereby declare that the thesis entitled “Competitive Structure and Growth Potential of Event Management Service Industry in Bangladesh: An Empirical Study” submitted to the Department of Marketing, University of Dhaka, Bangladesh for the degree Doctor of Philosophy (PhD) in Marketing, is an original and independent research work. No part of this thesis has been submitted to any other University or Institution for the award of any other degree or diploma.

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I do hereby certify that the thesis entitled “Competitive Structure and Growth Potential of Event Management Service Industry in Bangladesh: An Empirical Study” submitted by Shamsad Ahmed, registration number: 07 (Part-time), session: 2013-14, a PhD research fellow of the Department of Marketing, University of Dhaka, Bangladesh, for the degree of Doctor of Philosophy (PhD) in marketing, has been done under my supervision and guidance. The thesis is an original piece of research work done by the researcher. I, therefore, recommend its submission for examination.

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ABSTRACT

This current era of the world is experiencing rapid globalization accelerated by modern means of communication and transportation. This is also giving the image that the world is unified globally. This changed context is nurturing fierce competition among the companies in any industry. Survival in such a competitive situation has become so difficult that managers are trying to adopt various marketing actions like new product introductions and promotional incentives to cope with the bitter fight of existence. Here it is to be specially noted that approaches of marketing communication are also changing to face the speedily evolving market environment. Promoting a product or brand using conventional approaches starting from advertising up to sales promotion are no more as effective as before. There are various reasons: the number of brands has increased; competitors use promotions frequently; many brands are seen as similar; consumers are more price-oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints. In this situation, organizations are considering other alternatives to promote their products. Now-a-days, organizing various events to promote products has become very popular. A successful corporate event of an organization leaves a memorable experience for the guests, it helps to increase the company's goodwill and brand value. Therefore, it is very common to see corporations investing their money to hold annual events to help boost up their brands. Initially renowned advertising firms of Bangladesh like Asiatic, Interspeed, Mediacom Limited started giving support to the giant national and multinational companies as and when needed. Now-a-days event management firms

are also helping to arrange family circle events like 'GayeeHalud'. Event management has emerged as a new and very potential service industry of Bangladesh. By taking this opportunity, some novices are entering into business, sometimes getting some tasks, and ending with a disorganized event. This is very much harmful for the reputation of a newborn industry. Situation demands setting some guidelines. Not some arbitrary guidelines, some guidelines based on research. However no visible research is going on. This is the reason that initiative has been taken to carry out an in-depth research on this sector. In this context, the research has been aimed at investigating the competitive structure and growth potential of this industry so that necessary policy recommendations could be proposed.

It is an established fact that in order for a business to choose its desired competitive position, it must start with an analysis of the attractiveness or profitability of the industry to which it belongs. By far, the most widely used model to gain insights into the competitiveness of an industry is the Five-Forces Model introduced by renowned professor of Harvard Business School, Michael Porter. This model forever changed how academics, consultants, and managers would view competitive environments. The same model was used to analyze the attractiveness of event management service industry of Bangladesh. However, an extension of the model is attempted by introducing a new construct, Growth Potential of the Industry. Ultimately, it is also checked whether attractiveness leads to growth potential of the industry. For this purpose, a questionnaire containing forty five statements, besides those of demographic and general information of the companies, is provided to the employees working in different event management companies. In order to ensure the reliability of the measurement scales of the underlying

constructs as well as the clarity and readability of the statements, a pilot study is performed on 58 respondents. In the final survey, 300 questionnaires were returned out of 400 questionnaires which indicates that the response rate was 75%. Some responses were omitted for having excessive missing values and outliers. Finally this has resulted into a final sample size of 231 and thus the adjusted response rate became 57.75%. In an attempt to apply mixed method approach, depth interview of three industry gurus were also taken. They have shared their experiences and insightful opinions helpful for formulation of policies.

The findings of the study reveal that out of eleven primary research hypotheses five are validated. The other six hypotheses are not validated by the model. Thus, it is suggested that, threat of substitute products and bargaining power of the suppliers have positive impacts on attractiveness of Event Management Service Industry of Bangladesh. The model also suggests that bargaining power of the customers and bargaining power of the suppliers have positive impacts on growth potential of Event Management Service Industry of Bangladesh. Finally this study also reveals that attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential. Depending on the personal interviews with industry leaders and quantitative research findings, some suggestions were given. The study was concluded with a few limitations and suggestions for future research.

Keywords: Event Management Service Industry of Bangladesh, Structural Equation Modeling, Growth Potential, Profitability, Competitive Structure.

TABLE OF CONTENTS

Title.....	i
Title Page.....	ii
Declaration.....	iv
Certificate.....	v
Acknowledgements.....	vi
Abstract.....	ix
Table of Contents.....	xii
List of Tables.....	xxi
List of Figures.....	xxiii
List of Abbreviations.....	xxv
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Rational & Justification of the Study.....	7
1.3 Objectives of the Study.....	10
1.4 Research Questions.....	11
1.5 Hypothesis Development.....	11
1.5.1 Model.....	11
1.5.2 Theoretical Framework.....	12
1.6 Limitations.....	13
1.7 Structure of the Study.....	14

CHAPTER TWO: LITERATURE REVIEW.....	15
2.1 Introduction.....	15
2.2 Event Management.....	15
2.2.1 The Challenges and Evolution of Event Management Service Industry: The Global Context.....	18
2.2.2 Scope of Event Management Service Industry.....	20
2.2.3 Experiential Marketing through Events.....	22
2.2.4 The Growth of Experiential Event Marketing.....	24
2.2.5 A Conceptual Model on Effect of Event Marketing and Justification of Using Events to Promote Brands.....	26
2.2.6 Corporate Event Management.....	30
2.2.7 Evolution of Corporate Event.....	33
2.2.8 Some Objectives of Corporate Events.....	34
2.2.9 Planning and Budgeting of an Event.....	35
2.2.10 Designing Objectives of the Event Experience.....	41
2.2.11 Systematic Procedure of Managing an Event.....	42
2.2.12 Professionalism Needed for Event Managers.....	44
2.2.13 Type and Necessity of the Services Provided by the Event Management Firms.....	48
2.2.14 Importance of Traditional and Online Services Provided by Event Management Firms.....	51
2.3 Analysis of Competitive Structure and Growth Potential of Any Industry.....	52

2.3.1	The Basic Idea.....	52
2.3.2	Definition of Industry and Strategic Importance of Proper Definition.....	53
2.3.3	Understanding the Industry's Life Cycle.....	54
2.3.4	Competitive Structure of an Industry.....	56
2.3.5	Macro Environment of the Industry.....	59
2.3.6	Necessity of Industry and Competitive Analysis.....	61
2.3.7	Competitor Identification.....	61
2.3.8	Importance of Competitor Identification.....	68
2.3.9	Changing Nature of Competition.....	69
2.3.10	Competitive Blind Spots.....	70
2.3.11	Outcomes of Competition.....	71
2.3.12	Tools of Industry and Competitive Analysis.....	71
2.3.13	Dominant Economic Features of Any Industry.....	73
2.3.14	Analyzing Type of Competition and Strength of the Competitive Forces..	73
2.3.15	The Five Forces of Competition (Porter's Five Forces Framework).....	74
2.3.16	Use of Five Competitive Forces for Structural Analysis and Development of Competitive Strategy of an Industry.....	89
2.4	Chapter Summary.....	91

CHAPTER THREE: OVERVIEW OF EVENT MANAGEMENT SERVICE

INDUSTRY IN BANGLADESH.....	92
3.1 Introduction.....	92
3.2 Part One: A Brief Idea of Event Management Service Industry in Bangladesh.....	92
3.2.1 Event Management: As Defined by Industry Leaders of Bangladesh.....	92
3.2.2 A Brief History of Event Management Service Industry of Bangladesh: Inception and the Journey.....	93
3.2.3 The Way Events are Professionally Organized.....	107
3.2.4 Growth of the Industry over the Years.....	108
3.2.5 Stage in Which Event Management Service Industry is Right Now.....	109
3.2.6 Evolution of Service Bundles.....	112
3.2.7 Capital Requirement to Start Business in this Industry.....	113
3.2.8 Exit Barriers of the Industry.....	114
3.2.9 Entry Barriers of the Industry.....	115
3.2.10 Rivalry among Competitors.....	117
3.2.11 Competitive Pressure from Substitute.....	117
3.2.12 Detail Idea about the Products Taken by the Industry from Suppliers and their Bargaining Power.....	119

3.2.13	Bargaining Power of Buyers (Service Takers).....	121
3.2.14	Expectation About Long – Term Industry Growth Rate.....	123
3.2.15	Scope of Finding New Buyer (service taker) Groups in the Near Future.	124
3.2.16	New Types of Service Demands from the Service Takers.....	125
3.2.17	Effect of Technological Change on the Industry.....	126
3.2.18	Comment of Possibility of Future Uncertainty in the Industry.....	127
3.2.19	Growth Potential of the Industry.....	128
3.2.20	Profitability of the Industry.....	129
3.2.21	Geographic Expansion Scope of Event Management Service.....	130
3.3	Part Two: Overview of Some Event Management Firms.....	131
3.3.1	Asiatic Experiential Marketing Ltd: Asiatic Exp.....	131
3.3.2	Market Access.....	136

3.3.3 Skytracker Ltd.....	138
3.3.4 CEMS Bangladesh.....	139
3.4 Part Three: Some Successful Events of Bangladesh.....	141
3.4.1 Name of the Event: LakhoKonthe Sonar Bangla.....	141
3.4.2 Name of the Event: ICC World Cup Cricket.....	142
3.4.3 Name of the Event: Google Bus Community.....	144
3.4.4 Name of the Event:Mojo Utbhot Offer.....	146
3.4.5 Name of the Event :Speed Car Racing.....	147
3.4.6 Name of the Event:NongorPheliGhateGhate.....	148
3.4.7 Name of the Event:ShukPakhi.....	148
3.5 Chapter Summary.....	149
CHAPTER FOUR: RESEARCH METHODOLOGY.....	150

4.1 Introduction.....	150
4.2 Sampling Design Process.....	150
4.2.1 Target Population.....	151
4.2.2 Sampling Frame.....	151
4.2.3	Sampling
Technique.....	152
4.2.4 Sample Size.....	154
4.3 Reliability and Validity of the Instrument.....	155
4.3.1 Reliability.....	155
4.3.2	Validity.....
4.3.2	156
4.4 Instrumentation of Measurement Items.....	157
4.4.1	Industry
Rivalry.....	157
4.4.2 Entry Barriers.....	159
4.4.3 Substitute Services.....	160
4.4.4 Bargaining Power of Suppliers.....	161
4.4.5 Bargaining Power of Buyers.....	162
4.4.6 Attractiveness of the Industry.....	162
4.4.7	Growth
Potential.....	164

4.5	Instrument	Development	
Process.....			164
4.6		Data	
Collection.....			166
4.7	Data Analysis.....		167
4.8	Findings	from	the
Study.....			172
4.8.1	Demographic	Profile	of
Respondents.....			172
4.8.2	Reliability		of
Measurements.....			174
4.9			Chapter
Summary.....			176
CHAPTER	FIVE:	FINDINGS	AND
DISCUSSIONS.....			177
5.1	Introduction.....		177
5.2	Overview	of	Collected
Rate.....			Data
			and
			Response
			Rate.....
			177
5.3	Screening	and	Cleaning
Data.....			the
			Data.....
			178
5.3.1	Checking	Errors	and
Corrections.....			Giving
			Necessary
			Corrections.....
			179
5.3.2	Identification	and	Replacement
values.....			of
			Missing
			values.....
			179
5.3.3	Dealing with Outliers.....		180
5.4			Normality
Testing.....			Testing.....
			181
5.5	Adequacy	of	Sample
Size.....			Size.....
			183
5.6	Reliability	and	Multicollinearity
Testing.....			Testing.....
			184

5.6.1 Reliability.....	184
5.6.2	
Multicollinearity.....	186
5.7 Descriptive Statistics.....	187
5.7.1 Respondents' Profile.....	187
5.7.2 General Information of Event Companies Surveyed.....	189
5.7.3 Competitive Scenario of the Industry.....	190
5.7.4 Growth Potential of the Industry.....	191
5.7.5 Profitability of Event Management Service Industry of Bangladesh.....	192
5.8 Structural Equation Modeling (SEM).....	193
5.8.1 Confirmatory Factor Analysis (CFA).....	194
5.8.1.1 CFA of Industry Rivalry (IR).....	195
5.8.1.2 CFA of Entry Barriers (EB).....	198
5.8.1.3 CFA of Substitute Services (SS).....	200
5.8.1.4 CFA of Bargaining Power of Suppliers (BPS).....	203
5.8.1.5 CFA of Bargaining Power of Customers (BPC).....	206
5.8.1.6 CFA of Attractiveness of Event Management Service Industry of Bangladesh (AOI).....	209
5.8.1.7 CFA of Growth Potential of Event Management Service Industry of Bangladesh (GP).....	212
5.8.2 Structural Model.....	214
5.8.2.1 First Run.....	217
5.8.2.2 Second Run.....	219
5.8.2.3 Third Run.....	221

5.8.2.4 Final Run.....	224
5.9 Discussion of the Findings.....	232
5.9.1 Industry Rivalry (IR).....	232
5.9.2 Entry Barriers (EB).....	233
5.9.3 Substitute Services (SS).....	234
5.9.4 Bargaining Power of Suppliers (BPS).....	235
5.9.5 Bargaining Power of Customers (BPC).....	236
5.9.6 Attractiveness of Event Management Service Industry (AOI).....	237
5.9.7 Growth Potential of Event Management Service Industry of Bangladesh (GP).....	238
5.9.8 Structure of the Industry.....	238
5.10 Chapter Summary.....	241
CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS.....	242
6.1 Introduction.....	242
6.2 Summary of Methodology and Findings.....	242
6.3 Summary of the Study Hypotheses.....	243
6.4 Policy Implications.....	246
6.5 Policy Recommendations.....	256
6.6 Problems & Hindrances, Study Limitations and Suggestions for Future Research...261	
REFERENCES.....	264

APPENDIX.....	279
Appendix One: Survey Questionnaire.....	279
Appendix Two: Descriptive Statistics.....	285
Appendix Three: Missing and Extreme Value Patterns.....	290
Appendix Four: Identification of Extreme Values.....	296
Appendix Five: Correlation Measures among the Independent Variables.....	309
Appendix Six: Modification Indices of CFA.....	310
Appendix Seven: Modification Indices First Run.....	312
Appendix Eight: Modification Indices Second Run.....	314
Appendix Nine: Modification Indices Third Run.....	316
Appendix Ten: Modification Indices Final Run.....	318

LIST OF TABLES

Table 2.1 Types of Marketing Events.....	21
Table 2.2 Specialized Event Management Firms of Bangladesh.....	33
Table 3.1 Year to Year Market Size and Growth Rate of the Event Management Service Industry of Bangladesh.....	108
Table 4.1 Demographic Profile.....	173
Table 4.2 Case Processing Summary of Basic Model	175
Table: 4.3 Reliability Statistics of Basic Model.....	175
Table: 4.4 Case Processing Summary of Extended Model.....	176
Table: 4.5 Reliability Statistics of Extended Model.....	176
Table 5.1 Normality Testing of the Items.....	182
Table 5.2 Case Processing Summary of Basic Model	184
Table: 5.3 Reliability Statistics of Basic Model.....	185
Table: 5.4 Case Processing Summary of Extended Model.....	185
Table: 5.5 Reliability Statistics of Extended Model.....	185
Table 5.6 Correlation Measures among the Independent Variables.....	186

Table 5.7 Demographic Profile.....	188
Table 5.8 General Information of Event Companies Surveyed.....	190
Table 5.9 Degree of Competition.....	191
Table 5.10 Industry Growth Potential.....	192
Table 5.11 Profitability of Industry.....	192
Table 5.12 The results of CFA for Industry Rivalry (IR).....	197
Table 5.13 The results of CFA for Entry Barriers (EB).....	200
Table 5.14 The results of CFA for Substitute Services (SS).....	202
Table 5.15 The results of CFA for Bargaining Power of Suppliers (BPS).....	206
Table 5.16 The results of CFA for Bargaining Power of Customers (BPC).....	209
Table 5.17 The results of CFA for Attractiveness of Event Management Service Industry of Bangladesh (AOI).....	211
Table 5.18 The results of CFA for Growth Potential of Event Management Service Industry of Bangladesh (GP).....	213
Table 5.19 Factor Loading in CFA.....	216
Table 5.20 Significance of the Path Co-efficients in the Revised Model (Final Run).....	228
Table 5.21 Summary of Hypotheses Testing.....	231
Table 6.1 Summary of Research Hypotheses.....	244

LIST OF FIGURES

Figure 1.1 Traditional Communication Model.....	3
Figure 1.2 Updated Communication Model.....	3
Figure 1.3 The Proposed Model.....	12
Figure 2.1 A Conceptual Model on Effect of Event Marketing.....	27
Figure 2.2: Industry Life Cycle.....	55
Figure 2.3: Industry Structure.....	57
Figure 2.4: Macro Environment.....	60
Figure 2.5: A framework to identify and classify the competitive set.....	66
Figure 2.6: Porter’s five forces model of competition: a key analytical tool for diagnosing the competitive environment.....	75
Figure 3.1 Stage of Event Management Service Industry in Industry Life Cycle.....	110
Figure 4.1: Sampling Design Process (Malhotra, 2010).....	150
Figure 4.2: The Instrument Development Process (Chen and Paulraj, 2004).....	165
Figure 4.3: Research Framework.....	168
Figure 5.1: Initial Measurement Model of Industry Rivalry.....	196
Figure 5.2: Modified Measurement Model of Industry Rivalry.....	197

Figure 5.3: Initial Measurement Model of Entry Barriers.....	198
Figure 5.4: Modified Measurement Model of Entry Barriers.....	199
Figure 5.5: Initial Measurement Model of Substitute services.....	201
Figure 5.6: Modified Measurement Model of Substitute Services.....	202
Figure 5.7: Initial Measurement Model of Bargaining Power of Suppliers (BPS).....	204
Figure 5.8: Modified Measurement Model of Bargaining Power of Suppliers (BPS)...	205
Figure 5.9: Initial Measurement Model of Bargaining Power of Customers (BPC).....	207
Figure 5.10: Modified Measurement Model of Bargaining Power of Customers.....	208
Figure 5.11: Initial Measurement Model of Attractiveness of Industry (AOI).....	210
Figure 5.12: Modified Measurement Model of Attractiveness of Industry (AOI).....	211
Figure 5.13: Initial Measurement Model of Growth Potential of the Industry (GP).....	212
Figure 5.14: Modified Measurement Model of Growth Potential of the Industry (GP).....	213
Figure 5.15: Initial Hypothesized Model (First Run).....	217
Figure 5.16: Revised Model (First Run).....	218
Figure 5.17: Initial Model (Second Run).....	220
Figure 5.18: Revised Model (Second Run).....	221
Figure 5.19: Initial Model (Third Run).....	222
Figure 5.20: Revised Model (Third Run).....	223
Figure 5.21: Initial Model (Final Run).....	225
Figure 5.22: Revised Model (Final Run).....	226
Figure 5.23: Industry Life Cycle.....	239
Figure 5.24 : Event Management Market Structure.....	240

LIST OF ABBREVIATIONS

AFBL	: Akij Food & Beverage Ltd
AFD	: Armed Forces Division
AGM	: Annual General Meeting
AOI	: Attractiveness of Industry
ATL	: Above The Line
BAT	: British American Tobacco
BCB	: Bangladesh Cricket Board
BP	: Brand Promoter
BPC	: Bargaining Power of Customers
BPS	: Bargaining Power of Suppliers
BTL	: Below The Line
CEMS	: Conference & Exhibition Management Services Ltd.
CFA	: Confirmatory Factor Analysis
CFI	: Comparative Fit Index
EB	: Entry Barriers
EMSIB	: Event Management Service Industry of Bangladesh

FMCG	: Fast-Moving Consumer Goods
GP	: Growth Potential
ICC	: International Cricket Council
IIFA	: International Indian Film Academy
IMS	: Integrated Marketing Service Ltd.
IR	: Industry Rivalry
KPI	: Key Performance Indicator
LRB	: Love Runs Blind(a Bangladeshi Rock Band)
MAPL	: Market Access Providers Limited
MI	: Modification Indices
MLE	: Maximum Likelihood Estimation
MNC	: Multinational Corporation or Company
NRB	: Non Resident Bangladeshis
OLS	: Ordinary Least Squares
REHAB	: Real Estate & Housing Association of Bangladesh
RMSEA	: Root Mean Square Error of Approximation
SBU	: Strategic Business Unit
SEM	: Structural Equation Modeling
SMC	: Social Marketing Company
SS	: Substitute Services
TTL	: Through The Line
TVC	: Television Commercial

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This is an era when the world is experiencing globalization which is nurturing fierce competition among the companies in any industry. The rate of change in the current environment is happening at a much faster rate than ever before (Meade and Sarkis, 1999). To cope with this speed of change, companies must throw away their old ways and adjust them with doing things in new innovative ways. Only then they will be able to become more agile and more competitive (Goldman and Nagel, 1995). In such a context, a company may win against its competitors only if it has the ability to face various challenges including controlling the cost, improving product quality and enhancing customer service (Lei, 2007). The third factor which is mentioned here that is betterment of customer service requires additional attention especially in service industries. In this case, providing customers with satisfactory service is the key to success. And this can be ensured by managing every service contact with each valued customer productively. Only in this way improving service quality is possible (Ding Nignet *et al.*, 2008), which will ultimately lead a service company to success.

A situation when survival in such a competitive situation has become so difficult, managers are adopting various marketing actions like new product introductions and promotional incentives to cope with the bitter fight of existence so that the company can improve its financial performance and ultimately can survive (Pauwels *et al.*, 2004). This study emphasizes the crucial role of promotional incentives which ultimately means

proper marketing communication with the target customers. Here it is to be noted that approaches of marketing communication are also changing to face the speedily evolving market environment. Now it is a time when managers who are specially assigned for marketing communication are facing huge challenges in their efforts because of increased media and audience fragmentation, greater competition in the media market, and decreased effectiveness of traditional advertising and promotion (Duncan, 2005; Fill, 2006).

In this situation renowned marketing guru Philip Kotler has emphasized on two major issues:

- i) *Problem of Fragmentation of Mass Media.* To face this situation marketers are trying to develop focused marketing programs in an attempt to build close relationship with customers in narrowly defined micro-markets.
- ii) *Opportunity of Segmentation Marketing.* This is because of major improvement in information technology devices using which marketers can keep closer track of customer needs. These devices also help marketers for customization of promotional approaches so that they can reach smaller segments. This is causing the shift from mass marketing to segmented marketing which is ultimately leading to a new generation of more specialized highly tailored communication efforts (Kotler, 2003). This effort is also popularly known as micromarketing.

It is an established fact that the current consumers deserve and demand individual attention in terms of marketing communication. To analyze how marketers used to communicate with customers previously, the traditional communication model could be

checked which was little bit one way in nature as presented in Figure 1.1 (Vigneron F., 2012):

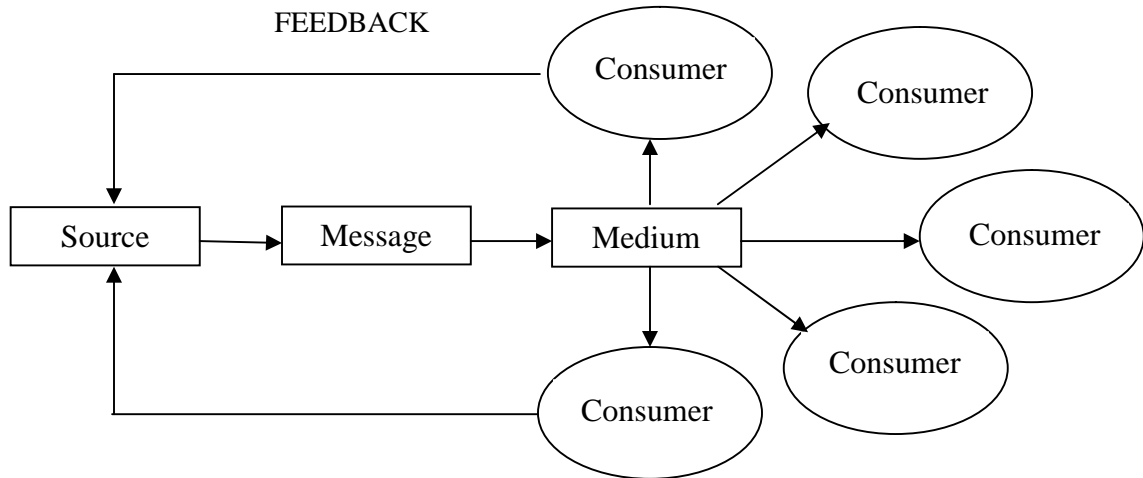


Figure 1.1: Traditional Communication Model

The updated communication model is a perfect two way communication model as could be comprehended in Figure 1.2 (Vigneron F., 2012).

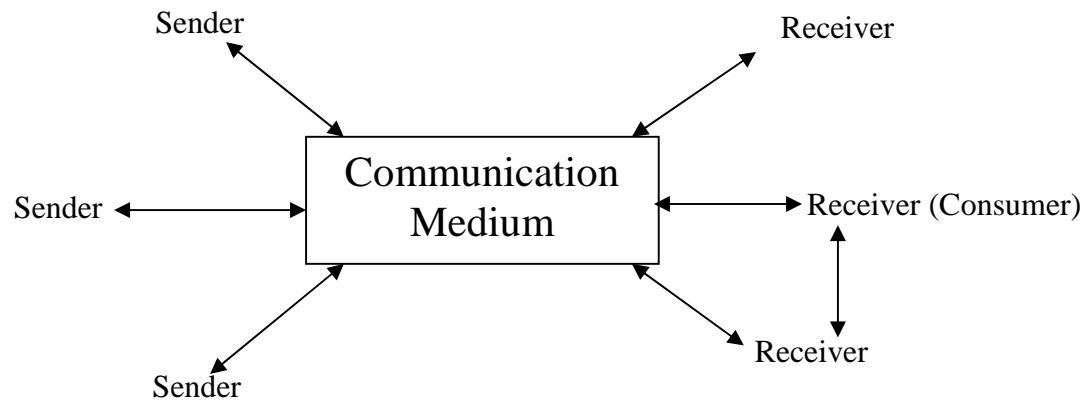


Figure 1.2: Updated Communication Model

It is evident from figure 1.2 that consumers are now proactive in communication process. They prefer personal interaction. Therefore, a situation has been arisen when

marketers are bound to constantly looking for new ways to communicate with consumers (Belch *et al.*, 2007).

We know that advertising, sales promotion, personal selling, public relations and direct marketing are the elements of promotion mix. Among these, advertising was the most popular element in recent past. However, now-a-days, there are too many companies trying to advertise their products through too many available media options. A situation when consumers are totally confused. As a result, advertising is no more as effective as before (Kotler, 2003). At the same time, because of its one-way nature, present conscious consumers do not get answers of their queries through this way of communication. On the other hand, sales promotion does not produce loyal customers, they can only produce non-loyal deal prone customers (Kotler, 2003). Personal selling and direct marketing are good solutions where two way communication between consumers and sellers is taking place. Personal selling is playing a vital role in selling of industrial goods (B to B business), unsought goods and pharmaceuticals through two-way-communication. However, in case of selling normal goods, communication with each consumer using personal selling is totally impossible. The number of target consumers in this case is too large to communicate at individual level. A unique problem which can be solved only by effective use of events where consumers can take part and can interact with the company personnel. It is a way of positive public relation as well. So, the companies have started using events widely and in doing so they are taking professional service of event management firms.

Before elaboration of the services given by the event management firms we need to know what it means. PEGASUS Events, a Mumbai based renowned event management company, defines Corporate Event Management as a service which encompasses the study of the details of different brands, recognizing the target audience, creating event models and above all planning the logistics (PEGASUS Events, 2010).

To organize a corporate event properly, the basic requirement is a well-planned arrangement from starting to ending. The event management services will depend on the nature of the event and target audience. To make the event successful, the event management service provider manages and arranges all the essential things for the event professionally (CEMS, 2010).

Full range of Event Management functions includes: marketing, including program design, distribution and implementation; hotel / venue site selection and contract negotiations; construction of booths; media proposals; media advertisement for the event (Print / Electronic Media); all kinds of printing and designing; different kinds of P.R. materials; air and ground transportation negotiations & arrangements; food & beverage arrangements; clearing and forwarding (events related); tour management; program development; speaker selection / contracting; program evaluation; registration, both advance and on-site, including acknowledgements badges, credentialing, security and admissions control; entertainment contracting; development of staging guide; development and delivery of giveaways (gift, prize, etc.) for all functions; pre-event planning and execution of tactical sessions; equipment rental services; insurance / risk assessment and coverage; and special event planning and management etc.

Now-a-days successful corporate events are getting very much importance to all companies. It leaves a memorable experience for the participants, which helps to improve company's goodwill and branding. This is the reason why companies are investing huge money to hold annual events in an attempt to boost up their brand image. Although Event Management is an evolving industry yet, it has made inroads within all reputed corporations. The corporate houses are using events to promote their products to the target audience directly and to improve their brand image.

As mentioned earlier, we are going through a time when survival in any industry across the globe has become very difficult because of fierce competition among the competitors. The organizations are searching various ways and trying to explore opportunities to increase revenue and customer base. Business experts feel that corporate event management is one of the best ways to achieve this goal.

Corporate event management is a very dedicated process seemingly impossible without the help of a professional event management company. High standard of professionalism should be ensured to organize a corporate event so that the event can attract target customers and other business associates. The company offering the service should be a one stop shop that takes care of every requirement of the planned event. The corporate houses should take services of event management companies especially in organizing big events like launching a product, road show, galas and media events with corporate sponsorship (CEMS, 2010).

The necessity of these types of services was felt by the corporate houses of Bangladesh long before. Initially advertising firms started giving support as and when

needed. In 1992, CEMS Global, a USA based event management company, started its full-fledged operation here in Bangladesh under the name CEMS (Conference & Exhibition Management Services Ltd.) Bangladesh. In the last 25 years some other multinational event management companies have also started their operations. Some local event management companies like Market Access Providers Limited (MAPL), Asiatic Exp., Skytracker are also doing well. At the same time, lot of medium and small event management firms have also started giving their service. The client group for this industry is basically corporate houses. However the demand for this service is coming from other client groups as well. For example, event management service industry has started to extend its service even to cover family circle events like 'Gayee Halud'. Event management has emerged as a new and very potential service industry of Bangladesh. However no detail study has been done to find out the prospects and constraints of this industry. In this context, the research is aimed at investigating the competitive structure and growth potential of this industry.

1.2 RATIONAL & JUSTIFICATION OF THE STUDY

Promoting a product or brand using conventional approaches starting from advertising up to sales promotion are not as effective as before. There are various reasons: the number of brands has increased; competitors use promotions frequently; many brands are seen as similar; consumers are more price-oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints (Philip Kotler, 2003). In this situation, organizations are considering other alternatives to promote their products. Now-a-days, organizing various events to promote products has become very popular. A successful corporate event of an

organization leaves a memorable experience for the guests, it helps to increase the company's goodwill and brand value. Therefore, it is very common to see corporations investing their money to hold annual events to help boost up their brands (PEGASUS Events, 2010).

Event Management is the new catchphrase on the media, glamour, social or corporate world. If a company wants to launch a new product, reposition an existing product, or create a memorable experience regarding a brand it can do it by arranging events like cultural programs, sports events, customized events considering product and target audience etc. The service has already got a standard form, not something done by public relations personnel or advertising agency guys as before. Now, in most cases, events are organized by professional event management companies where professionals are taking care of every minute details, right from creative planning, selection of venue, guest invitation, stage decoration, food and drink catering up to media coverage, database maintenance etc. Currently the scope of event management industry is beyond the horizon. They are taking care of not only corporate events like Annual General Meeting (AGM) but also any social events like Marriage Ceremonies. However, when the question is managing corporate events it demands very high professionalism (TEEMS, 2012).

Corporate events need to be professionally managed by someone who understands the ultimate aim of organizing such an event. There are now professional services offered by companies in our country who are specialized in corporate event management. But situation was not like this even 25 years before. In 70's and 80's decades, organizations

used to take help from various service providers for arranging an event. Various groups like interior designers, printers, labors, photographers, programs presenters, performers (like singers, dancers, comedians, actor, actress), volunteers, sound system providers, ad agency to communicate with media, food suppliers etc. had to contact separately. Situation changed in early 90's when some firms started providing the total solution. The concept of event management service was developed. Initially renowned advertising firms of Bangladesh like Asiatic, Interspeed, Mediacom Limited started giving support to the giant national and multinational companies as and when needed. The organizations those have taken services from these firms have become satisfied because of the prompt and professional service provided by them. Nowadays the organizations think that the huge time needed to arrange an event could be better used in some other activities if a professional firm can be made responsible for this. Sometimes engaging an event management firm is even cost effective. As the firm provides the total solution it can offer item wise possible lowest price. This is possible because the service provider firm considers the total profit not item wise profit. Firms providing a specific service cannot compete with this industry because of this comparative advantage. As a result, the demand for this service is increasing progressively. Now various types of events are being managed by this industry. Situation is demanding specialization. Market of event management service industry is becoming segmented. Some specialized firms have become successful by offering only a specific service. Windmill, an event management firm established in 1999, has positioned itself as one of the most dependent firms for arranging various types of fairs. Antar Show Biz is another successful firm for arranging musical events. The service has become so popular that all top advertising firms like

Asiatic, Expressions Ltd., Adcomm, Matra Advertising Ltd., Bitopi, Madonna Advertising Ltd., Protisabda Communication have been forced to introduce separate event management wings. This proves that the industry is growing. The prospect of this industry is very good. However the industry has not got any specific structure. There is no formal association to represent the firms of this industry. There is no set criteria for starting business as an event management firm right now. By taking this opportunity, some novices are entering into business, sometimes getting some tasks, and ending with a disorganized event. This is very much harmful for the reputation of a newborn industry. Situation demands setting some guidelines. Not some arbitrary guidelines, some guidelines based on research. However no visible research is going on. This is the reason that initiative has been taken to carry out an in-depth research on this sector.

1.3 OBJECTIVES OF THE STUDY

The broad objectives of the research are:

- ✚ To assess the competitive structure of Event Management Service Industry of Bangladesh (EMSIB).
- ✚ To identify the major growth constraints and find out the future prospects of EMSIB.

Specific objectives for further clarification are:

- (i) To examine the effects of the threat of the new entrants, substitute services, and rivalry on industry attractiveness.
- (ii) To assess the impact of bargaining power of suppliers & customers on industry attractiveness.

(iii) To examine the effects of the threat of the new entrants, substitute services, rivalry, bargaining power of suppliers & customers on growth potential of EMSIB.

(iv) To ensure the impact of industry attractiveness on the growth potential of Event Management Service Industry of Bangladesh (EMSIB).

1.4 RESEARCH QUESTIONS

To fulfill the objectives of the research, the following questions are framed:

- ✚ What structure Event Management Service Industry of Bangladesh has obtained within last 25 years after its formal starting?
- ✚ What competitive situation is prevailing among the participating firms of the industry?
- ✚ What are the constraints of growth of this industry?
- ✚ What are the opportunities the industry can capitalize for proper future prospect?
- ✚ What are the threats coming from new entrants, substitute services, and rivalry?
- ✚ What type of bargaining power suppliers and customers are enjoying?
- ✚ What is the impact of industry attractiveness on growth potential of this industry?

1.5 HYPOTHESIS DEVELOPMENT

1.5.1 Model

It is an established fact that in order for a business to choose its desired competitive position, it must start with an analysis of the attractiveness or profitability of the industry to which it belongs. By far, the most widely used model to gain insights into the competitiveness of an industry is the Five-Forces Model introduced by renowned professor of Harvard Business School, Michael Porter (1980). This model forever

changed how academics, consultants, and managers would view competitive environments (Stanley *et al.*, 2002). The same model was used to analyze the attractiveness of event management service industry of Bangladesh. However, an extension of the model is attempted by introducing a new construct, Growth Potential of the Industry. Ultimately, it is also checked whether attractiveness leads to growth potential of the industry. The model is presented in figure 1.3.

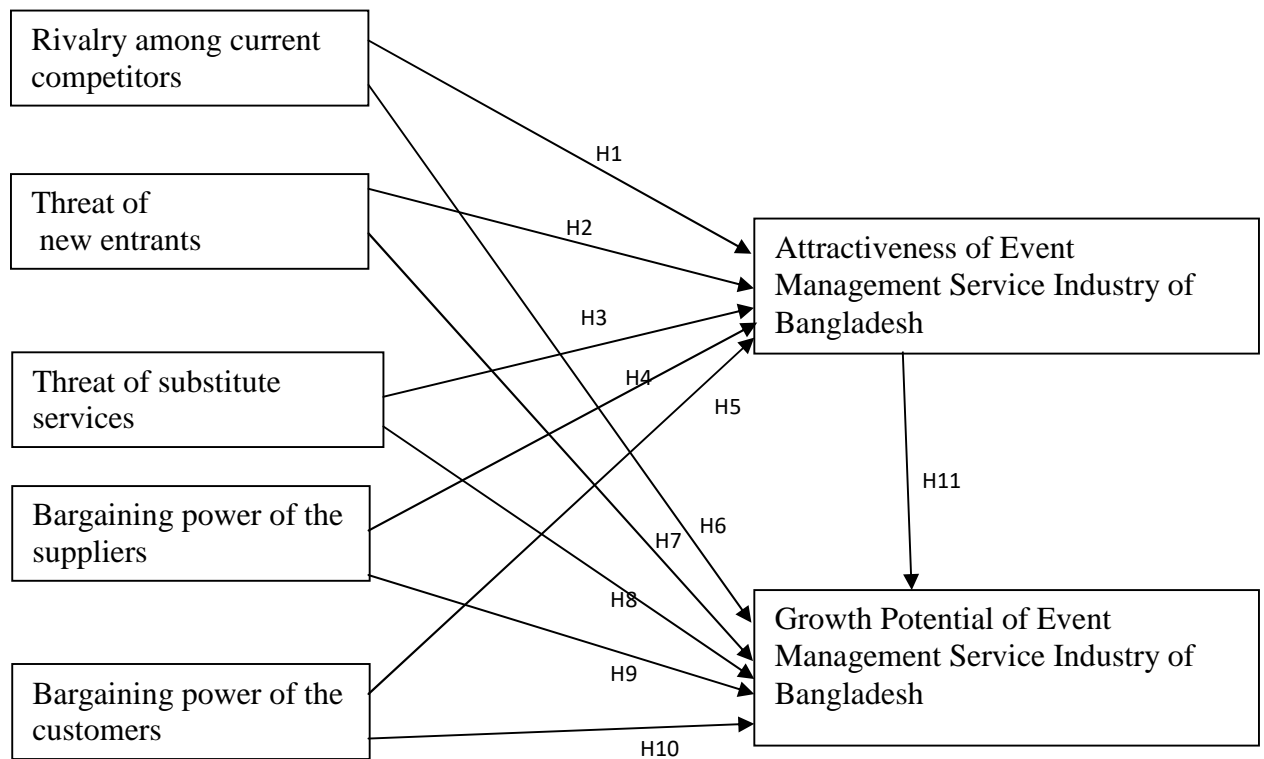


Figure 1.3: The Proposed Model

1.5.2 Theoretical Framework

As per the proposed model, the research tests the following hypotheses:

H1: Rivalry among current competitors is positively related to attractiveness of Event Management Service Industry of Bangladesh.

H2: Threat of new entrants has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

H3: Threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

H4: Bargaining power of the suppliers has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

H5: There is a positive relationship between bargaining power of the customers and attractiveness of Event Management Service Industry of Bangladesh.

H6: Rivalry among current competitors is positively related to growth potential of Event Management Service Industry of Bangladesh.

H7: Threat of new entrants has a positive impact on growth potential of Event Management Service Industry of Bangladesh.

H8: Threat of substitute services exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh.

H9: Bargaining power of the suppliers has a positive impact on growth potential of Event Management Service Industry of Bangladesh.

H10: There is a positive relationship between bargaining power of the customers and growth potential of Event Management Service Industry of Bangladesh.

H11: Attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential.

1.6 LIMITATIONS

The research was conducted only in Dhaka, Comilla and Khulna. Other divisional and district headquarters could also be covered to make it more representative, however it

could not be done because of resource limitation. Another limitation is that the study has mainly considered the opinions of the service providers (owners and top level executives of the industry), opinions of the service takers (corporate houses, family circles) have taken only in few cases. Cross verification could not be done perfectly because of this limitation.

1.7 STRUCTURE OF THE STUDY

The study is presented in six chapters. The first one, the introductory chapter, includes background of the study, rationale and justification, research objectives, research questions, hypothesis development and limitations. The second chapter focuses on an extensive review of the extant literature on event management service industry and analysis of its attractiveness & growth potential. This chapter is followed by chapter three which is the overview of event management service industry of Bangladesh. Chapter four sheds light on research methodology. Chapter five includes findings and discussions. Chapter six, the concluding chapter, presents policy implications, policy recommendations, study limitations and suggestions for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter will present an extensive literature review of prior studies conducted in the two prime areas of the current research, e.g.i) event management and ii) analysis of competitive structure and growth potential of any industry. The review will help to understand event management in detail and also help to find out the ways of analyzing the industry.

2.2 EVENT MANAGEMENT

It is evident that events are emerging worldwide and are seen to have significant economic and socio-cultural impacts on the destination and host society (Yi-De, L., 2014). Already events have become fundamental to our society, bringing together different levels of experiences to the participants and for the communities (Cláudia Ribeiro de Almeida, 2014). Bowdinet *al.* (2006) observes that increases in leisure time and discretionary spending have led to a proliferation of public events, celebrations and entertainment. According to Ørnbo, *Jet al.* (2004) “An event can be defined as a ‘live’ themed activity (e.g., music festival, sporting event, etc.) in order to achieve marketing objectives”. Getz (1997) opined that an event is a well-planned occasion that provides extraordinary experiences by involving cognitive, emotional, sensory and relational values for attendees, including a broad spectrum of forms, e.g. cultural celebrations, sports competitions and art/entertainments such as concerts and performances. Events may also

be considered as part of the broader concept of experience marketing where events are a part of this experience communication. It can be claimed that an event is a marketing communication activity which needs high level of involvement. It gives the opportunity to the prospective customers to get a direct idea about the product, talk to the company personnel, and get answers of queries that make them very much satisfied. It is not exaggeration if we claim that events have the capability to give a warm feeling and make the participating target consumers emotional and involve with the company and the products and that is the main reason why the event-based communication becomes differently visible and 'alive'. So message given by this way is capable of creating stronger effect than through any traditional communication channels. Communication with the target customers using events also has the capability to stimulate word of mouth, and influence others who have not participated in the event.

Event management is a fast growing form of marketing communication. The researchers have started study on event management very recently, and the field has seen rapid change in research focus (Seunghyun, B. Park *et al.*, 2017). It is also mandatory to point out that very few researches have been carried on how consumers are affected by events (Anne Martensen *et al.*, 2008). It is already mentioned that event marketing has also been termed as experiential marketing, lifestyle marketing, relationship marketing, public relations and marketing communications. Schreiber and Lenson (1994) have included a topic on the development of event marketing in their practitioner focused text on lifestyle and event marketing. It was very much unfortunate that their attempt did not encourage others to undertake research in this area. McCole (2004) also recognized this lack of academic research in these areas of event and experiential marketing. They

considered this as an indication of the lack of proper liaison between academia and business and emphasized on the necessity of immediate development of marketing theory in these areas which should be closely aligned with practice. In an attempt to identify the issues and challenges of event marketing, Gupta (2003) found that a 'lack of a systematized body of knowledge and conceptual framework on which to base scientific inquiry' is the major challenge of event marketing.

Although there are some sectors where event marketing practice has become common, no visible research has been observed in academic literature. To lead practice within tourism and hospitality marketing, Williams (2006) emphasized on more event marketing research. In marketing of arts, Petkus (2002) advocated for a greater understanding of the relationship between events and experience. Only exception is the case of Germany where event marketing has been more widely utilized and researched, particularly within the areas of sports marketing and sponsorship. However, it is surprising that despite event marketing's growing importance as a communication tool, the academia of the UK and US has not given due emphasis so far (Wohlfeil, 2005). It is encouraging that some academicians have started to work on this field recently. Emma Wood who is Reader in Festivals and Event Marketing at the UK Centre for Events Management, Leeds Metropolitan University is working with Phil, Crowther (2010), Senior Lecturer, Events Management Team, Sheffield Business School, Sheffield Hallam University on this issue. According to them event marketing is not only a tool of communication but also a very strong and innovative tool of marketing. They are claiming that, "Event marketing encompasses a wide range of event types from exhibitions and trade shows to publicity stunts, themed and created events and corporate entertainment. In fact there are very few

events which could not be used for a marketing purpose as all communicate something to a target audience. Events can be used to perform a number of marketing functions like communications, relationship and loyalty building, database compilation, targeting, brand enhancement and personal selling. Event marketing is not, therefore, merely another form of promotion but a new way of marketing which fits well with society's demands in this new millennium. It has the ability to deal with small groups or individuals, to be customized, to create interactivity, involvement and interest and to cut through the clutter of competing brands. Events can be and often are related to worthy causes and social responsibility and take an audience through from initial attention and interest to purchase, use and post experience evaluation, reward and loyalty. Event marketing is, therefore, experiential marketing in its practical form. Events should be wisely used as a modern marketing tool. It could be claimed that the connection between event objectives and marketing strategy is pivotal (Phil, Crowther, (2011)).

2.2.1 The Challenges and Evolution of Event Management Service Industry: The Global Context

The world of event planning has started to grow, evolve and change hugely over the years all over the world especially after 2000. The industry is evolving just to cope with the rapidly changing world. Now-a-days professional event planning companies require to handle corporate events, social events, nonprofit events and wedding (wedding planning has now grown into a multibillion-dollar industry and falls under the umbrella of professional event planning). The event management industry has developed into a multibillion-dollar global industry with specialty niches that did not exist before 2000. In the past, event planners worked for an incentive house, meeting planning company or

communications firm, or in-house directly with the corporate client. Today, independent event and meeting planners have set up innovative boutique operations and are having great success working with clients who are looking to collaborate with those who are masters of creativity, have a history of successful event delivery and who may be able to offer more flexibility than larger firms and are no longer concerned with the size of the event planning company they are working with (Allen, Juddy. 2009).

Many long-term event planning companies are now finding themselves competing for business with a flood of newcomers, and this is changing how business is being both sought and conducted (e.g. many are working in partnership with hotels, resorts and venues and offering volume rates if a client will sign up for more than one event).

In the past one decade, event planning has also evolved in many areas. It is now a proven means for a corporation to increase brand awareness, develop new business, nurture customer loyalty and drive growth, and corporate clients are looking for event planners who not only understand event design, strategic planning, logistics, timing and budget management, but are proficient in how events can be used to market and brand their company and set them apart from their competition. Being able to motivate their employees is no longer enough as clients are now aware of how events can be staged to meet multiple company objectives and are looking to align themselves with event planning companies who can help them acquire this skill.

Apart from the normal events management, event planners need to deal with not only a company's sales and marketing team but also with their procurement team. One growing area of concern in the industry is the escalating hard costs of preparing a client proposal which may range up to \$ 15,000 with no guarantee of contracting the business.

In this context, just as the corporate client is looking for a return on their investment of time, energy and money, so must the event planning company, and there is a shift that must be made from positioning the event planning company as a service industry to marketing and selling professional services, knowledge on how to design an event that produces results and meets company objectives, and event planning expertise.

Another great concern is about security. Event security and airport security have all changed since 9/11 and that is affecting how participants travel, whether they travel to and security requirements on-site at hotels, resorts and venues. This area now falls under event planning design, logistics and on-site requirements.

Other major industry changes since 2000 also include technology, sophisticated multimedia presentations with storyboards, insurance and contract terms, conditions and concessions in terms of protecting a client's deposit and / or moving their event, for example in cases of disasters, such as New Orleans where a city's entire infrastructure disappeared, or in countries where recent murders of tourists have corporate clients and their guests wary of traveling to the area. Other areas of change include how corporate events are being played out in the headlines, with company executives – and those they did business with – being held personally responsible for breaches of company ethics, poor business etiquette and inappropriate event spending.

2.2.2 Scope of Event Management Service Industry

Philip Kotler (2002) defines events as occurrences designed to communicate particular messages to target audiences. Suresh Pillai, Managing Director, Eventus Management, considers events as an additional media whereby two-way or active communication is possible (Articles Base, 2009). The agency, Jack Morton International (2010), provides a

useful working definition of event marketing, “Live events where audiences interact with a product or brand face to face”. Examples of typical corporate events marketing covered by this definition have been summarized below in Table 2.1

Table 2.1
Types of Marketing Events

Serial Number	Types of Event
01.	Incentive / Reward Events
02.	Conferences
03.	‘Created’ events
04.	Competitions / contests
05.	Charity fundraisers
06.	Product launches
07.	Product sampling
08.	Road shows
09.	Exhibitions
10.	Trade shows
11.	Open days
12.	Publicity events
13.	Press conferences
14.	Corporate entertainment

Traditionally events have been indirectly referred to as a post marketing activity and the event management firms have been assigned the classic production responsibility just like the function of the production unit of any manufacturing firm. Now-a-days the term event management carries a totally different implication. It includes all activities involved in planning, organizing, staffing, leading and evaluation of an event. Event management firms are liable to arrange all operational tasks like selection of venue, designing of stage, arranging the infrastructural facilities, maintaining liaison with performers and artists, and coordinating other activities like advertising, PR, ticket sales, etc.

2.2.3 Experiential Marketing through Events

Experience can be defined as the field of interest of management which involves a personal occurrence with emotional significance created by an interaction with product or brand related stimuli (Holbrook and Hirschman, 1981). It will become experiential marketing if the result is 'something extremely significant and unforgettable for the consumer immersed into the experience' (Caru and Cova, 2003). As observed by Ostiet *al* (2012) and Ayobet *al* (2013) visitors' experiences and perceptions of an event are affected by a full range of tangible and intangible, static and interactive elements, comprising the event theme, the venue facility and design, performances, games, services and so forth. Another important aspect is that to achieve intended marketing objectives old experiences are not fruitful and the greatest effect will be gained only through fresh experiences. The perfect effect will be occurred when the consumer is completely immersed in the experience. This state is called the 'flow state'. This will be achieved only if the event can provide a high level of challenge and ensure an appropriate level of experience to the consumer (Csikzentmihalyi, 1997, Arnould et al, 2002). So the biggest challenge of the event marketer is to create an event which is capable of providing the appropriate level of challenge or stimulation to the skill set of the target audience. Therefore it is possible that different consumers will experience the event differently. Some of them may become excited, some worried, and some may even become bored. The most common example for this is the test drive of a newly launched saloon car around a race track, depending on the past experiences, liking or disliking of speed, abilities and knowledge of the target audience this is possible that for somebody this could be thrilling, inspiring and novel and

in contrast for someone this could be overly challenging and ultimately painful or terrifying experience.

Every event should be well planned so that it can create a ‘flow state experience’ for the majority of the participants. So the event planner should involve challenge, surprise or novelty or challenge. Wood and Masterman (2007) identified seven event attributes (the 7 ‘I’s) which enhance the event experience:

- i) Involvement – an emotional involvement with the brand, the event, the experience.
- ii) Interaction - with brand ambassadors, with other attendees, with exhibits, with the brand.
- iii) Immersion – of all senses, isolated from other messages.
- iv) Intensity – memorable, high impact.
- v) Individuality – unique, one-to-one opportunities, customization. Each experience is different.
- vi) Innovation – creative in content, location, timing, audience etc.
- vii) Integrity – seen as genuine and authentic and providing real benefits and value to the consumer.

It was the suggestion of Caru and Cova (2003) that marketers need to recognize the difference between ‘consumer experience’ and ‘consumption experiences’ as well as between those that are ordinary and commonplace and those that are extraordinary and result in changes in learning, attitude, behavior. It is an opportunity for the event marketers that if they can involve some ‘extraordinary’ aspect for the majority of the

audience they can use experiential events for both consumer and consumption experiences and in this way they can reach communication goals.

2.2.4 The Growth of Experiential Event Marketing

It was ascertained by Schmitt (1999) that just to respond to today's 'prosumers (a consumer who becomes involved with designing or customizing products for their own needs)' who seek a special type of marketing which is related to them as an individual and which respects and recognizes their need for novelty and excitement the concept of experiential marketing has been arisen. However, even before it was known that consumers have deep desire for stimulating experiences only recently marketers recognized that this deep inner desire can be exploited successfully through more sophisticated experiential marketing techniques (Holbrook, 2000).

The experts of experiential events marketing try to segment people according to their personality type, values, enjoyment and social group. Through this process it is possible to group the target customers with quite diverse traditional segmentation characteristics. When the brand gets a sympathetic response from the value set of the target customer, a link is established between individual and brand. As this link is emotional rather than merely functional it could be expected that the customer will be loyal (McCole, 2004). Certainly the event is capable of giving a strong everlasting emotional touch because of the psychological participation of the target audience in the marketing communications of the organization/ brand. So we can conclude that experiential consumption can be primarily psychological or hedonic (pleasure seeking, consumption as an end in itself) or instrumental (rational, problem solving, need driven)

or a combination of the two (Lofman, 1991). It is a big opportunity for event marketers that this theory not only can be related to consumption of the product but also can be applied to consumption of the marketing communication itself. Target audience will get pleasure from viewing the ad, surfing the website, or attending the event. As a result marketing events has become a product in its own right rather than merely a promotional tool.

Numbers of factors contribute to the growth of experiential events marketing. **Firstly**, the traditional media has been overused and a subsequent need has been arisen to do something different from competitors; **secondly** today's consumers have deep desire for novelty, individualism and added value; and **thirdly** a need has been arisen to establish an emotional attachment to brands which are largely functionally undifferentiated. *This growth has been further geared up by the propagation of event marketing specialist agencies who are even involving themselves in number of related areas such as **field marketing using samples and gifts, event planning, brand management, public relation and advertising.*** As many large organizations have found that event marketing is more effective and able to produce even more creative, unique and highly tailored marketing communication than the traditional ways, they are switching marketing expenditure to this method. Further growth has been stimulated because of some published survey results, such as the marketing agency Jack Morton's online survey of 1625 respondents in US, UK, Australia and China. The headlines from this survey were that live marketing events are one of the most effective methods for influencing behavior (Latham, 2006).

2.2.5A Conceptual Model on Effect of Event Marketing and Justification of Using Events to Promote Brands

Over the past decade, the number of companies sponsoring events has increased. However, it is not clear to many companies how they can measure the effectiveness of event marketing activities (Julie Z. Sneath. et al, 2005). In this situation, initiatives are being taken by some researchers to give proper solution. A model has been proposed that has considered ten variables. The model links the response variable buying intention to its drivers such as brand attitude, event attitude, brand emotions (positive and negative), and event emotions (positive and negative). These are eventually linked to brand involvement, event involvement and the fit between the event and the brand. The arrows in the model in Figure 2.1 show the hypothesized relationships between the variables. The model has been developed on the basis of relevant theories and empirical studies, as well as practical experiences with the measurement of sponsorship value (Anne, Martensen and Lars, Grønholdt , 2008). The model has been shown schematically for proper understanding in the following.

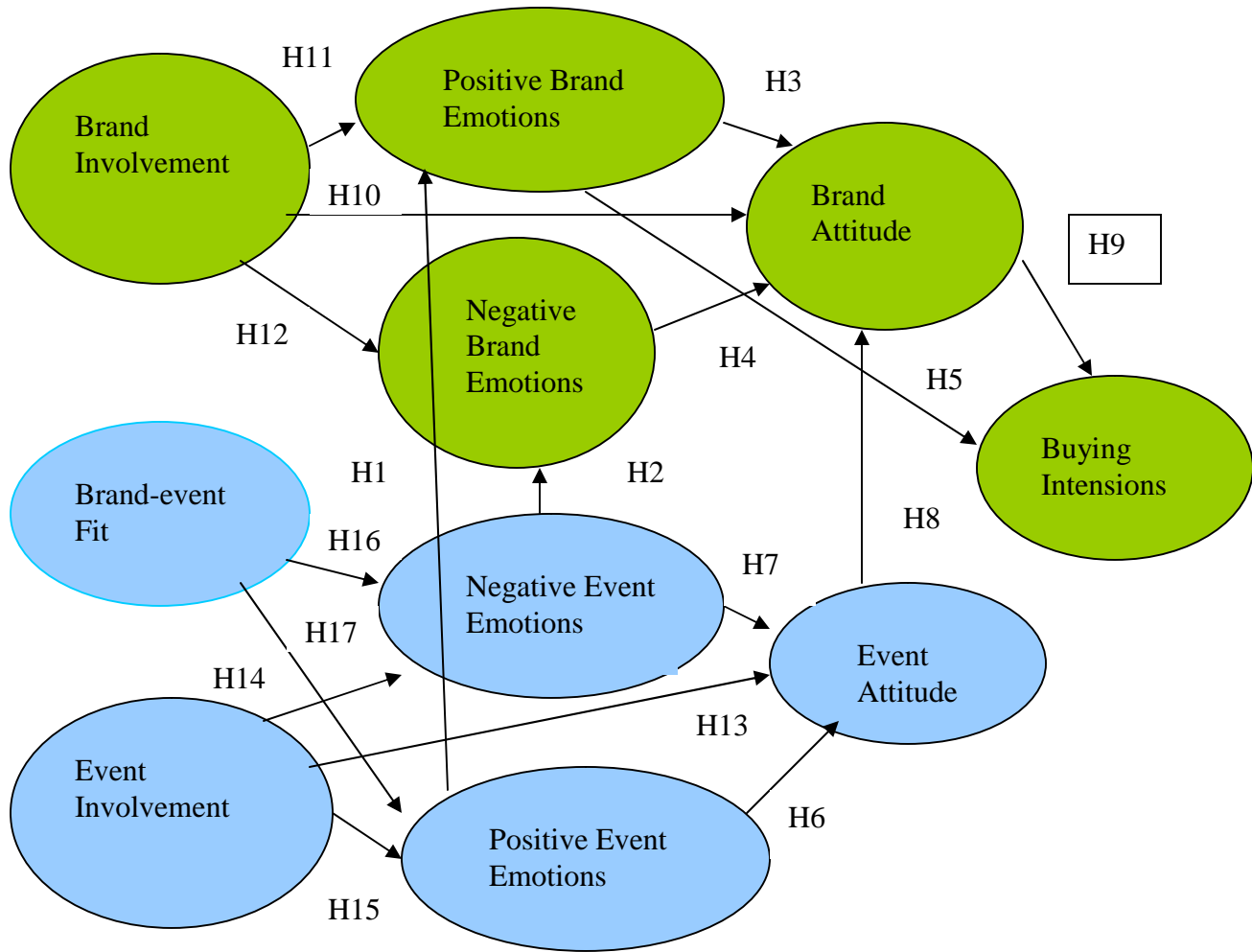


Figure 2.1: A Conceptual Model on Effect of Event Marketing

Here H1, H2, H3 are the links between event and brand.

Figure 2.1: A conceptual model for the measurement of the effect of event marketing

It is a model where a multifaceted way of processing the event information has been developed. According to the model there are two routes in creating the brand attitude and buying intention. One is the central route focusing on the brand. The other is the peripheral route focusing on the event experience. The two routes are linked with one another via the positive and negative emotions as well as via the attitudes.

To justify this phenomenon, it should be mentioned here that Consumer Behavior research emphasizes the importance of emotions for consumers' choice (Hansen, 2005, 2006). Further, neurological and neuropsychological research has strongly advocated for the importance of emotional processes for most kind of human behavior (Damasio, 1994, 2000, 2003 and LeDoux, 1998, 2002).

It is the opinion of Hansen (2005, 2006) that most consumer choices are characterized by limited cognition, but to a high degree controlled by emotional responses. This opinion is also supported by Heath (2001) who observes that many consumers find that the well-known brands practically perform well. Ultimately, it can be suggested that the consumers are not that much capable to make his / her choice based on rational arguments, rather he / she makes the choice mainly based on intuition. This phenomenon is very much important in relation to an event, which is an experience medium so this can be used properly to make consumers emotionally involved with the brand.

Focus may be on the brand or the event depending on how the event is structured. In case the event focuses on the brand itself, the level of involvement will be so high that the processing will go through the traditional, cognitive/central route. However if the event is structured with a high level of involvement with the event itself, the processing will not go through the central route, therefore the receiver will not process the information cognitively, but only receive and store the information more or less unprocessed and unconsciously. That is why the receiver will not ultimately pay attention to the product specific arguments in the event, but instead concentrate on the event itself and the peripheral cues such as background music, humor, the experience element, etc. It is

important whether the message is constructed with elements of storytelling information or if it focuses on the more emotional experiences and depending on this it will be decided how the event is processed and the effect it might have.

There are also some other factors which also demand proper consideration: i) whether the product is of high or low involvement category, ii) whether the product is new or established one, iii) the loyalty status of consumers in this product category, iv) how much perfectly the event is fit with the brand. They may also have a crucial influence on how the information is processed.

The model suggests that experience of the event itself creates some positive as well as negative emotions toward the event (rather than toward the brand). These emotional responses ultimately affect the event attitude. Further, the assumption is that both the positive and negative emotions toward the event may influence the nature and extent of the parallel central brand information processing, however only on the emotional level. It indicates that the positive emotions created by the event will have a positive emotional impact on the brand and in the same way negative event emotions will have a negative impact. Ultimately it can be concluded that the consumer's perception of the event helps to create or change the preference toward the brand.

Oatley and Jenkins (1995) suggested that the function of emotions is consciously or unconsciously to decide whether we should act on a certain stimulus. Therefore, whether the person would direct his/her attention further to a certain stimulus depends on the consumer's positive or negative emotion to a stimulus. As a result, emotions are instinctive as we use them consciously or unconsciously to evaluate our current situation (Du Plessis, 2005).

Martensen and Hansen (2004) proposed a model called sponsorship value model in which they confirmed a previous assumption that positive emotions have a direct and positive effect on the buying intention, while the negative emotions have a direct and negative effect. At the same time the authors found that the numerical impact of positive dimensions is greater than negative. Eventually it was concluded that positive brand emotions have a positive effect on buying intention. The marketers can be ensured depending on the results of the aforesaid studies that they can effectively use events for proper marketing communications of their brands.

2.2.6 Corporate Event Management

Corporate Event Management includes the study of the details of different brands, recognizing the target audience, creating event models and above all planning the logistics (Article Base, 2009). As we all know industrialization is hovering all over the world, a situation when corporate giants are using different strategies to stand firm in the market against their competitors. In an attempt to increase the popularity of goods and services as well as to reduce the gap between employees and management, different types of events are organized at regular intervals. These types of events are known as corporate events. Some of the corporate events are like: trade show, road show, fun dress gala, media presentation, exhibition, annual meeting, seminars or any adventure sport. When it comes to proper planning and management of the event, corporate houses always prefer to take the help of corporate event management companies. It is through these events that they grasp many important projects and celebrate important achievements. The bigger the client the better management is must, which is possible only by the efforts of the professionals who can make the event fruitful. To make the events memorable and

successful many corporate event management companies are working. It is known that the first impression is the last impression. So, it is more than essential to make every minute thing perfect so that the starting of the event becomes eye-catching. This can be ensured only by involvement of event management firms.

The basic requirement for corporate event management is a well-organized planning and implementation from starting to finishing. What type of service / services the event management firm will provide will depend on the nature of event as well as the characteristics of the targeted audience. Event management service providers manage and arrange all the essential things necessary for the event in such a skilled and professional way that the event becomes exclusive, superb and unforgettable.

Corporate event management service providers also give support so that the events get all online facilities and provide with integrated system to collect online as well as offline payments, send invitations online as well as offline, manage tickets and provide advanced reporting system. When these event planners offer online services, they inform attendees about an event with custom-made email. Furthermore, these planners present a vital solution to help the clients create event tickets, get the web ticket sales on the right track and record the details while promoting and selling tickets online. Their works not only limited to just promote the event; they also send invitations to the potential client via E-mail and keep the existing customer updated with the current situation of the event. No doubt, corporate event management plays a vital role in promoting the business in a unique way.

These event management firms are so capable that they can offer flexibility to manage events in an ideal way and allow the organizer to add, review, remove or change any event detail and above all help to edit events even after they are live. They are expert enough to handle all the points of special corporate events such as right venue, cuisine and entertainment. Simply, they are well equipped to manage any type of problems that may come with planning a corporate event.

All of the established event management companies have a great deal of experience to handle any possible type of situation that a corporate house may plan while arranging an event. These professional event organizers are habituated to handling the details of a major event and have doubtless experience. A corporate event management service provider plans, manages and arranges state-of-the-art services as and when required for an event.

According to the analytical staff report published in 'ProthomAlo' (Ali Masud and Hasnat Abul, 2014) which has considered Bangladeshi context, it was proclaimed that now-a-days promotions of products are not confined to only radio and television advertisements. Arranging various types of programs targeting the customers, attempts to make a brand popular (brand activation), activities to increase interactions with public have become popular. Lots of event management firms have been established to support the corporate world so that they can arrange these types of programs easily. Even though the total number of firms is huge, number of large and medium size firms is only 30-40. They are arranging programs like concert, annual general meeting, indoor events etc. A private event management firm has successfully arranged mega events like inauguration

of the Bangladeshi part of ICC world cup cricket 2011 and ‘national anthem in the voice of few lacs people’ (LakhoKontheSonar Bangla).

In Bangladesh, the following firms have got specialization of arranging some specific types of corporate events as shown in Table 2.2

Table 2.2

Specialized Event Management Firms of Bangladesh

Sl. No	Name of the Event Management Company	Specialization
01.	Antar Showbiz	Musical Events
02.	Fireworks (Interspeed)	Musical Events
03.	Rupkatha	Musical Events
04.	Momentum	Musical Events
05.	CEMS	Exhibitions, Trade Shows, Fairs, Conferences, Seminars
06.	Windmill	Events and activation
07.	Asiatic Exp	Events and activation
08.	Spotlight Event Management Ltd. (Bitopi)	Events and activation
09.	Market Access Providers Ltd. (MAPL)	Events and activation
10.	Skytracker	Events and activation

2.2.7 Evolution of Corporate Event

The range of the types of events has grown because of creations of new types of demands from the customers. Event planners must be able to not only craft traditional events but also to create, implement and execute a second tier of more advanced business functions. In the past, event planners were concerned with mastering primary business functions such as: board meetings, conventions, business meetings, corporate shows, client appreciation events, employee appreciation events, conferences, Trade shows etc.

However, the industry is now prepared to take their clients to the next level which includes: custom training seminars involving emotional and physical challenges, naming rights (in the private sector, **naming rights** are a financial transaction and form of advertising whereby a corporation or other entity purchases the right to name a facility or event, typically for a defined period of time. For properties like a multi-purpose arena, performing arts venue or an athletic field, the term ranges from three to 20 years. Longer terms are more common for higher profile venues such as a professional sports facility (Kamiya, Setsuko, 2011), product launches, executive retreats, special events, gala fund – raising events, teleconferencing, incentive travel and premium programs, teleconferencing, and webcasts

2.2.8 Some Objectives of Corporate Events

Some common objectives are as follows (Allen, J., 2009):

Meeting: provide new information about product or company, bring together people outside the office setting, exchange ideas, find solutions to the existing problems, launch a new product, and provide training.

Major Corporate Events: appreciate employees, appreciate clients, appreciate suppliers, hand out awards, bring together suppliers and staff, launch products, support a fund-raising endeavor that the corporate advocates, raise public awareness, enhance brand-name recognition, celebrate milestones (50th anniversary, millionth customer or widget sold).

Fund-Raisers: raise funds for research, get media attention, raise public awareness, attract new sponsors, solicit new supporters and donations, increase number of volunteers, develop a mailing list for future events or sponsorship and donation requests.

Conferences: bring a wide range of people together to exchange information and ideas, bring the top sales force together to discuss future strategy, get the top sales force and senior management together outside of the work environment, enlist the support of family and partners.

Special Events: get media attention, raise public awareness, attract new clients, launch products, present awards, pay tributes.

2.2.9 Planning and Budgeting of an Event

Designing and producing an event – whether it is a meeting, corporate event, fund-raising gala, conference, convention, incentive or other special event – has been compared to directing a movie, but it is actually more like a live stage production. The planning should be done in proper sequence as follow (Allen, J., 2009):

Determining Event Objectives: Before designing the event, the organizer must determine why s/he is having the event. This is referred to as defining the event objectives, and there can be both primary and secondary objectives in each event. The event must be crafted to meet guest expectations, as well the company's.

How Much Can Be Spend? : The first thing needs to be done is to establish how much money can be set aside for the event. Even the smallest event requires a serious financial commitment. Everybody should remember that it is better to wait than to stage a shoddy event on a shoestring budget. Spending the available money to entertain 50-plus guests in a manner which is required to impress the target audience is better than spending the

same money to cover décor, entertainment, food and beverage for 1000 conference attendees, most of whom the company will not be doing business with, and in the end which will produce an event that will not match with the company standard and image. So, it is important always to determine ahead of time how much can be spend so that it becomes possible to select the appropriate event style and plan the event to fit the budget.

Event Vision: In order to create an event designed to fulfill the client's objectives and be everything that they hoped it would be, it is important to begin with their initial event vision. Event visualization – after event objectives have been set out – is the starting point for designing any event. Allen, Judy (2009) has proposed that five event design principles should be considered when visualizing an event:

- a. *The Elements*–All the parts that make up the event.
 - b. *The Essentials* – Must-haves.
 - c. *The Environment*–Venue and Style.
 - d. *The Energy* – Creating a mood.
 - e. *The Emotion* – Feeling.
- a. **The Elements (All the parts that make up the event)**–The best way to do this is to lay out everything on a grid that focuses on the week of the event. The event overview grid will provide valuable insight into the budgeting, event timing, logistics and orchestration, and any of which could impact the final choices. The event grid worksheet will lead the event manager into event element inclusions and budget decisionmaking. By taking the time to plan in advance s/he will be poised to handle any last-minute changes with ease. Consideration must be given to the timing, logistics and orchestration of all the elements that lead up to the

actual event, the day of the event and the days following the event. These elements can include: transportation of guests; accommodation of guests; shipping of items; advance move in and setup of the venue, including rental fees, labor costs, equipment rental, union costs, meals for crew, etc., in addition to the costs for event inclusions, staffing, security, permits, insurance, etc.; rehearsal space, including rental fees, labor costs, equipment rental, union costs, meals for crew, etc.; day-of-event elements, including rental fees, labor costs, equipment rental, union costs, meals for crew, etc., in addition to the costs for event inclusions, staffing, etc.; teardown and move out of the venue including rental fees, labor costs, equipment rental, , union costs, meals for crew, etc., in addition to the costs for event inclusions, staffing, security, permits, insurance, etc.

The event manager should make sure to have a calendar handy to check any critical dates that may be taking place around the selected event date, such as a major national or religious holiday or long weekend that could affect supplier delivery and guest attendance.

b. The Essentials (Must - haves)—Event “must-haves” are things that are, at the time of initial planning, nonnegotiable. They are determined by considering:

- ✓ Hard costs, such as airfare, hotel accommodation, space requirements (move in, setup, teardown and move out, as well as storage for supplies, rehearsal space, on-site office space, etc., which is separate from actual main meeting / event function space), meeting / event function space requirements, meal requirements, activity requirements,

etc., and all applicable taxes, service charges, permits, insurance, communication costs, staffing, and management fees.

- ✓ What would be meaningful and memorable for guests and what would capture the magic of the message being delivered to them.

It should be remembered that some event must-haves are not based on the dollars and cents but on emotional currency and how they touch the senses.

c. The Environment (Venue and Style)–

- ✓ Event Venue –Event planners who rush off to choose a venue identify their client and their event’s must-haves to decide what matters most to include, and determine where they stand financially, risk overlooking the venue that would have been the perfect fit for their event, one that meets all of their needs and their budget. This is a time when events are taking place in venues that are limited only by the event planner’s imagination and budget parameters. Events today are held on land, on water, underwater (restaurants and spas in the Maldives, as an example), midair (on board aircraft), sitting top of the world and in space. Some examples of traditional venues include: *private mansions, hotels, convention centers, museums, art galleries, country clubs, private yachts, wineries, private tents*. But there is a world of options available. Events can and have taken place in *theme parks, aquariums, entertainment complexes, roller-skating rinks, on theater stages, at private fly-fishing clubs, on golf courses, in tents in the middle of the desert, on*

swimming pools covered over for dining and dancing, in restaurants that have been taken over exclusively, on a soundstage, in converted barns, in plantation homes, on a catamaran, at a cottage retreat, at a country fair, in a retail store, on a mountaintop, in the middle of a forest, in a stadium, on a baseball field, on a rooftop, and in restaurants and nightclubs that have been closed exclusively for the client, private rooms or areas.

✓ Event Style: The event style is the atmosphere or overall effect the event planner tries to achieve. Styles can be mixed and matched to create something new. Various possible event styles are: *traditional, classic, modern, country, cultural, formal elegance, casual elegance, romantic, fun, intimate, outdoor, themed, seasonal, holiday, beach, sports*, etc. The event style will influence the choice of invitations, venue, guest attire, flowers, décor, music, entertainment, food and beverages.

d. The Energy (Creating a Mood): Every event gives off energy. The venue, the décor, the music, the food and drink, the activities and the guest mix all contribute to the energy in the room and the mood being set. The energy the event planner brings to the event as a result of the event design can be good or bad. Poor design planning with regards to timing, logistical layout and included event elements can literally drain the energy from a room. This is the feeling somebody will experience when things go flat, there is dead air, stilted conversation or awkward silences and the room becomes devoid of energy. Negative energy can fill a room when there are overlooked areas of congestion, long waits, hungry or tired guest,

and insufficient seating. Choosing a room or a setting that is too big or too small for the size of the guest count can also bring down the energy in a room.

- e. **The Emotion (Feeling):** The event that has been selected will lend itself to conveying the emotion surrounding the event. For example, a romantic style may evoke feeling of tenderness, softness, intimacy, all wrapped up in love. An event that has a fun theme, depicting a playful nature, will give off lighthearted warmth that is caring and affectionate with a dash of festivity. The event planner should give thought to the event style and the feelings that s/he wants to bring out. S/he should choose one that will capture the spirit of the event objectives and the emotions that will make the event stand out.

Cost Estimates: Generally, the event planner can get written estimates from suppliers for the various items s/he is considering. This will be confirmed up later after the preliminary budget is approved and event requirements are detailed. Sample preliminary budgets should include main costs, such as: *invitations, accommodation, transportation, venue rentals, rehearsal costs, food, staging, audiovisual, beverage, floral arrangements, décor, music, entertainment, speakers, security, labor charges, lighting, special effects, photography, place cards, menus, gifts, print material, promotional material, insurance / risk assessment protection, power charges, promotional costs, communication costs, translation, shipping and handling, customs, staffing, miscellaneous, taxes and service charges, event planning management fee, etc.* The event planner should make a detailed *wish list* that includes everything possible, regardless of cost, on a spreadsheet in Excel or other software. In the computer, the planner will be able to immediately see how his / her budget is affected when s/he adds in and takes out different event elements. S/he should

highlight the headings that absolutely must be included in the program. The remaining items are optional and can be adjusted to match with the budget.

2.2.10 Designing Objectives of the Event Experience

Establishing event experience objectives is very important. The following questions should be considered: what is the reason of holding the event?, what are event goals and intentions?, what do you hope to achieve?

Companies normally create an event experience for attendees that will be one or more of the following:

1. Educational/ Entertaining: Providing memorable experiences with private performances has always been successful for corporate marketing and sales events. Real estate companies are now expanding on this and using celebrities to help them sell new properties by inviting selected guests – prospective clients – to an exclusive celebrity event.
2. Enlightening: An example of an event built around enlightenment, bringing the mind, body and soul into alignment, and bringing balance into the life at home and at work could include building the event around yoga and bringing in a master such as Rodney Yee (one of America's premier yoga teachers)
3. Engaging: Events that engage the company as a whole can be designed as multi-tiered programs and have the added benefit of being able to be extended past the actual meeting or incentive. An event could launch the program and could run over the course of a year – with mini events to keep the motivation going – culminating in a grand finale.
4. Energizing: Team building or group activities – held during a meeting, conference, incentive or stand-alone event – are now being focused on personal wellbeing and active

living activities that are designed specifically to deliver an infusion of new energy/ and validity to an individual, as part of an event's and company's objective that can benefit the individual both at home and at work and again can be multi-tiered. For example, in the winter, a day of play on the ski slopes (or snowshoeing or cross-country skiing) can be followed by a great relaxation experience in the heart of nature at a facility such as Le Scandinave Spa Blue Mountain, can a day of personal training, mountain biking, hiking or golf during the summer.

2.2.11 Systematic Procedure of Managing an Event

Initially the event management firm talks to the service taker to get clear idea about their requirements. There is a sequential flow of how the events are actually managed. This flow can be divided into three distinct sections: i) the pre-event activities, ii) the during-event activities, and iii) the post-event activities. The detail functions of management in these stages are planning, organizing, staffing, leading and controlling (Event Management Companies, 2010).

- i) **Planning** – the functions include the route level coordination of activities like liaison with the creative team, discussion, facilitating and arranging for the technical specifications viz., sound, light, stages and sets.
- ii) **Organizing** – for event management organizing specifically means description of the activities required for an event, identifying individual and team tasks and distribution of responsibilities to coordinators.
- iii) **Staffing**- staffing requirements depend on the nature of the event. Accordingly team structure, experience, background and expertise of team

members, and required number of personnel are decided. In this stage the roles and positions of all staffs involved should be clearly defined.

- iv) **Leading and coordination** – the overall coordinators need to be leaders with extraordinary people management skills. Leadership is a composite of learnable skills through which the efforts of individuals are coordinated to accomplish group goals (Resource Manual for a Living Revolution, 2013). Dominating leadership is fulfillment by one person of many group functions and roles at the expense of, and with the cooperation of, other members. In group-centered leadership all members take on responsibilities that otherwise would fall to one person. When all group members share leadership responsibilities the group's cohesion and durability tend to increase. The leadership qualities desired of an event manager include the ability to spot a deal and think on one's feet.
- v) **Controlling** – the main essence of controlling is evaluation and correction of deviations in the event plans to ensure conformity with original plans. It is an activity that requires identification and measurement of the extent to which an event has become successful or not in achieving its purpose. This purpose will differ according to the category and variation of the events. Nevertheless, one of the general purposes for all events could be the reach and interaction with the target audience. In doing so a three-step procedure is generally followed: i) tangible objectives are established, ii) performance is measured before, during and after the event iii) if any deviation from the plan is observed corrections are given as needed.

As leading and coordination is the most vital part of the total process a detail discussion on the team roles and functions is required. This has been detailed below(Resource Manual for a Living Revolution, 2013):

2.2.12 Professionalism Needed for Event Managers

The event manager is somebody who plans and executes an event with his / her team of professionals who are expert in various aspect of organizing an event from behind-the-scenes (Event Management, 2007). It is evident that event managers are involved not only in just planning and executing an event but also in brand building, communication and creating marketing ground with prospective clients. Event managers must have expertise in the creative, technical and logistical aspects that help to make an event successful. They also need to possess negotiation skill for effective negotiation on matters such as event design, audio-visual production, budgeting, scriptwriting, logistics and much more. In addition, the event manager is also responsible for site selection and survey for an event, event site designing, giving briefs/clarifications, drafting budget, cash management, supply chain management, material procurement and management, event time scheduling, as well as ensure health & safety aspect at the event. Furthermore he/she also has to take care of crowd management, logistics supports, sound and light, video, and security (The Event Management Security, 2011). It is a multi-dimensional profession.

Today, a number of young graduates are becoming interested to join in event management industry and become event managers realizing the potential of industry where demand is huge and supply is less. Interested people are also trying to become

properly educated before joining the industry. Various universities in abroad have started to offer courses in event management, including diplomas and graduate degrees (Event Management, 2007). Furthermore, there are many associations and societies that provide courses on the various aspects of the event management industry. The topics those are covered in these courses includes organizational skills, technical knowledge, P.R., marketing, advertising, catering, logistics, decor, glamour identity, human relations, study of law and licenses, risk management, budgeting, study of allied industries like television, other media and several other areas. The certificates those can be obtained from various sources are: Certified Trade Show Marketer (CTSM), Certified Manager of Exhibits (CME), Certified in Exhibition Management (CEM), Global Certification in Meeting Management (CMM), Certified Meeting Professional (CMP) and the Certified Special Event Professional (CSEP). However, in Bangladesh, no University or Institution has yet started this type of course.

The event manager will have to use his / her creativity and coordination skills from the initial stage of the event. In the first stage he / she has to prepare a project proposal keeping an eye on the possible financial implication. Once the event manager submits his/her proposal, the client scrutinizes the feasibility aspect of the proposal and if finds it beneficial for the company, assigns the job of managing the event to the event management firm.

Size of the companies taking the services is hardly any issue for these event management professionals since before putting hands in the task they make good analysis of various issues related to the organization. In this process they consult with the bosses

of service taker organizations to analyze their basic needs and requirements. It not only helps them to get the perfect idea of the exact nature of the event but also helps them in making budget settlement, event concept development, and implementation.

Professional management is required to organize an event successfully which is very much possible by proper utilization of these experienced planners who understand the ultimate aim of organizing such an event.

For perfection of event management, the personnel involved in the process get specialization on different fields as elaborated below:

The Roles and Functions of Various Personnel Involved in an Event

Event Manager:the main person responsible for event planning and implementation.

Facilitator:theperson who is responsible to coordinate the group during the time of making decision and conducting meetings. To make the meeting fruitful he /she collects, proposes, and organizes meeting agendas. He/she tries to create such a warm environment that every participant feels free to share the information they have, individual / group plans and goal settings. He / she tries to get things moving and helps so that the group can finish everything on proper time schedule.

Team Liaison: this person is responsible to coordinate the liaison between the team and the service taker. He /she is responsible to introduce the team members with important contact persons as and when needed, orientation with the new team members with existing members, develops or maintains contact with local legal support,media personnel, embassy/government officials, etc.

Logistics Coordinator:he / she is responsible to arrange housing; handle local travel and transportation; keep record of everyone's passport numbers and emergency information when the event is being organized in any foreign country; make sure that maintenance and repair needs are properly taken care of; keep, understand and can make clear current maps; maintain listing of important contacts, phone numbers, and addresses for team use.

Communications Coordinator:he / she is responsible for writing and publishing press releases, articles, reports, etc.; communicating with journalists of electronic and print media for proper media coverage.

Documentation Coordinator:he/ she is supposed to ensure that all activities and events are properly recorded if needed with video camera and/or still photos. He / she is also responsible for audio recording of meetings, interviews regarding events if needed. All responsibilities related to keeping the records in audio, video or printed forms are bestowed on him /her.

Health Coordinator: he / she maintains first-aid kit; keeps health history and insurance records for each team member;he / she is responsible to give proper suggestion in various situations like drinking enough fluids on a hot humid day; he / she advises team members to practice stress-reduction activities (e.g. meditation, massage, days off, recreation, etc.)

Housekeeping Coordinator:he / she is mainly responsible to buy groceries, preparing meals and cleaning house; he / she should be well informed about household concerns and procedures such as door keys, laundry soap, phones, postal service, etc.

Bookkeeper:a person who is responsible for handling team finances; keeping financial records, paying bills, requesting advances, etc.

If the status and roles are clearly defined, the group effort gets a synergy. Ultimately it helps to increase group's cohesion and durability.

2.2.13 Type and Necessity of the Services Provided by the Event Management Firms

Event Management can be defined as a process that is involved in developing and managing a program in a project management perspective (Introduction to Event Management System, 2010). The specific activities of event management services are: target audience identification; concept development; planning, coordination & execution of logistical supports; handling all the creative, technical and logistical elements of an event.

There are wide ranges of variations in types of events like arranging birth day parties to international sports events like SAF games, Asian games, World Cup or Olympics. However no matter about the type, without the help of a professional event management firm the event will ever come out with grand success. This is very much logical that a trend has been developed to arrange all sorts of events by taking help from event management firms. These firms are offering their services in such a way that any organization (service taker) can seek the help of event management companies in any stage of the event. Their execution is always efficient and professional.

In addition to arranging corporate events like organizing seminars, conferences, expositions, and trade shows etc. some of these firms are also specialized in household events such as wedding ceremonies, birthday parties, and anniversaries etc. To give all necessary services these event management companies use to hire services that serve the various needs of the specific event. The services include sending invitations, receiving and accepting registrations, reception, decoration, and catering etc.

Now-a-days the event management service has become so popular that this service industry has become a multi-million industry which is continuously contributing to increase national GDP. This service is being considered as the best option for strategic marketing to improve the sales. Events are working as the most appropriate communication tools for interaction with the clients and audience to serve versatile purposes ranging from product launches to press conferences.

While managing an event the diverse areas the event management firm has to focus are: to understand the particulars of the brand; identify the target audience; plan the concept and the logistics of the event; and integrate the technical aspects before actual execution of the proposed event.

A service taker may expect to get the following services in an efficient way from a professional event management firm: catering services, venue booking services, stage arrangement and anchor services for managing events. Along with concentrating on the aforementioned services, event management firms also take care of sound, video, light and security. At the same time they also have expertise in various aspects necessary to arrange specialized events like sport events and music events, cultural events, religious events, art events, heritage events, and folklore events; personal events like anniversaries, weddings and birthdays; and organizational events like commercial events, political events, charitable events, award presentations, trade shows, , marketing conferences and seminars, road shows, exhibitions, and product launching.

Among various types of corporate events most common are product launch, press conference, corporate meetings, road shows, grand shop/office openings, music concerts, award ceremony, inauguration ceremony, film premiere party or film launch/release

party, awareness events/campaign party, variety of fashion shows. Common household events are private parties such as weddings, reunions, passing out parties, engagement as well as not to mention the birthday parties.

Considering the purpose and objectives all the aforementioned events managed by the event management firms can be classified into four broad categories (Event Management, 2007).

1. Leisure events e.g. leisure sport, music, recreation.
2. Cultural events e.g. ceremonial, religious, art, heritage, and folklore.
3. Personal events e.g. weddings, birthdays, anniversaries.
4. Organizational events e.g. commercial, political, charitable, sales, product launch, exposition.

Now-a-days event management is skillfully used as strategic marketing and communications tool. This service of this industry has tremendous value and competitive edge which is strategically used for the benefits of corporate houses (Allen, J., 2009). This is done by arranging press conferences to spread news during new product launch or repositioning of an existing product that helps the service takers (the corporate houses) to communicate well with their prospective clients. These types of promotional events are used as a tool to generate media coverage and reach out to countless people in one go. In this way event management has become a multi-million-dollar industry in all the countries of the world.

2.2.14 Importance of Traditional and Online Services Provided by Event Management Firms

When an event is organized professionally it serves several purposes for the organizations in several ways. This is a perfect way of advertisement and publicity of a brand, a way to get in touch with the new customer base that could be the next potential buyers for them (Corporate Event Planning, 2013).

Effective use of events is immensely important to increase organizations customer base and augmentation of revenue. To capitalize this opportunities spread in the event management segment, a number of organizations are now offering their cost effective, efficient and reliable event management services to the customer's across the world. Their capability and task mechanism process is making the clients confident about their service standard. These skilled Event Management Companies have enough abilities to execute the entire process of event management within the given deadlines.

With an aim of making event successful and memorable for times to come, a number of Event Management Companies are now offering their services online. It is possible to get updated information about various event related issues time to time from these online event management service providers.

Some event management firms are now doing online promotion of the events for drawing mass appeal which could be considered as digital marketing. These unique online facilities are giving huge benefits to the companies. It's now easier to get registered for the events without going for the hassle of manual registration process. The facility of booking and cancelling is given from the single platform.

All types of organizations like commercial establishments, hotels, clubs, charities and educational institutions are so much impressed with these online services that they are asking for the services of the organizers to organize their event online.

2.3 ANALYSIS OF COMPETITIVE STRUCTURE AND GROWTH POTENTIAL OF ANY INDUSTRY

2.3.1 The Basic Idea

Analysis of competitive structure and growth potential of any industry needs a systematic process. **The first step** of structural analysis of any industry is the assessment of the competitive environment in which the company operates – ultimately which means analysis of the basic competitive forces and the strength of each in shaping industry structure. **The second step** is an assessment of the company's own strategy – how effectively and skillfully the company has positioned itself to cope and prosper in the given environment. If both of these issues are taken care of in a proper sequence, this two-step process will act as the key to forecasting a company's earning power (Porter, 1980).

It is possible that industry structure will gradually shift over time, so firms should have unique strengths and weaknesses in dealing with structural changes. For this reason it is mandatory that industry structure must be the starting point for strategy analysis (Porter, 1979). Whether a company is capable to relate to its environment or not is the key factor on which the success of a company's competitive strategy depends. Though the relevant environment is very broad, encompassing social as well as economic forces is vital. The industry or industries in which it operates is the key aspect of the company's environment. Whenever a company wants to define the competitive game as well as the

strategies potentially available to the company, industry structure plays the most influential role. How intense competition will be in an industry is not a matter of mere luck. In contrast, competition is entrenched in underlying industry economics and goes well beyond the established competitors. All the existing industries are not equally potential. As the collective strength of the forces of competition differs, the industries differ fundamentally in their ultimate profit potential. The forces are very strong in industries like tires, paper and steel, where no firm earns impressive returns; however these forces are relatively mild in industries such as oil field equipment and services, cosmetics and toiletries, where high returns are common.

The main spirit of developing competitive strategy for a company is to find a position in its industry where it can best cope with these competitive forces or can influence them in its favor. The basic attractiveness of an industry can be discovered by acquiring knowledge of the underlying sources of competitive pressure. In the same way identifying the critical strengths and weaknesses of a company, clarifying the areas where strategic changes may yield the greatest payoff and pinpointing the industry trends that promise the greatest significance as either opportunities or threats is also possible.

2.3.2 Definition of Industry and Strategic Importance of Proper Definition

According to Lloyd L. Byars *et al.* (1996), 'an industry is a group of companies that offer products, goods, or services that satisfy similar customer needs'.

It has got the general acceptance that industry definition is a starting point in strategic analysis and is usually based on some combination of competitor and consumer analysis. It is mandatory to put a boundary around who should be included or excluded as a competitor. And this is the main reason to define an industry. Defining the industry too

broadly is time consuming and may not provide meaningful and actionable information whereas defining the industry too narrowly may result in missing a potential competitive threat. So the definition should be proper. In an attempt of doing so, four generic approaches could be used. Each of these approaches studies unique areas of the firm and its relatedness to the environment. The central purpose of having four approaches is to provide a broader viewpoint towards the definition of industry and consequently the identification of current and potential competitors. These four generic approaches are: customer / market; input / output; organizational; strategic positioning (Robinson, 2010).

2.3.3 Understanding the Industry's Life Cycle

Depending on the external uncontrollable changes in the macro environment, there are changes in all types of industries on a continuous basis. Managers need to have the capability to speculate possible changes that may occur in the industry over time. These changes shape the intensity and bases of competition. For conducting this analysis, the concept of the industry life cycle is very useful tool. According to this school of thought, an industry progresses along fairly predictable stages: emergence, growth, maturity and decline. These phases resemble the well-known product life cycle (PLC). Certainly, the industry life cycle is only a framework that portrays the general pattern of industry evolution. The following figure displays the industry life cycle (Lloyd L. Byars. *at el.*, 1996):

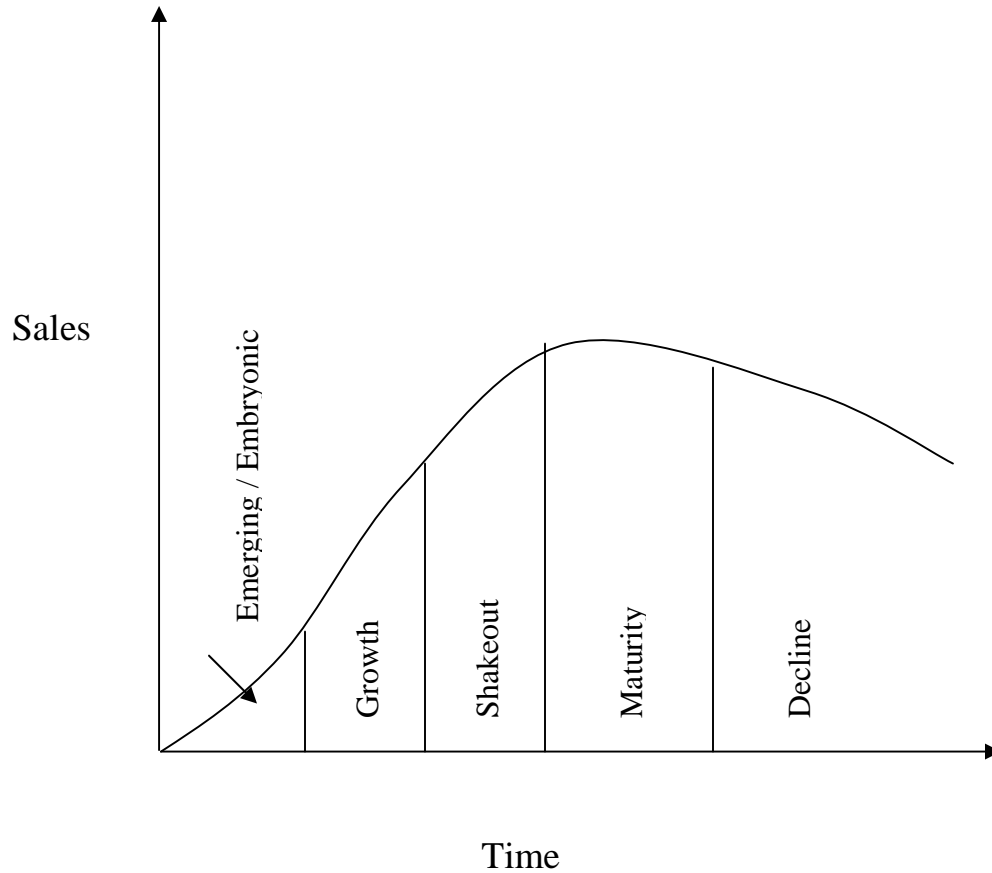


Figure 2.2: Industry Life Cycle

As a summary we can claim that the industry life cycle concept is best viewed as an organizing framework. Exact transition like the above shown figure is not always experienced by all the industries. Even though, the managers should keep in mind the following characteristics of the industry life cycle for proper decision making.

- ✚ Duration of various stages of the industry life cycle will vary. The speed of transition from one stage to the next depends on a huge number of factors, including: rate of technological advances, the general environment, and the actions of companies in the industry.

- ✚ To cope with the changed situation in a different stage, a company requires diverse skills and capabilities. This means that companies need to reexamine their industry structure and reassess their competitors.
- ✚ It is not surprising that the industry life cycle is not always linear. It does not always move sequentially from the emerging to the declining stage. As for example, some industries, traditionally considered mature, have experienced revival in recent years because of new technology, infusion of capital, and changes in competitive strategies.

2.3.4 Competitive Structure of an Industry

The industry's competitive structure refers to number and size distribution of companies in a given industry. Structure of an industry may vary from *fragmented* to *consolidated* which will have different implications for rivalry (Hillat *et al.*, 2013).

- ✚ An industry is considered as fragmented when there are a large number of small or medium sized companies, none of which is in a position to dominate the industry.
- ✚ An industry is considered as consolidated when it is dominated by a small number of large companies (in which case it is referred to as an oligopoly) or, in extreme cases, by just one company (a monopoly).

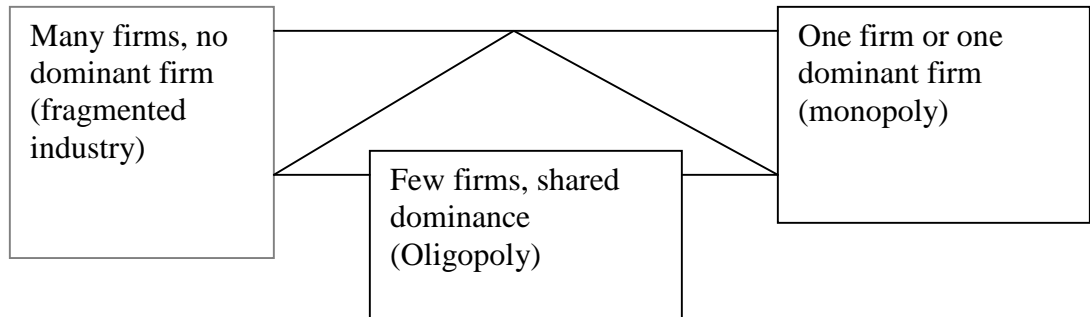


Figure 2.3: Industry Structure

- ✚ Low barriers to entry and commodity type products that are hard to differentiate are common characteristics of many fragmented industries (like agriculture, video rental, health club).
- ✚ Frequently the flood of new entrants into a flourishing fragmented industry generates excess capacity. When this situation arises, companies start to cut prices in order to utilize spare capacity.

This concept has been further elaborated by Kotler, Philip. Depending on number of sellers and degree of differentiation, Kotler classified industries into five categories (Kotler, Philip, 2003).

- a) *Pure Monopoly*: Only one firm offers an undifferentiated product or service in an area. This can be unregulated or regulated.

Example: Most utility companies.

- b) *Pure Oligopoly*: A few firms produce essentially identical commodities and little differentiation exists. In this case lower costs are the key to higher profits.

Example: oil.

- c) *Differentiated Oligopoly*: A few firms produce partially differentiated items. Differentiation is by key attributes. Premium price may be charged.

Example: Luxury autos.

- d) *Monopolistic Competition*: Many firms differentiate items in whole or part. Appropriate market segmentation is key to success.

Example: restaurants.

- e) *Pure Competition*: Many competitors offer the same product. Price is the same due to lack of differentiation.

Example: farmers selling milk, crops.

If there is a positive, but not infinite, cross-price elasticity of demand between products in a market place, then the structure of that market is one of monopolistic competition or oligopoly. A monopolistically competitive market has many firms those are fighting with one another; at the same time there is no restriction on entry for newcomers. Even though there is similarity in the basic characteristics or performance of products, the products offered by the competitors have differentiations compared with the others (Adrian O. Bull, 1996). However, full monopolistic competition implies contestability (Baumol *et al.*, 1982) where it is possible for any number of firms to operate sustainably. It is possible for a large number of firms to survive when entry and exit barriers are low. The following are some possible entry barriers: patents and legal restrictions, contrived barriers such as heavy branding and advertising, and economies of scale which cause output at minimum average cost to be large relative to the size of the market.

William J. Baumol (1982) gave the impression that there is a rough range, in terms of desirability of industry performance, ranging from unregulated pure monopoly as one extreme arrangement to perfect competition as the ideal, with relative efficiency in resource allocation increasing without any variation as the number of firms expands. As was suggested for years, two firms can be enough to guarantee optimality (Fama, Eugene F. and Laffer, Arthur B., 1972). However, William J. Baumol (1982) argued that real markets are rarely, if ever, perfectly contestable. If we say that contestable oligopolies behave ideally and that contestable monopolies have some incentives for doing so, it does not mean that this is even nearly true of all oligopolies or of unregulated monopolies in reality.

2.3.5 Macro Environment of the Industry

When we talk about any industry and the companies those belong to the industry, we know that they operate in a macro environment consisting broadly of the economy at large, societal values and lifestyles, governmental legislation and regulation, population demographics, technological factors, and the company's immediate industry and competitive environment (Thomson *at el.*, 2003) as illustrated in figure 2.4:

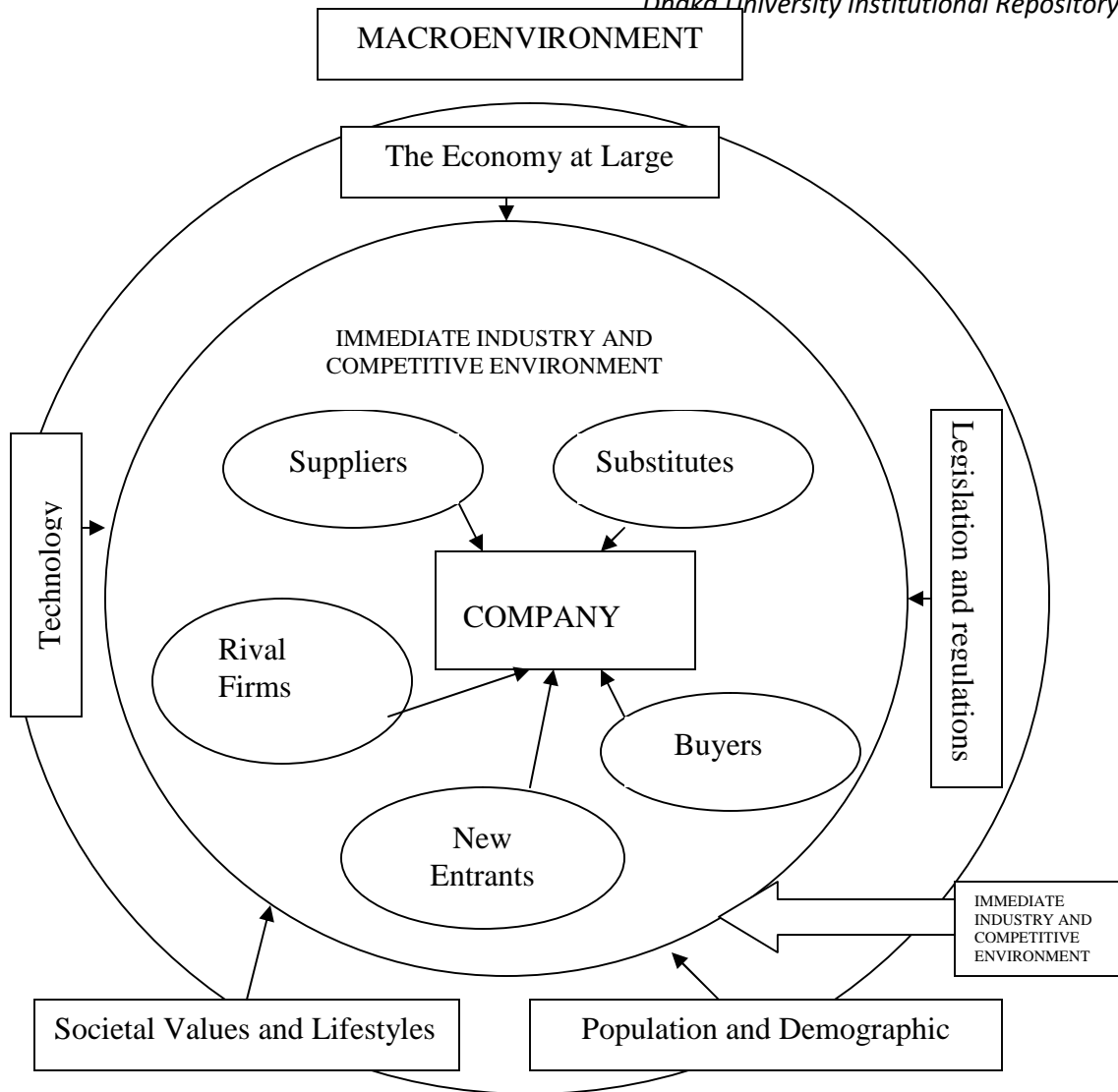


Figure 2.4: Macro Environment

Ward (1993) affirms that “By definition, any competitive advantage is a relative concept, which can only be assessed by comparison with the external environment”. When the target of an organization is to achieve and maintain a competitive advantage, it should examine the environment properly to ensure that it provides a moving target to improve quality of performance and that they are fully aware of the challenges in the market place (Dixon, R. and Smith, D. R., 1993).

2.3.6 Necessity of Industry and Competitive Analysis

When a company wants to implement its competitive strategy, the success totally depends on how it relates to its environment. Even though we know the relevant environment is very broad, encircling social as well as economic forces, the key aspect of the company's environment is the industry or industries in which it operates. The rules of the competitive game as well as the strategies potentially available to the company are mainly influenced by industry structure (Porter, 1979).

Two areas where strategy research is obligatory are: industry and competitor analysis (Porter, 1980) and strategic decision making (Fredrickson, 1984; Mintzberg *et al.*, 1976; Schwenk, 1984). According to Dr.M. Thenmozhi, Professor, Department of Management Studies, Indian Institute of Technology Madras, Chennai, “Scanning of Environment is complete only with Industry Analysis and Competition Analysis”(Thenmozhi, M., 2011).When a firm decides to start a new venture and it observes that the venture is feasible in regard to the industry and market in which it will compete, this is the time to go for a more in-depth analysis to learn the ins and outs of the industry the firm plans to enter. This analysis will help the firm to decide if the target markets it identified during feasibility analysis are accessible and which one represent the best point of entry for a new firm

2.3.7 Competitor Identification

In the next step the firm will have to get a clear idea about the competitors it is going to face. Competitor identification is nothing else but a categorization task (Rosch, 1978) that tries to classify firms on the basis of relevant similarities. It is a vital task for managers interested in scanning their competitive environment, in an attempt to adopt proper

defense strategies against likely competitive invasions, and planning competitive attack and response strategies. In this way competitor identification has become a necessary precursor to the task of competitor analysis, and the starting point for analyzing the dynamics of competitive strategy (Smith *et al.*, 1992). Ahead of assessing the relative strengths and weaknesses of rivals, or tracking competitive moves and counter moves, one must first identify the competitive set and develop an accurate sense of the domain in which strategic interactions are likely to occur (Mark, B. and Margaret, A. Peteraf, 2002).

Using the idea of substitution-in-use is the current thinking about identifying the competitive structure for any given product has been developed. The idea has considered three premises:

- i) People seek the benefits provided by the product rather than the product itself.
- ii) The needs to be satisfied and the benefits which are being sought are dictated by the usage situations or applications being considered.
- iii) Products and technologies are considered part of the set of substitutes if they are recognized as something those provide functions which satisfy the needs determined by intended usage (George S. Day, 1980).

In an attempt to determine a product's direct competition, there is huge possibility to get the answer, "It depends". Certainly, it depends on: (i) the number of separate and different uses or applications for the products in the market; (ii) the number of different usage situations encountered by the customers; (iii) characteristics of the users, which includes the number of product types or brands that a customer would call to mind and choose among (George S. Day, 1980; Glen L. Urban *et al.*, 1984).

We may consider the set of direct competitors once again. When a consumer faces the complicated problem of decision making to choose from the alternative offers of the same product from competitor companies under various brand names, he / she acquires information about available alternatives to fulfill a need, he / she generates an 'awareness set' that is subsequently refined to make the choice problem easier (Peter and Olson, 1993). In the arena of marketing this reduced set is known as the 'consideration set'. This is the set of alternatives from which the eventual choice generally comes out. When more than one alternative is actively considered in the consideration set by the consumers, it is obvious that those alternatives are the most significant competitors.

Another important point is that it is an era of globalization, so is not possible to define competition locally. In order to survive, organizations need to develop required skills so that they can compete successfully against both domestic and global competition (Drury C, 1999). According to Rogers (1994) and Norad (1996), by increased competition it means greater global competition as well as a secondary range of new competitive forces in domestic markets and competition among brands.

In emerging industries, where the environment is turbulent having high velocity (Eisenhardt and Bourgeois, 1989), or where the context is hypercompetitive (D'Aveni, 1994), managers may become tempted to pay attention only to competitors who display a related product or technology. The reasons behind this are: i) these competitors are prominent; ii) the task of broad scanning is difficult. However, it is very much possible that competitive encroachments and incursions across boundaries by indirect and potential competitors may prove to be the greatest threat in these settings. So it is advisable that companies should not only focus on only direct competitors rather they should also

monitor the activities of indirect competitors as well. Managers working in this competitive environment may fail to notice threats that are developing due to the resources and latent capabilities of indirect or potential competitors if they focus only on the product market arena in scanning their competitive environment (Mark, B. and Margaret, A. Peteraf, 2002).

To deal with the task of competitor identification, a variety of approaches have been developed those are harmonious with market definition. An informal method considered as Qualitative Method is based on the idea that products are in the same market if they are close substitutes. If products have similarities in terms of their performance characteristics, occasions for use, and when they are sold in the same geographic market, they are considered to be close substitutes (Besanko et al., 2002). The concept of Qualitative Methods has been derived from economics rest on the notion that a market is defined as a 'set of suppliers and demanders whose trading establishes the price of a good' (Stigler and Sherwin, 1985). The second method is Cognitive Method. In this method managers and /or customers are questioned about which products are in competition. This is more common in the field of organization theory, which views markets as social constructions (Porac and Thomas, 1990; Porac et al., 1995; Auty and Easton, 1990). However, whatever approach is employed, conceptually it is generally accepted that competitor identification requires the concurrent consideration of both demand side and supply side attributes of reputed competitors and their domain (Abell, 1980; Day, 1981; Porac and Thomas (1990); Scherer and Ross (1990); Chen (1996). As per the consideration of the Demand Side, products are substitutable in the eyes of consumers. An analysis is done which identifies the degree to which products fulfill

similar functions and address similar needs. On the other hand, Supply Side considerations address the degree to which firms are similar in terms of technological and production capabilities.

It is suggested by recent experimental evidence which is championed by Porac and Thomas (1990) that a basis for competitor identification, are subject to supply side biases as well (Clark and Montgomery, 1999). It is very much important to define market considering the problem of bias. The key to organizational action and principle driver of competitive attack and response is awareness (Chen, 1996). If the scope of market definition is very narrow, in that case managers may be unaware of activity with competitive relevance and may find themselves blindsided by a surprise attack. Additionally, this unawareness may lead managers into inability to identify attractive market opportunities. For further clarification, the example of the battle which took place in the 1970s between Polaroid and Kodak over the instant camera market could be considered (Porter, 1983). There were a series of extremely costly price wars and legal battles between these two rivals. When they were busy to fight with one another, their markets were being invaded by the arrival of 1-h photo shops, camcorders, and camera systems that did not require film. Too much focus only on the close rivals could be the reason that they were unable to see the larger picture. It is annoying that very few practical tools have been developed to assist managers with the task of identifying and analyzing competitors that span traditional product market boundaries.

There are some other approaches those are homogenous with the task of market definition because they are concerned with identifying only close competitors. In the contexts of rapid innovation and of cooperation among multi-market firms, these

approaches could have shortcomings (Hruska, 1992). In an attempt to maximize managerial awareness of competitive opportunities and threats, competitors should be defined more broadly to include not only close competitors but more distant competitors in the form of less obvious substitutes and potential competitors as well. That was why Smith et al. (1992) and Chen (1996) called for a framework on competitive dynamics that includes potential competitors. Ultimately, we can conclude that the best approach should have a clear consideration of customer needs into the analysis with respect to both demand and supply side issues.

It is very important to give attention not only to present real and potential competitors but also to those that are just over the horizon (such as cell phones once were to cameras). Peteraf and Bergen (2001) has presented a framework to identify and classify the competitive set. The framework has been presented below:

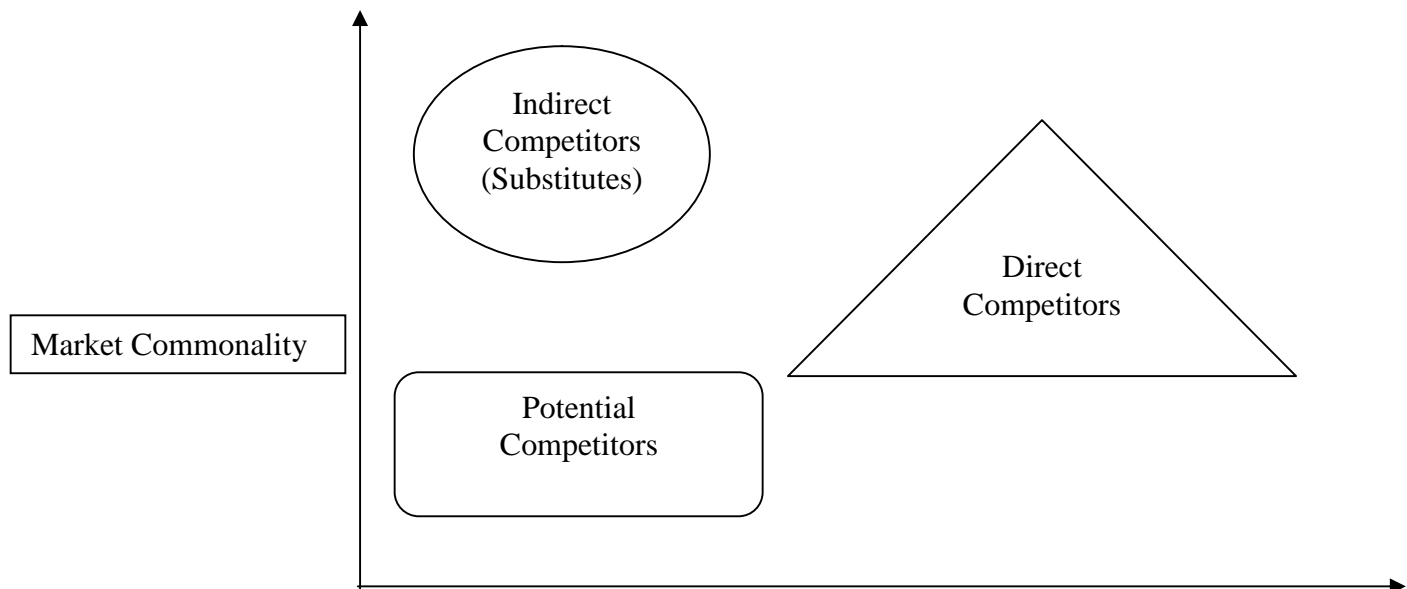


Figure 2.5: A framework to identify and classify the competitive set

To establish a system for recognizing the sources and types of direct and less direct competitors to which the firm must also attend, researchers have identified three domains.

There domains are: (1) the areas of influence, (2) the contiguous area, and (3) the areas of interest (William L. Sammon et al., 1984; Mark Bergen et al, 2002; Bruce H. Clark et al, 1999).

The area of influence: It is the territory, market, business, or industry in which the firm is directly competing with other firms to serve the same customer needs using the same resources. It is the area where Volkswagen, Toyota, Honda, Renault, and other manufacturers of medium-priced automobiles compete with one another; where Nokia competes with Samsung and Motorola in cell phone industry. They are the *direct competitors*.

Immediately contiguous areas: In this case the competition is very close but indirect; comprising all companies manufacturing product that supply the same service. That means they serve the same customer need but with different resources. A private car manufacturer like Volkswagen would see itself competing against not only other automobile manufacturers, but also against manufacturers of motorcycles, bicycles, and trucks. Another example could be competition among various types of packaging products like glass versus plastic versus aluminum. They are the *indirect competitors*.

Areas of interest: They are composed of those firms that do not currently serve the same customers, however as they have the same resource base or, in broader terms, have capability equivalence— they have the capability to satisfy similar customer need (Margaret, A. Peteraf et al, 2003). For example, many firms have the competences to manufacture various types of digital electronic devices like cell phones, PDAs, cameras, or “pad” computers. They are a firm’s *potential competitors*.

A product's direct competition can be determined by: (1) the number of product's separate and different uses or applications in the market; (2) the number of different usage situations which customers encounter; and (3) characteristics of the users, which includes the number of product types or brands that a customer would evoke and choose among (Glen L. Urban et al, 1984). A market can be relatively very simple if the offer provides only a single function for one or a few uses. Examples of two such products are traveler's checks or bathroom tissue. In contrast, a market becomes very complex when each customer has many uses for the product and many alternatives to consider. Dessert food or snack foods are examples of such markets. In the dessert food category cakes, pies, ice cream, cookies, brownies (a small square nutty chocolate cake), among others, compete. In the snack market, potato chips, pretzels (a bitter savory biscuit), and various kinds of nuts, among others, compete.

2.3.8 Importance of Competitor Identification

In various fields proper identification of competitors serves as an important function. In the field of marketing, it helps in the analysis of product design, development and positioning; pricing policies; communications strategy; and channels of distribution. In industrial organization economics, it is necessary to define a market which is crucial for antitrust and regulatory policy. In the field of strategic management, it is associated with competitor analysis and the analysis of industry structure, conditions of rivalry, and competitive advantage (Peteraf, M.A. and Bergen, M., 2001).

It is possible to reduce a firm's vulnerability to competitive blind spots by proper identification of competitors (Zajac and Bazerman, 1991), this is especially troublesome in those contexts where industry boundaries are not well defined or are very fluid and

changeable. In emerging industries, in turbulent, high-velocity environments (Eisenhardt and Bourgeois, 1989), or in hypercompetitive contexts (D'Aveni, 1994), it is possible that managers will be tempted to concentrate only on those competitors who display a product or technology overlap. The reason behind this is that these competitors are prominent and because sometimes the task of broad scanning is difficult. It should not be forgotten that in these settings competitive encroachments and incursions across boundaries by indirect and potential competitors may be proved to be the greatest threat.

With these basic ideas, any firm will be able to analyze its industry and competitors perfectly.

2.3.9 Changing Nature of Competition

Throughout the world all types of industries are experiencing increased competition which is the result of exposure to foreign companies and the effect of the globalization of trade, deregulation of economies and a changing manufacturing environment (Rickwood, Coates and Stacey, 1990). In addition, as a result of globalization, deregulation and changing manufacturing systems in the 1990s, the entry of foreign competitors exposed the local industry to competitive challenges in the domestic and the global markets (Channing, 1994). The structure of industry in many countries has been profoundly influenced by the forces of globalization, which primarily comprise privatization, trade liberalization and deregulation (Bromwich and Bhimami, 1994). Collectively, these forces have created a business environment which is more competitive (Porter, 1985), and they have imposed a profound impact on the economic performance of companies and business units (Amann and Nixon, 1999).

Enterprises should scan the environment to ensure that it provides a moving target and that they are fully aware of the challenges in the market place to achieve and maintain a competitive advantage (Dixon and Smith, 1993).

Mia and Clarke (1999) opines that “if an organisation faces increasing competition in its market yet fails to adopt and implement appropriate strategies to deal with such a competition, its performance is likely to deteriorate.”

2.3.10 Competitive Blind Spots

It is obvious that much competitive information is bounded by the assumptions that managers' have with respect to their industry and these assumptions may lead to *blind spots*. As a result, such blind spots may cause the strategist not to recognize the significance of events, interpret them inappropriately, or see them only slowly (Bromwich, M., 1990). They should carefully consider such six serious blind spots to carry out competitive analysis (Shaker A. Zahra et al., 1993; E. J. Zajac et al., 1991).

1. *Misjudging Industry Boundaries*. There is a tendency of maximum strategists to define their industry around their current products, customer groups, and geographies blinding themselves only to the adjacent competitors which subsequently enter their current space.
2. *Poor Identification of Competitors*. Strategists often focus on only the largest and most well-known companies and exclude other potential competitors.
3. *Overemphasis on Competitors' Visible Competence*. In doing competitor analysis strategists often focus on competitors' hard assets and technology skills and ignore equally potent capabilities such as logistics, product design, or human resources.

4. *Emphasis on Where, Not How to Compete.* They too often assume that competitors' strategies will shift only incrementally to the exclusion of radical repositioning in how they could compete.

5. *Faulty Assumptions about Competitors.* The overuse of stereotypes causes strategists to misjudge competitors' competences and competitive advantages.

6. *Paralysis by Analysis.* Fascination with the task of data collection results in information overload which is very much detrimental for perfect analysis.

2.3.11 Outcomes of Competition

Continuous competition in an industry results to drive down the rate of return on invested capital toward the competitive floor rate of return; this is the return which would be earned by the economist's "perfectly competitive" industry. This is the lowest rate of return that investors will tolerate. They will not tolerate returns below this rate for very long, in that case they will switch their investment to other industries. So ultimately firms those are earning less than this return will eventually go out of business. In contrast, the presence of rates of return higher than the adjusted free market return serves to stimulate the inflow of capital into an industry either through new entry or through additional investment by existing competitors. The ability of the firms to sustain above-average returns depends on the strength of the competitive forces in an industry which determines the degree to which this inflow of investment drives the return down to the free market level (Porter, 1979).

2.3.12 Tools of Industry and Competitive Analysis

Competitive analysis is an evaluative task that goes beyond mere classification to compare rivals on the basis of relevant dimensions. In doing so it is needed to introduce

the notion of resource equivalence to help managers assess the strengths and weaknesses of their competition in terms of comparative capabilities in the industry (Mark, B. and Margaret, A. Peteraf, 2002). It is understandable that competitive analysis is done to get a clear idea about the attractiveness of an industry.

Most industries have been affected as a result of the globalization of formerly national economies, the pervasive role of the information and communication technologies, as well as the convergence of markets and sectors. In the given context, everybody must understand how industries are structured, how they are changed, how they are affected by both technology and regulation, as well as how they interact with one another and evolve as a result of it. Considering everything it can be concluded that industry analysis is about identifying the relevant environmental factors shaping an industry as well as about putting these factors into a logical framework. This analysis eventually helps all concerned to understand an industry's structure, its main characteristics, the degree and nature of competition, as well as its evolution (Bensoussanat *et al.*, 2003).

For complete industry and competitive analysis one has to find out answers of seven questions (Thomson *at et.*, 2003) on the following areas: industry's dominant economic features; type of competition and strength of the competitive forces; causes responsible to change the industry's competitive structure and business environment; finding out companies in the strongest / weakest positions; possible future strategic moves of the rivals; key success factors; and industry's attractiveness and prospects for above-average profitability.

2.3.13 Dominant Economic Features of Any Industry

Industry means, “a group of firms whose products have so many of the same attributes that they compete for the same buyers.” (Thomson *at el.*, 2003).

The factors to consider in profiling an industry’s economic features are given below: Size of the market; growth potential of the industry; the intensity of competitive rivalry (local, regional, national, international, or global); position of the industry in the business life (emergence, growth, shakeout, maturity and decline); number of buyers and their relative size; types of distribution channels those are used to send products to target consumers; the extent of backward and / or forward integration of industry rivals; pace of technological improvement which results in product and process innovation; highly differentiated, weakly differentiated, or essentially identical products and services of rival firms; area wise clustering of key participants of the industry; degree of learning and experience curve effect on certain industry activities such as if unit costs decline as cumulative output grows; capital requirement; capability of companies to reach at economies of scale in purchasing, manufacturing, transportation, marketing, or advertising; strength of entry and exit barriers; industry profitability.

2.3.14 Analyzing Type of Competition and Strength of the Competitive Forces

Henderson (1979) advised “Concentrate your strength against your competitors' relative weakness”. In a classic book written in 1963, Cyert and March claimed that firms try to avoid uncertainty rather than confront it. Considering everything, during industry and competitive analysis, one should try to discover the main sources of competitive pressure.

It should also judge the strengths of each competitive force so that the level of uncertainty can be minimized.

2.3.15 The Five Forces of Competition (Porter's Five Forces Framework)

In order for a business to choose its desired competitive position, it must start with an analysis of the attractiveness or profitability of the industry to which it belongs. By far, the most widely used model to gain insights into the competitiveness of an industry is the Five-Forces Model introduced by Porter (1980). This model forever changed how academics, consultants, and managers would view competitive environments (Stanley *et al.*, 2002).

Michael Porter, professor of Harvard Business School, was very credible when he claimed that the state of competition in an industry is a composite of five competitive forces. His total model was based on five basic premises. He named those premises as five competitive forces. He suggested that these forces determine the return on capital potential in an industry and influence the strategies available to firms in the industry. The competitive forces are: (1) threat of new entry into an industry; (2) intensity of rivalry among existing competitors; (3) pressure from substitute services; (4) bargaining power of buyers; and (5) bargaining power of suppliers.

If somebody can acquire the knowledge of the underlying sources of competitive pressure s/he would be able to find out the basic attractiveness and profitability of an industry, the critical strengths and weaknesses of a company, clarify the areas where strategic changes may yield the greatest payoff and pinpoint the industry trends that promise the greatest significance as either opportunities or threats (Porter, 1979).

Considerable amount of research has been conducted since the introduction of this model that either supports or complements the basic premises lay forward by Porter. Over the past few decades industry dynamics are evolving in subtle pace. Many industries are moving closer to a global marketplace; technology is advancing rapidly and in unanticipated ways; deregulation is opening the door for aggressive forms of entrepreneurship; and the internet is creating an entirely new way to do business (Stanley *at el.*, 2002).

Porter’s five-forces model which is a powerful tool for methodically identifying the principal competitive forces in an industry and assessing how strong and important each one is in determining industry attractiveness is illustrated in the following figure.

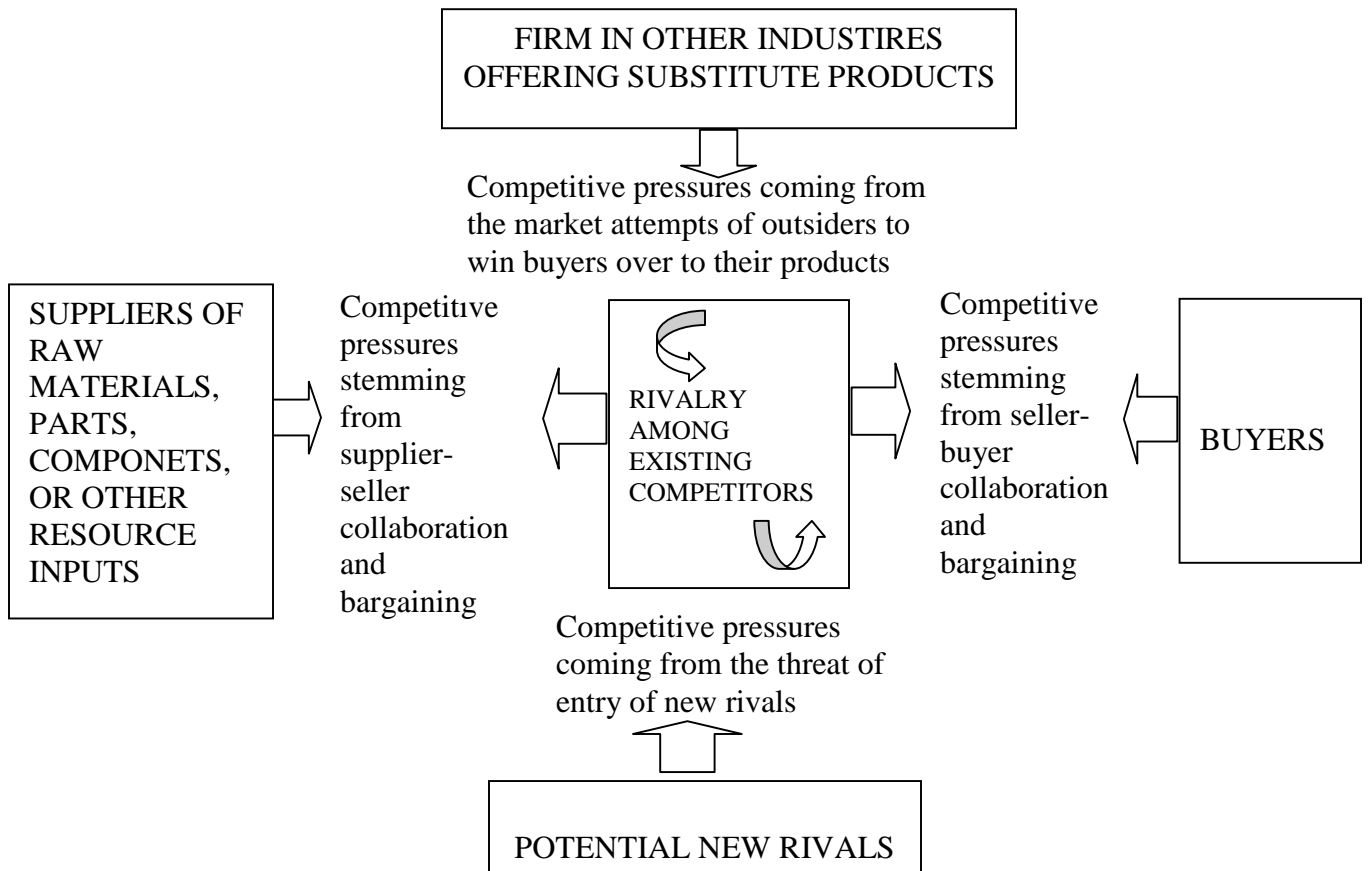


Figure 2.6: Porter’s five forces model of competition: a key analytical tool for diagnosing the competitive environment

The main competitive forces vary in different industries. In the ocean-going tanker industry the key force is probably the buyers (the major oil companies), while in tires it is powerful original equipment market buyers coupled with tough competitors. In the steel industry, the key forces are rivalry with foreign competitors and substitute materials (Porter, 1979).

a) The Rivalry among Competing Sellers in the Industry

Competitive rivalry is a force that appears to have the greatest influence on both ROI potential and business-specific risk. Rivalry is considered as competition by producers of substitute products and the threat posed by potential entrants (Stanley *et al.*, 2002). How much intense the rivalry among competing sellers will be dependent on how vigorously they employ such tactics as lower prices, attractive features, expanded customer services, longer warranties, special promotions, and new product introductions (Thomson, 2003).

It does not ensure that a sequence of actions and reactions initiated by a firm will always leave the industry in a better state. It is very much possible that if moves and countermoves escalate, then all firms in the industry may suffer and be worse off than before. Some types of competition, like price competition, are highly unstable and likely to leave the entire industry worse off from a profitability viewpoint. Rivals are supposed to match the price cuts very quickly and once matched it will lead to lower revenues for all firms unless industry price elasticity of demand is very great. In contrast, advertising battles may well increase demand or raise the level of product differentiation in the industry. Certainly this will provide benefits for all firms (Porter, 1979).

In the following situations possibility of rivalry is increased: if there are numerous competitors in an industry; if growth of the industry is slow; if high fixed costs create strong pressures for all firms to fill capacity leading to rapidly escalating price cutting; if the industry product is perceived as a commodity or near-commodity, a situation when buyer choice will largely be dictated by price and service creating strong pressures for price and service competition; if there is overcapacity; if competitors are diverse in strategies, origins, personalities and relationships to their parent companies, they will create volatile rivalry because they have differing goals and differing ideas about how to compete and are continually colliding head-on in the process;; if a number of firms in the industry have high stakes in achieving success; when an industry faces high exit barrier (Porter, 1979).

It is obvious that industry features that determine the intensity of competitive rivalry can and do change over time. When an industry matures, rivalry is intensified as a result of declined growth rate leading to declining profits and (often) a shakeout. Rivalry can also shift when an acquisition introduces a very different personality into an industry (Porter, 1979).

To face a situation of extreme rivalry, a firm can make attempt to raise buyers' switching costs by designing its product into its customers' operations or by making its customers dependent for technical advice. Another way to handle rivalry is to increase product differentiation to get sustained competitive advantage through new kinds of service, marketing innovations or product changes (Porter, 1979). This type of sustained competitive advantage in the market place is rooted in enterprise's internal resources and capabilities (Barney and Ouchi 1986). In this respect an enterprise could initiate a

competitive challenge that would fully utilise its resource-based advantage. An enterprise will therefore select a strategy that is based on its resource capabilities in order to earn economic returns. Organisations that have the strategic capability to focus and coordinate human effort in relation to the resource position of the enterprise have a strong basis for the attainment of a competitive advantage (Demsetz 1988).

The importance of competitive behaviour, such as the concepts of first-mover advantage and competitive initiatives, has been widely accepted (Chen, 1996). Research demonstrates that actions and responses affect performance (Heap and Varoufaks 1995) in that the greater the number of competitive moves that an enterprise initiates, the better its performance (Graham 1998). On the other hand, when an enterprise fails to respond appropriately to intensity of competition, its performance is likely to deteriorate (Bromwich, 1990). A relationship between competition and performance can be developed as follows:

Performance = f (competition) [Performance is a function of competition]

Porter portrayed non-price-competitive tactics like product development or advertising as more civilized rivalry. It is obvious that question will come: how civilized is such rivalry? To answer it one must consider the firm's objectives. The financial objective is to produce a return on capital that exceeds the cost of capital, thereby creating shareholder value. This can be done consistently only when the firm has a position of sustainable competitive advantage--creating more value for buyers than competitors can, and in a way that is difficult to imitate. However, all a firm can really hope to do is obstruct imitation because in the long run any product, asset, or capability can be imitated or innovated around. Innovation, whether in products or

processes, is the key to achieving and sustaining competitive advantage. There are two generic types of innovations. Disruptive innovations, according to Christensen and Bower (1996) are the stuff of which "creative destruction" is made. These innovations happen rarely but have the potential to destroy incumbent products and businesses. The advent of the compact disc player destroyed the majority of the market for turntables and many of the companies that manufactured them. Digital photography represents another disruptive innovation that poses a substantial threat to manufacturers and developers of 35 mm film, such as Kodak. In contrast, sustaining innovations are the type of innovations we associate with continuous improvement. An example is the Iomega 250M Zip drive. The basic technology is not substantially different from that found in the company's 100M Zip drive. However, the sustaining innovation of a 150 percent increase in storage capacity allows for the convenient backing-up of memory-hungry video files that have become more and more popular with the advent of increased PC processing power and more user-friendly video-editing software. Even the development of sustaining innovations poses a substantial threat to profitability. Procter & Gamble and Unilever are currently locked in a war for increased market share in the slow-growth laundry detergent business. Brooker (2001) noted that "the real genius of Tide's strategy is its relentless stream of new and improved products. Each year Procter & Gamble spends close to \$2 billion on research and development, a large portion of which goes toward developing new formulations of Tide." Because of the massive amounts spent on marketing and R&D, the financial performance of both firms has suffered.

b) The Potential Entry of New Competitors

When new entrants enter into an industry they bring new capacity, the desire to gain market share and other substantial resources. Certainly, they will bid down prices or inflate costs, reducing profitability. The seriousness of the competitive threat of entry in a particular market depends on two categories of factors: barriers to entry and the expected reaction of incumbent firms to new entry. Entry barriers are features of an industry that give the existing players inherent advantages over potential entrants (Porter, 1979). There are several types of entry barriers: economies of scale, cost and resource disadvantages independent of size, learning and experience curve effects, inability to match the technology and specialized know-how of firms already in the industry, brand preferences and customer loyalty, capital requirements, access to distribution channels, regulatory policies, tariffs and international trade restrictions (Thomson, 2003). How much costly the entry of the new entrant will be depends partly on the *probable reaction from existing competitors*. If a potential entrant anticipates that the existing firms of the industry will respond *forcefully* to make its stay in the industry a costly and unpleasant one, it may well decide not to enter. If the key players of the industry are historically reputed for tendency of vigorous retaliation to entrants, if the incumbent firms have substantial resources to fight back (including excess cash and unused borrowing capacity, excess productive capacity or great leverage with distribution channels or customers), or if the industry's growth is sufficiently slow that entry of a new competitor would depress the sales and financial performance of established firms, then potential entrants are likely to meet strong retaliation from incumbents (Porter, 1979).

Whether the entry barriers are strong or weak totally depends on the resources and competencies possessed by the pool of potential entrants.

Firms already established in one market segment or geographic area may have the resources, competencies, and competitive capabilities to cross the barriers of entering a different market segment or new geographic area.

It is mandatory to consider the issue of how existing firms will react. Two alternative possibilities are there: incumbent firms may offer only passive resistance; or they may aggressively defend their market positions using price cuts, increased advertising, and product improvements and in this way giving the new entrant (as well as other rivals) a hard time.

If a researcher wants to decide whether potential entry is a strong or weak competitive force in a given industry s/he will have to ask if the industry's growth and profit prospects are attractive enough to induce additional entry. It also should be remembered that the threat of entry changes as the industry's prospects grow positively or negatively and as entry barriers rise or fall.

Finally it could be concluded that the threat of new entry will be strong when entry barriers are low, when lot of companies are trying to enter into the industry, when existing companies are unable or unwilling to vigorously contest a newcomer's efforts to gain a market foothold, and when a newcomer can expect to earn attractive profits.

c) Competitive pressures from substitute product

A product will be considered as a close substitute of another when they are similar in terms of their performance characteristics, occasions for use, and when they are sold in the same geographic market (Besanko et al., 1996).

It is very much possible that companies of one industry are frequently in close competition with companies in another industry because their respective products are good substitutes. That is why it is evident that producers of eyeglasses are competing with the manufacturers of contact lenses and with eye specialists who perform laser surgery to correct vision problems (Thomson, 2003). Porter (1979) confidently claimed that “A company with a strong position in an industry unthreatened by potential entrants will earn low returns if it faces a superior or low-cost substitute product”. Profit potential of an industry is hindered by the presence of a strong substitute because it will place a ceiling on prices the companies in the industry can charge. Porter has advocated to put attention on substitute products that (a) are enjoying steady improvement in price performance comparing with the industry's product, (b) would entail minimal switching costs for potential buyers or (c) are produced by industries earning high profits. In the latter case, substitutes often come rapidly into play if some development increases competition in their industries and causes price reduction or performance improvement. Collective industry action is necessary for effective defense against substitute products. Individual initiative by a single company to defend against a substitute by giving advertisement has a little effect, while heavy and sustained advertising by all industry participants may well improve the industry's collective position against the substitute. Similar logic is applicable for collective industry response through industry groups and other means in areas such as product quality improvement, marketing efforts and product distribution (Porter, 1979).

The sugar industry competes with companies that produce artificial sweeteners and high-fructose corn syrup. Cotton and wool producers are in head-on competition with

the makers of polyester fabrics. Companies providing electric power are in competition with companies providing natural gas for such purposes as cooking, space heating, and water heating. Aspirin manufacturers compete against the makers of acetaminophen, ibuprofen, and other pain relievers. Newspapers are in competition with television in providing late-breaking news and with internet sources in providing sports results, stock quotes, and job opportunities. E-mail is substitute for the overnight document delivery services of FedEx, Airborne Express, and postal service.

The intensity of pressure created by substitute products will depend on three factors: (1) availability of attractively priced substitutes (2) consideration of buyers about the substitute as equivalent as the original product in terms of quality, performance, and other relevant attributes; and (3) whether buyers can switch to substitutes easily.

It can be considered as a rule that the intensity of the pressure posed by substitute products will depend on lower price of substitute, their higher quality and performance and lower switching cost of the users.

d) Competitive Pressures because of Supplier Bargaining Power and Supplier-Seller Collaboration

If suppliers enjoy the power of controlling the price and quality as and when they want, they can exert a competitive force in an industry by raising prices or reducing the quality of the goods they sell. Such price increases can squeeze profitability out of an industry unable to recover cost increases by increasing the price because of strong pressure from the buyers. If the buyers become powerful, the suppliers will be weak in terms of bargaining power and the vice versa. When there are only a few dominant suppliers those are more concentrated than the industry it sells to', this group of suppliers will be able to

exert considerable influence on prices, quality and terms. In contrast, when suppliers need to compete with strong substitutes, the power of even large powerful suppliers can be reduced. When suppliers have the scope of selling products to a number of industries, they will have the tendency of putting pricing pressure because no particular industry represents a significant fraction of sale. On the other hand, if the industry is an important customer the suppliers' fortunes will totally depend on the success of the industry. In this situation suppliers will want to protect the industry through reasonable pricing and assistance in activities like research and development and lobbying. Differentiation and switching costs cut off buyers' options in playing one supplier off against another and raise supplier power. If the suppliers have the capability of forward integration, it will provide a check against an industry's ability to improve the terms on which it purchases. It is vital to identify labor as a supplier, one that exerts great influence in many industries. It is empirically evident that scarce, highly skilled employees (e.g., engineers and scientists) and/or tightly unionized labor can bargain away a significant fraction of potential profits in an industry (Porter, 1979). It is natural that buyers seek a bargaining advantage relative to suppliers. Suppliers will be able to exercise huge bargaining power when they are large, few in number, and can sell easily to alternate customers. There are two related issues to be considered: (1) how can firms successfully bargain with powerful suppliers? and (2) should buyers attempt to negotiate the lowest prices from weaker suppliers? With regard to the first issue, buyers can bargain for either lower prices or additional benefits. Influential suppliers are prone to offer lower prices when they believe it is in their long-run best interests to do so. This is possible when they consider the buyer as a more important partner in the future and they want to establish a strong

relationship today. Or the buyer may offset some of the supplier's power by entering into a long-term contract. In contrast, suppliers may hold firm on price however they may provide additional benefits to buyers. Certainly, this will be a win-win situation, preserving the revenue stream of the seller while providing additional value to buyers. With regard to the second issue, influential buyers should manipulate their power in a thoughtful manner. Buyers always prefer suppliers that can provide high-quality and innovative raw materials, components, and professional services. To ensure continuous innovation, a strong and stable stream of cash flows is required. Such cash flows require a fair price that generates an adequate return on capital. It will be shortsightedness if firms view relations with suppliers as transactions to be exploited for maximum gain. If buyers maintain good relationship with influential suppliers, there is huge potentiality that they will get the scope of creating additional value for ultimate customers--value for which customers will be willing to pay a premium price (Stanley F. et al., 2002). The strength of competitive force because of supplier-seller relationship will depend on (1) the capability of suppliers to exercise sufficient bargaining power to influence the terms and conditions of supply in their favor, and (2) the extent of supplier-seller collaboration in the industry.

The way suppliers bargaining power creates competitive pressures: Suppliers enjoy a little bargaining power or leverage over rivals every time the items they offer are supplies available on the open market from many suppliers with sufficient capability to fill orders. Suppliers bargaining power will be weak when there are good substitutes for the item they provide and buyers find it neither costly nor difficult to switch their purchases to the suppliers of alternative items. The following example will make the point clear. If the

aluminum can suppliers exercise bargaining power on price or delivery, soft-drink bottlers can counter it by promoting greater use of plastic containers and introducing more attractive plastic container designs. In case when the company where the suppliers are giving the supplies is a major customer, suppliers tend to have less leverage to bargain over price and other terms of sale. The reason behind this is that in those cases the wellbeing of suppliers is totally dependent on the well-being of their major customers. On the other hand, in some situations companies may enjoy little or no bargaining power over major suppliers. For better understanding, the reason behind the dominance of Intel as the world's number one supplier of microprocessor for PCs could be analyzed. Everybody knows that the microprocessor is not only an essential component but also a big part of the cost of a PC. So, for PC makers, it matters a lot whether Intel's price for its latest microprocessor chip is \$ 600 or \$ 300 and whether a chip of equivalent quality and performance is available from Advanced Micro Devices (ADM), Intel's leading rival.

One supplier can also enjoy strong bargaining power when it can supply a component more cheaply than other industry members. As for example, most producers of outdoor power equipment (lawn mowers, snow blowers, and so on) find it cheaper to source the small engines they need from outside manufacturers rather than make their own because the quantity they need is too little to justify the investment, and capture scale economies.

Competitive pressures created by collaborative partnerships between sellers and suppliers: Recently it is observable that rival sellers are establishing long-term strategic partnerships and close working relationships with selected suppliers in an attempt to (1) ensure just-in-time deliveries and reduced inventory and logistics costs, (2) speed the availability of latest components, raw materials, (3) enhance the quality of the parts,

components, raw materials and services being supplied and reduce defect rates. and (4) reduce the supplier's costs and pave the way for lower prices on the items supplied. Such benefits would lead to competitive advantage for industry members who do the best job of managing supply chain relationships and form effective collaborative partnerships with suppliers. At international level this concept has been used by Dell computer that has used strategic partnering with key suppliers as a major element in its strategy to be the world's low-cost supplier of branded PC's, servers, and workstations. In Bangladesh, Unilever has established a strong collaborative partnership with the renowned advertising and event management firm, Asiatic.

e) Competitive Pressure created by Buyer Bargaining Power

Buyers are considered a competitive force because they are capable to create huge pressure to reduce price, demand higher quality or more services, and play competitors off against each other—all at the expense of industry profitability (Porter, 1979). According to the traditional economic theories, customers enjoy the greatest bargaining power when they are large, few in number, and able to switch easily to alternate suppliers (Stanley F. *et. al.*, 2002). Thomson (2003) identified some other factors which enhance buyer bargaining power. According to him the buyers will have some degree of bargaining leverage in the following circumstances: if buyers are well-informed about sellers' products, prices, and costs; if buyers pose a credible threat of integrating backward into the business of sellers; if buyers have discretion in whether and when they purchase the product.

Porter (1979) claimed that buyer power is also enhanced if the products purchased from the industry 'represent a significant fraction of total purchases'. In this case, the buyer will be prone to expend the resources necessary to shop for a favorable price and to purchase selectively. Finally, the *impact of the supplier's product* on the buyer's business will help determine the bargaining power of purchasers. If the quality of the buyers' product is very much affected by the quality of the industry's product, the buyer will generally be less price sensitive.

Which buyer group a company will select is a crucial strategic decision. If a company wants to improve its strategic posture, it should try to find buyers who possess the least power to influence it adversely. Rarely do all the buyer groups a company sells enjoy equal power. Even if a company sells to a single industry, there are usually segments within that industry that exercise less power (and that are less price sensitive) than others. For example, the replacement market for most products is less price sensitive than the original equipment market (Porter, 1979).

There are a number of situations where buyers will have the benefit of substantial bargaining leverage. It is certain that buyers will enjoy leverage when they are large and purchase a sizable percentage of the industry's output. Usually, purchasing in large quantities gives a buyer enough power to obtain price concessions and other favorable terms. That is why large retail chains like Wal-Mart, Circuit City typically have considerable negotiating leverage in purchasing products from manufacturers. It is obvious that manufacturers will try to expose their products in these types of renowned

chain stores and get favorable shelf space even if needed by delivering products in lower price and agreeing with other terms and conditions.

There are some other situations when even if the buyers do not purchase in large quantities or offer a seller important market exposure or prestige, they may still have some degree of bargaining power in the following circumstances:

- ✚ When buyers have up to date information about sellers' products, prices, and costs.
- ✚ When the number of buyers is small or if a customer is particularly important to a seller.
- ✚ When there is a great probability of integrating backward by the buyers into the business of sellers.
- ✚ When buyers' costs of switching to rival brands or substitutes are relatively low.
- ✚ When buyers use their good judgment about whether they would purchase and when they would purchase the product.

2.3.16 Use of Five Competitive Forces for Structural Analysis and Development of Competitive Strategy of an Industry

After identifying the forces affecting competition in an industry and their underlying causes, a company will be in a position to identify its strengths and weaknesses relative to the industry. From a strategic viewpoint, the vital strengths and weaknesses are the company's posture and the underlying causes of each competitive force. The company will have to evaluate and decide its standing on substitutes, the sources of entry barriers, how to cope with rivalry from established competitors. In order to devise a perfect competitive strategy, a company will have to take offensive or defensive action in order to strengthen a company's position in relation to the five competitive forces. The

company will have to position itself in a way so that its capabilities provide the best defense against the existing array of competitive forces. The company will have to have the influence to balance of forces through strategic moves that improve the company's relative position or anticipating shifts in the factors underlying the forces and responding so as to exploit change by choosing a strategy appropriate to the new competitive balance before rivals recognize it.

A company will have to develop a *positioning strategy* that takes the structure of the industry as given and matches the company's strengths and weaknesses to it. The company also needs to build protections against the competitive forces or find positions in the industry where the forces are weakest. A company should have proper knowledge about its own capabilities and the causes of the competitive forces of the industry. Only then the company will be able to decide on the areas where the company should confront competition and where it should avoid competition. If it earns the capability of producing a product in low cost, it may choose to confront powerful buyers while it takes care to sell them only products not vulnerable to competition from substitutes. In the same way, a company can take an offensive approach by developing *strategies designed to manipulate the balance of competitive forces*. The company can raise brand identification by innovations in marketing or by differentiation of company's product. Capital investments in large-scale facilities or vertical integration can strengthen entry barriers. The underlying factors those drive competition that will be most susceptible to strategic actions could be find out by using structural analysis. A company should sincerely detect and analyze industry evolution because evolution can present opportunities to exploit changes in the sources of competition.

To compete successfully, managers must design strategies in a way that shield the firm as much as possible from the five competitive forces and that help make the rules, put added pressure on rivals, and perhaps even define the business model for the industry. Managers should expect to develop winning competitive strategies without first identifying what competitive pressures exist, gauging the relative strength of each, and gaining a deep understanding of the industry's whole competitive structure. the five-forces model is a powerful tool for giving strategy makers the competitive insights they need to build a successful enterprise — ideally one that enjoys a sustainable competitive advantage.

2.4 CHAPTER SUMMARY

The chapter starts with introduction which is followed by detail theoretical idea of event management service with special emphasis on scope, evolution and procedure. The chapter ends with extant literature review on the procedure of an industry's competitive structure and growth potential analysis.

CHAPTER THREE

OVERVIEW OF EVENT MANAGEMENT SERVICE INDUSTRY IN BANGLADESH

3.1 INTRODUCTION

The chapter is divided into three parts. *First part* includes the history and scope of event management service industry of Bangladesh. The brief discussion on the history of the industry; evolution of service bundles over years; capital requirement; stage in industry life cycle; comments on Porter's Five Forces and industry growth potential presented in this part is totally based on personal interviews as no reliable secondary data is available in this regard. Three industry gurus namely Mr. Tahsin Saeed, Executive Director, Asiatic Exp.; Doza Alan, CEO, Skytracker Ltd.; and Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight) have shared their valuable observations which helped the researcher to prepare this part. *The second part* is on overview of some event management firms which is followed by the *third part* on description of some successful events of Bangladesh.

3.2 PART ONE: A BRIEF IDEA OF EVENT MANAGEMENT SERVICE INDUSTRY IN BANGLADESH

As described earlier, this part is totally based on personal interviews of the leaders of event management service industry in Bangladesh. Their valuable observations, opinions and suggestions are summarized as follows:

3.2.1 Event Management: As Defined by Industry Leaders of Bangladesh

Event management service industry is below the line (BTL) marketing communication service provider that connects consumers not through any mass media but more through direct contacts, closed door events and staff like that. The scope of two way communication between seller and buyer exists in this special type of communication (Sayeed, Tahsin., 2015). Currently Event Management is a vital tool of promotion. It is skillfully used to manage brands. Positioning, repositioning, acquisition, retention, new product launching and test marketing are some areas where event management is used (Ahmed, Jamal Uddin., 2014). Event Management Service industry actually accumulates services from vendors and just presents it to clients (Alan, Doza, 2015).

3.2.2 A Brief History of Event Management Service Industry of Bangladesh: Inception and the Journey

Observation of Doza Alan, CEO, Skytracker Ltd.

Initially there was no separate service industry to give event management service in Bangladesh. A separate wing of big advertising firms was dedicated to give this service if asked by clients. At the beginning of 2000 when the service demand increased manifold, entrepreneurs started to establish event management firms with separate existence, not as a wing of advertising firms. The industry started its journey. *The first firm of the industry was Market Access Private Limited (MAPL).* The scope of the industry has increased manifold since its inception. This industry is not handling only events but also handling all types of Below The Line (BTL) promotions. All reputed event management firms have their own strategic planners who are capable to develop promotional strategies for the clients. There is also a marketing team that is involved in handling the clients. Other executives and officials are involved in execution and

implementation of the plan. When a client asks for a promotional planning for a product or brand, the strategic planners develop a 360⁰ plan which covers not only BTL part but also Above The Line (ATL) part of it although they provide only BTL service during implementation phase. ATL services like advertising using various electronic and print medias are provided by advertising agencies. Maximum clients are using this blending which is now popularly known as Through The Line promotion (TTL).

Before 2000, all renowned advertising firms like *Asiatic*, *Interspeed*, were used to recruit one or two personnel to handle events. In 2000, Mr. Doja himself was responsible for handling event as an executive of renowned advertising firm *Mediacom Limited*. When the advertising firms observed that event management service has huge potential, they started to create a separate wing to give this service. For example, in 2006, *Bitopi* started its event management wing by the name *Spotlight*. *Spotlight* got a separate existence by having a trade license for its own. Mr. Doja Alan, a former executive of *Mediacom*, along with Mr. Jamal Uddin Ahmed, a colleague of Mr. Doja (later on Manager, Event and Activation, Akij Foods and Beverage), were involved in this formation.

Before 2000 and in early 2000 there were some funds of foreign donors like USAID for rural developments. They spent the funds to make rural people aware about some basic issues by organizing various events. The budget per program was huge like 10 to 15 crores. To capitalize the opportunity, maximum top level advertising firms opened one event management wing just to handle social awareness event targeting rural people. Interspeed opened one event management wing by the name *Interspeed Rural*. Although some other firms also handled these basically social awareness building

programs, the maximum were handled by Interspeed. Some events were for mothers, some were for adult people like building awareness on AIDS. *Bitopi* also did the same by opening *Bitopi Social*. The scope of providing these types of event management services by the industry to donor agencies is no more available. The possible reason could be the instruction from the donors to organize the events by non-profitable organizations like NGOs. The NGOs are now organizing these social events of their own. In very few instances they take professional help from event management service industry, contribution from which could be considered as negligible. Just for information, it could be mentioned that along with this, Interspeed also handled some very successful corporate events of Unilever at that time. As the demand for rural social awareness events has decreased, Interspeed Rural no more exists. Instead, they have established a separate wing by the name *Interspeed Activation* to handle all types of events.

Another big firm emerged at the same time was Asiatic Events. It is considered as one of the largest firms of the industry. One of the biggest and successful events organized by this firm is “LakhoKonthe Sonar Bangla”. Although the biggest event of Bangladesh which was inauguration program of ICC World Cup in 2011 was organized by world renowned event management company, ‘Witchcraft’, locally they took help from Asiatic Events. Witchcraft’s costing is very high. As for example just to make a stage they take 15 to 20 crores BDT. It is obvious that their stage design is of very high quality using latest technology like movement of various parts of the stage and formation of new shapes within a single program, effects of laser and lights etc. To organize ICC World Cup’s inauguration, experts of Witchcraft came from various parts of the world. That is why the event took an international look. The players of local event management

industry will have to work hard to get the specialization and invest more to reach that height. A tri-nation concert in 2014 was organized by Asiatic Events. The participating countries were India, Pakistan and Bangladesh.

*When the demand for event management service increased, **Market Access Providers Limited (MAPL)** started its operation in 1996. The basic difference of MAPL with other event management firms is that it is **the first individual event management firm of Bangladesh** which started providing event management service exclusively. It is not something that was established by any advertising firm. The success of MAPL encouraged some other entrepreneurs to start event management firms. This is how event management service has become a separate service industry of Bangladesh. For this reason MAPL is recognized as the pioneer firm of the industry by all veterans. Another renowned event management firm also started their journey in 1990s, it was **SEMS**. However they became famous only for giving service to organize fairs. In contrary, MAPL is capable to provide 360⁰ services. Right now MAPL is considered as not only the pioneer firm but also the leader of the industry.*

*Integrated Marketing Service Ltd. (IMS), another big firm started its operation in 2010. This firm also started business exclusively in event management industry; it is also not an outcome of an advertising firm. The entrepreneurs are Mr. Saroar and Mr. Sami. Before starting the business, Mr. Saroar was an executive of British American Tobacco (BAT) and Mr. Sami was an executive of Grey Advertising. This firm is doing very well. Windmill, another renowned one, was started by Mr. Tamim who is the CEO of the organization. Although **Unitrend** is a renowned advertising firm, its separate event management wing **Momentum** could not succeed at that level. It is not even considered as*

a medium category firm. The name of event management wing of **AdComm** is *Activation*. Their main client is Akij. All events and activation programs of Mojo were done by Activation. *Antor Show Biz* of Mr. Shawpan has got the specialization of organizing musical events. He organizes only 2 to 3 events in a year where Mega stars like Shahrukh Khan performs. Antor Show Biz is not a 360⁰ service provider. They never involve themselves in any other types of events. '*Spotlight*' of **Bitopi** is also a renowned event management firm.

Mr. Doja's firm *SkyTracker* is also one of the renowned firms of the industry. The company was registered in 2009, however the company actually started its formal operation in 2011. It is a private limited company. It has been enlisted as a company to provide only BTL services. This firm is involved in 360⁰ promotion. For support in ATL, it only gives the strategic idea. Production is done by advertising firms. However for BTL promotion, total support starting from strategic planning up to implementation is done by this firm. One example could be 'GP night' which is basically an annual get together program of the internal employees of Grameen Phone. There are some announcements in the program like declaration of the name of the best employee along with cultural program and dinner. Theme development and implementation of last GP night was done by Skytracker.

One of the mid-level firms is '*Signal Events*'. The owner is DJ Jesan. In the latter half of 2014 they organized an event for 'Jarwa House' in Chittagong. There are thousands of mid-level and entry level firms. Almost every day new firms are getting enlisted. Lot of stars are involving them in this business. Recently even the cricket star Shakib Al Hasan has launched an event management firm by the name '*Fiesta*'.

The industry was started by giving field force management service to corporate clients. Initially Interspeed Event started giving this service to British American Tobacco (BAT). They used to supply 600 to 1200 field forces to BAT in a contract of one year. The scope originated because if a company employs its own field force in their payroll then it becomes a burden on them. These employees get huge benefits along with the salary like bonus, provident fund, gratuity, etc. Situation aggravates even more if for any reason this company needs to be closed. In this moment satisfying this huge number of employees becomes difficult. Maximum companies try to avoid this difficulty by employing contractual employees. However, handling these contractual employees by the company becomes very difficult. So they give this responsibility to a third party. To capitalize this scope, event management firms started to recruit employees to be supplied to their corporate clients. Ultimately they are the employees of event management firms however working for the client company. Event management firms are getting a service charge against this service and giving a part of it as the payment of these employees. It can be questioned that how this service can be a service of event management industry. Actually the thing is that this is not only about giving supplies of manpower which is done by labour contractors or other manpower agencies, this is also about training, executing, monitoring and giving software generated sales and other required reports to the client which could be handled only by a skilled event management company. This is sort of activation. MAPL actually started in this way. After that event management companies started to involve them in product launching, arranging press conferences, seminars, positioning and repositioning of products. The growth of the industry was started. The reposition of Robi from AKTEL was a result of contributions of various event

management and advertising firms, it was not a single effort. However, the main contribution was from Adcomm. Another successful (possibly the biggest in Bangladesh) repositioning was the repositioning of Grameen Phone (GP) to Telenor and subsequent logo change. This event was handled by renowned advertising firm, 'Bitopi'. Bitopi developed the theme by brainstorming, however the execution of the required events was done by their event management firm, 'Spotlight'. The biggest challenge was to change all billboards, road signs and shop signs of GP and replace them by new ones using the new logo within one single night all over Bangladesh. That was successfully done. Huge skilled and unskilled labors are required to implement this type of events where outdoor campaigns like installation or change of billboards' content, poster pasting on walls, hanging of festoon, banner, buntings, and danglers are mandatory. To make it easy, event management firms usually divide the whole country into several regions. For example, at that time Spotlight divided the total country into nine regions. Seven divisional headquarters plus Bogra and Mymensing. The reason for adding Bogra and Mymensing is totally geographic. Organizing and controlling an event in Bogra is difficult if the headquarter is Rajshahi. The reason is the huge distance between these two cities. Same is true for Mymensing. Controlling it from Dhaka is difficult. There are some skilled persons in these strategically important locations who have the necessary experience, skill and manpower to organize any event in their regions. The industry recognizes them as *brand promoters (BP)*. They are not employees of any event management firm. Rather they are freelancers who are ready to work for any event management firm whenever needed. They are capable to give all sorts of necessary supports. For example, if an event management firm wants to organize an event in Rajshahi Azizul Haque college, the BP of

Rajshahi will meet the principal of the college on behalf of the firm along with the application sent through e-mail seeking the permission. To organize a road show, permission from police authority is mandatory. The BP will also collect this. This service of BP helps to reduce the cost that would have been incurred if the event management firm had to send their own personnel to get this permission. They use required personnel from their locality as per the requirement of the event with prior consultation with the firm. Along with the expert people some volunteers are used. However the industry does not call them volunteers as they are paid for their assigned job. These personnel are called *Asher*. Along with the veterans, fresh people are getting chance on a continuous basis. It can be concluded that thousands of families are surviving depending on this industry throughout the country.

In some cases the major work of customer service department of some reputed company is carried on by the personnel of event management industry. For example, the people who are giving services to the customers of Pureit (a filter of Unilever) are actually employees of Skytracker Limited. Skytracker has engaged 170 people in this work. Whenever a customer of Pureit calls the customer care center, the employee who receives the call and gives suggestions are direct employee of Unilever. However, if the problem is such that it needs physical inspection of the filter, then the company sends one personnel. This employee tries to find out the problem and fix it. They also sell the product and its spare parts. A customer can directly call the customer care center to place the order. A member of this team will visit the customer to supply pureit and collect the money. These employees working at the field level are actually outsourced people supplied by Skytracker. These personnel are trained up by Unilever. The training is on

selling skill and problem handling. Some employees are always leaving and some are newly recruited. To cope with this and to teach new and improved systems of problem handling, Unilever arranges training in every month. Some field level existing outsourced employees who cannot fulfil his / her sales target are also trained so that s/he can improve the selling skill. Skytracker is continuously monitoring the daily sales and other performance of these personnel individually and sending a report to Unilever so that the company can evaluate the status of cumulative progress against the target of the month and can take necessary measures if required. It is obvious that Skytracker is giving all types of services to sell pureit. As long as the product is in the market, Unilever Bangladesh needs this service. It is not like a normal event where requirement for outsourced personnel is finished right after completion of the event. In a way this has created permanent scope of service for some people. This special service of Skytracker has created opportunity for 170 families to survive. As a result of involvement of event management industry in these types of support services, thousands of families are surviving. This can be claimed as broadening of industry's scope which is ultimately contributing to creation of employment opportunity and growth of national economy.

Some companies send salesman door to door for promotion and selling. These people are usually recruited and managed by event management companies. Actually the scope of this industry is much more than just organizing events. Along with events and activation, this industry also manages direct sales.

Already there are few thousand companies in mid and entry level of this industry. Registration of new firms are going on almost in every day. The industry gurus including Doza Alan and CEO of Antar Showbiz, Mr. Shawpon took the initiative to organize all

firms working in this industry under one association. However, it is yet to get any final shape. They organized meeting with the mainstream eleven event management firms of Bangladesh : IMS, MAPL, Asiatic Exp, Skytracker, Antar Showbiz, Firework (Interspeed), Spotlight, Trilogy, SEMS, Windmill and Unitrend. There are another 250 mid-level firms those have survived for last 4-5 years have also shown their interest to become member of the association. However, there are at least three thousand small firms those are handling some of the small events of corporate houses. These firms actually concentrate more on family circle events like birthday, ‘gayeeholud’, marriage ceremony, marriage anniversary, ‘muckhebhat / onnoprashon’ etc. Among these three thousand small firms at least two thousand are Dhaka based.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Events are actually tools to communicate with consumers. This industry involves not only urban consumers with company products through events and activations but also interacts with villagers by rural activation. As for example one of the rural activations of Unilever was motivating rural people not to use ‘chai (ash)’ instead to use ‘Vim’. Another one is the introduction of a Health Kit for rural people by ‘Social Marketing Company (SMC)’. In the latter case, one to one household contact or ‘UthanBaithok’ was done by the assigned event management company.

As far as he is informed, *Asiatic* started this business separately in 1997 by the name *Asiatic Events Marketing Ltd* as the pioneer firm which has ultimately become *Asiatic Experiential Marketing Ltd (Asiatic Exp.)*. This event management firm started

its journey as a private limited company by separating itself from Asiatic Marketing Communication (advertising wing of Asiatic) with the objective of organizing ‘Mini World Cup 1998’ of ICC. It organized the opening ceremony successfully. At the starting of the millennium, the company started organizing various types of events and activations. The main concentration was mobile telecommunication companies like Grameen Phone, Aktel, Citycel etc. The company also worked with various multinational companies like Unilever specifically for rural activation of Lux. Mr. Sayeed joined the company in 2008. From that year up to 2015, the company has experienced a steady growth. Within that period the revenue was increased by ten times. Right now the biggest client of the company is Grameen Phone (GP). The company is giving full range service to GP which includes events, activations, below the line consumer campaign. Another big client is British American Tobacco (BAT). The events are basically close door campaigns. These types of marketing is called ‘Permission Based Marketing’. When an adult consumer is contacted and if he allows, then he is invited in a closed door event. This could be musical program. Asiatic Exp is responsible for conceptualizing, designing and delivery of the program. Another very important client of the company is Unilever. In this case the agency personnel conduct door to door campaign to build up awareness and for an intended behavioral change regarding body and hair cleanliness and washing clothes and utensils.

To include more BTL activities in the scope of the industry, ‘Interspeed’ formed a firm named ‘Interspeed Rural’ during 2000 to 2001. *Market Access Providers Ltd (MAPL)* started its BTL services immediately after ‘Interspeed Rural’ during 2002 to 2003. One of the most successful initiative taken by ‘Interspeed Rural’ was selling

products of Unilever to rural areas. One of the young man of the rural community was recruited by 'Interspeed Rural' who collected Unilever products from a wholesaler and used to sell in his community. He was called 'Pollidut'. Meanwhile in last decade the industry started giving various specialized services like 'Musical Event' and 'Exhibition' by firms like 'Antar Showbiz' and 'SEMS'. Right now there are about 350 big to medium level events management firms in the industry. However, 10 to 20 firms are in leading positions with major market share. Newly an *initiative* has been taken to form an *association of the industry* named '*Event Management and Marketing Association of Bangladesh (EMMAB)*'. The name of Mr. Shawpon (owner of Antar Showbiz) has been proposed as the chairman. Still the organization is not fully functional.

Although separate initiative to form an event management firm from outside advertising industry was initiated during 2000 onward by firms like *MAPL & Antar Showbiz*, the trend has become most common in last 5-6 years. *Integrated Marketing Solutions (IMS)* has started its journey a little bit later, however, already got a very good position.

Interspeed and MAPL are giving services to British American Tobacco (BAT) by providing sales people who basically work under the agencies and are responsible for checking the stock at outlet level and try to ensure smooth supply.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

At the formative phase there was no separate Event Management Firm in Bangladesh. It was an additional service of advertising firms. In 1970's, there were only two advertising agencies in Bangladesh. One was 'Interspend (now it is '**Interspeed**)', later on they have

separated their Event Management wing by the name ‘*Fire Works*’)’ and the other was ‘**Bitopi Advertising**’. The founder of Interspend (Interspeed) and Bitopi were Anayet Ullah and Reja Ali respectively. Some creative people like Ali Jaker, Asaduzzaman Noor, Giti Ara Shafia Chowdhury, RamendruMojumder were the main employees of these two agencies. The first TV advertisement of 1970s was created for BATA Shoe Company by Bitopi. Later on as the demand for advertisements were increased, satisfying customers’ needs only from two agencies became difficult. To satisfy the increased demand, some other advertising agencies emerged. The creative people who got expertise from these two agencies came out and started to establish their own agencies. Ali Jaker and Asaduzzaman Noor established the renowned Advertising agency *Asiatic Advertising* (later on they established event management wing by the name *Asiatic Events*) and Giti Ara Shafia Chowdhury established another dominant firm of the industry, **Adcom**. **Expression**, another renowned firm, was established by RamendruMojumder. The main clients of these agencies were Lever Brothers, British Airways, British American Tobacco (BAT), Social Marketing Company (SMC) and Mobil. By the advancement of time, mindset of consumers started to be changed. This was also influenced dominantly by technological advancement. The clients observed that to attract the consumers, the traditional promotional approaches like electronic and print media advertisements were not enough. Consumers were becoming more conscious. They were more interested to get first hand experiences. So the companies had to consider the idea of giving these sorts of experiences by arranging an event for a gathering of target consumers. These sorts of demands to arrange events were initially fulfilled by advertising firms. However as the demand increased manifold, handling this new demand became impossible for

advertising firms. So separate event management firms started to be established. At least existing advertising firms became bound to open its separate event management wings. The separate wing of Interspeed was most dominant in this category. *The first complete events and activation management firm was Market Access Providers Limited (MAPL).* **MAPL** was established in 1996. The main personality behind this noble initiative was Mr. Taj. MAPL has divided it into various wings each responsible to handle some specific clients. MAPL's turnover in 2011 was approximately One Hundred Crore Taka. *Momentum* is the Event Management wing of **Unitrend**. *Windmill* is another renowned firm. *SEMS*, the renowned event management firm, started their operation in small scale initially in Old Dhaka by Mehrun N Islam and his wife in 1992. Then it was shifted to Karwan Bazar and ultimately to Banani. They are specialized on arranging fair (exhibition), may be considered as the biggest in that category. *Media Aid* and *IMS* are also renowned firms.

Mr. Jamal who worked in Spotlight started its journey as Bitopi Advertising in 1968. Later on in around 1998 a separate wing named Spotlight was establish. Marlboro was their first client. A Retail Sales Team was formed. Salary per person was 18000 taka. Each sales person had to meet 32 existing smokers per day. They offered one free cigarette to each smoker. If the potential client liked the taste, they used to inform him that if he buys one pack at that moment, he will get one lighter as gift. This was Bellow The Line (BTL) activation. Sportlight also arranged in-house activation where existing high end consumers of other superior brands, specially the opinion leaders who are trend setters, were invited. Per contact expense budget was 8000 taka. They were invited to parties named `Velocity` organized at Hotel Radison, Sheraton (Winter Garden) and

Westin. The main part of the programs was DJ show. Renowned foreign DJs were brought. Whole night DJ parties were arranged along with facilities of smoking, drinking, and games etc.

Summary of this Section

- ✓ *Starting of event management service provided by Advertising Firms:* From 1990 onward; to organize rural awareness programs funded by donors like USAID; first few advertising firms with this extended service are Interspeed Rural (the most dominant firm) and Bitopi Social (Alan, Doza., 2015).
- ✓ *Inception of separate Event Management Industry:* 1996; first firm is Market Access Providers Limited (MAPL) (Ahmed, Jamal Uddin., 2014).
- ✓ Now there are few thousand firms throughout the country, 350 are medium to big, 10 to 20 are most dominant with major market share (Sayeed, Tahsin., 2015).

3.2.3 The Way Events are Professionally Organized

To handle this types of events and activations, client gives the brief, then the agency gives the plan, client approves the plan & required budget and gives a work order. The rest responsibilities are bestowed to the agency which include set up the team, giving the team members required training (sometimes company is also involved in this part). As an example, Unilever wants to increase sales of Rexona soap through modern trade which means trading in super shops like Agora, Meena Bazar, Shwapno. The agency proposed a modality like a pool will work in the target super shops, will explain the benefits of Rexona in certain interesting way, and will give some spot incentives to ensure instant sales. The plan and budget was approved by Unilever, the agency did the recruitment, gave them necessary training, the team went to the touch points and worked accordingly.

The team also have a sales target which is also monitored by the agency. According to the achievements, the teams get KPI (Key Performance Indicator) and rewarded for better performance. They get a basic salary, variable salary depends on performance. To judge their performance, mystery shoppers are used who judge them against certain parameters like greetings, communication regarding the brand, perfect closing by offering incentives (Sayeed, Tahsin., 2015).

3.2.4 Growth of the Industry over the Years

Approximate figures on total market size of the industry (revenue) from year to year were collected from Mr. Tahsin Saeed, Executive Director, Asiatic Exp., Doza Alan, CEO, Skytracker Ltd., and Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight). They provided information up to 2014 during personal interview sessions as the interviews were taken in between November, 2014 to March, 2015. The aforementioned organizations along with some other renowned firms like MAPL were further contacted in 2018 to collect information of 2015 to 2017. The data along with analysis of year to year growth rate is presented in table 3.1

Table 3.1
Year to Year Market Size and Growth Rate of the Event Management Service Industry of Bangladesh

Year	Total Market Size of Event Management Service Industry of Bangladesh (Total Revenue/ Sales of the Industry)	Growth Rate of the Industry
2017	BDT 600 crores	20% (2016 to 2017)
2016	BDT 500 crores	25% (2015 to 2016)
2015	BDT 400 crores	-11.11% (2014 to 2015)
2014	BDT 450 crores	50 % (2013 to 2014)
2013	BDT 300 crores	-14.29% (2012 to 2013)
2012	BDT 350 crores	9.38% (2011 to 2012)
2011	BDT 320 crores	

On an average the industry is experiencing 10 – 15% growth from year to year (Sayeed, Tahsin., 2015) which is also evident from table 3.1 only with exception of 2013 and 2015. The revenue of the industry dropped drastically in 2013 leading to a negative growth rate (-14.29%) because of political unrest during the year (Alan, Doza, 2015). Although corporate houses had budgets for conducting events, it was impossible to organize outdoor event because of the situation. However, right after that, it was huge comeback in 2014 with 50% growth. The industry experienced huge blow in 2015 because of political unrest for the second time (Alan, Doza, 2015). The growth rate became negative (-11.11%) once again. The industry recovered very quickly in the next year, 2016, with 25% growth rate. With an average growth rate of 10-15% and a current market size of BDT 600 (2017) it is understood that the industry is very much attractive right now.

3.2.5 Stage in Which Event Management Service Industry is Right Now

It is mandatory that managers will understand the changes that occur in the industry over time. The intensity and bases of competition is affected by these changes. The concept of the industry life cycle is a useful tool for conducting this analysis. The concept suggests that an industry progresses along fairly predictable (stages): emergence, growth, maturity and decline. These phases resemble widely used product life cycle. Of course, the industry life cycle is only a framework that depicts the general pattern of industry evolution (Lloyd L. Byars. et al., 1996). The stage of event management service industry of Bangladesh in industry life cycle is displayed in figure 3.1

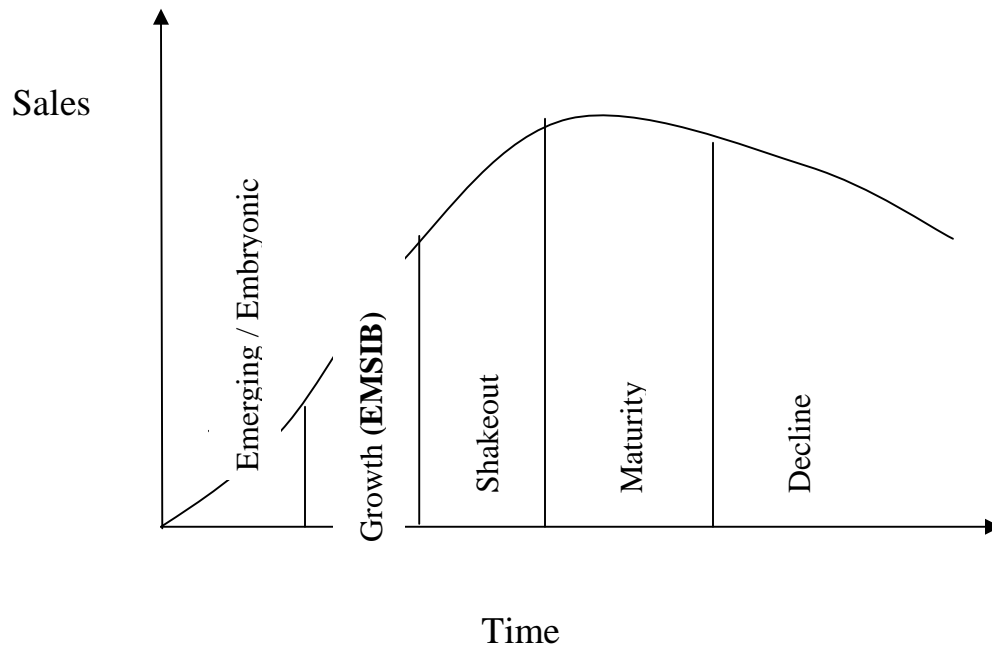


Figure 3.1 Stage of Event Management Service Industry in Industry Life Cycle

The experts unanimously believe that the industry is in *growth stage* right now.

The reasons are shown below:

Observation of Doza Alan, CEO, Skytracker Ltd.

Doza Alan , the CEO of Skytracker believes that the industry is in ‘growth stage’. In every moment new types of services are included in this industry’s offer which were previously considered as service to be provided by other service industries. Industry players are becoming experts in various dimensions. Still ways to go to reach ‘maturity stage’. Above the Line (ATL) promotions, specially advertising, are becoming weak way of promotion day by day. Consumers want direct interaction with the company representatives. They want two way communication so that they get direct answers of the queries. Events and activations are becoming popular ways of product launching, branding, positioning and repositioning. These Below the Line (BTL) services provided by event management companies are taking share away from ATL service providers

(specially advertising agencies). The corporate houses are giving less advertising, saving money from that and using it for door to door campaign and activations. The growth rate of ATL agencies is decreasing leading to increased growth rate of ATL agencies.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

According to him, the industry is at growth stage right now. Still lots of opportunities are unexplored. Especially opportunity of local and international expansion of the service is there. Already IMS and MAPL have opened office in Nepal. Right now some firms are organizing events like both local and international cultural programs using stars, tour of LRB, and corporate games. These events are totally planned and managed by them. They make profit from ticket selling.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

When the idea of Events and other Below the Line Promotional approaches were not professionally used, the most popular promotional approach was Above the Line Promotions (ATL) like digital and print media advertisements. However, from 1980s, global demand for BTL promotions, especially promotions through events, started to be increased. Initially clients used to allocate 80 % of promotional budget for ATL and rest 20% for BTL. Then clients started to allocate more for BTL. They also stated to use a blend of the two which is Through the Line promotion (TTL). The increased global demand for BTL promotions also influenced Bangladeshi clients. The influence was even more for MNCs. Market Access Providers Limited (MAPL) used this opportunity perfectly. Considering Event Management as a different industry excluded from

Advertising, it is in the growth stage. Now-a-days the ratio of promotional budget of the clients between Events and Advertising is on an average 40: 60. As for example the budget for events of Akij in 2013 was 30 crores, however in 2014 it is 45 crores. The industry is growing at the rate of 10-15 percent annually. After analyzing everything, it can be concluded that Event Management Service Industry is in the growth stage.

3.2.6 Evolution of Service Bundles

The industry was started by the pioneer firm, MAPL, by managing field force of British American Tobacco (BAT). The sales people were recruited by MAPL. Normally this system is followed by multinational companies to avoid unnecessary increase of overhead because of high pay which also includes provident fund, gratuity and other fringe benefits. This is why these sales people are recruited under the pay scale of an event management company just to reduce cost. According to Doza Alan (2015), it is not possible to provide the service by a labor contractor, this service is like activation offered from event management industry which involves recruiting, training, planning, supervising, daily sales monitoring, reporting etc. After that the industry started to introduce various types of services one after another like product launching, press conference, seminar, branding, positioning and repositioning of products etc. As for example repositioning of 'Robi' was done by Adcom. However, some other agencies also helped Adcom as it was a mega event. Changing of grameen phone logo was done by Skytracker.

Another type of service offered from this industry is campus (schools/ colleges/ universities) activation targeting young generation. Main target of activation is creating awareness of the brand with an intention of directly involving target customers by

exposing them into products' attributes. Sometimes mall activation is also done. Door to door promotion and selling of client Company's product is also done by this industry (Ahmed, Jamal Uddin., 2014).

Another type of promotion conducted by this industry is 'UthanBaithok (meeting in a village front yard)'. It is an awareness program targeting lower middle class and lower class people. The event management firm collects 15-20 members of target group customers like truck drivers, rickshaw-pullers, labors from tea stalls, truck stands, village markets and a presentation is given by multimedia projector or flipchart for evening and daytime programs consecutively. Social Marketing Company (SMC) has used this concept to make target consumers aware about their product, condom (Sayeed, Tahsin., 2015).

3.2.7 Capital Requirement to Start Business in this Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

To start business in this industry in a bigger form, capital requirement is *one to two crores*. It is required to handle mega events as the payment of bills from corporate houses may take two to three months. Capital is required for that time to organize the event. It is unnecessary to buy fixed assets like frames and materials needed to make stage and stalls; machineries and instruments because it could be rented from the suppliers as and when required.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

No one should try to start a firm like Asiatic Exp initially. Because it is not only the question of investment, it is also a question of proper network to get the work and skilled manpower to execute the work. It should be started at mid-level with an investment of 50 lacs and with 10 employees. Investment is not main input in this sector, ingenuity and experience are main inputs using which a firm can create an impact by producing an innovative and successful event. This news will be spread among prospective clients by positive word of mouth. The firm will start to expand, it will recruit more employees, if needed will invest more, will produce more high quality events and eventually will grow. In this stage the firm should be cautious not to take too many events which it cannot handle because of less manpower. If it happens, image of the firm will be tarnished. Sometimes this smooth growth could be hampered because of wrong selection of employee. Proper employee selection is crucial for this business.

3.2.8 Exit Barriers of the Industry

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

As there are not that much fixed assets, the industry is mainly dependent on manpower, exit from business is not that much difficult. People could be asked to leave slowly within few months by saying that the company is going to be closed. The office space may be used for a different business.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

A firm normally leaves an industry when it cannot manage business in the existing sector. However, small family circle programs like ‘Gaye Halud, ‘Marriage Anniversary’ are also managed by event management firms. Managing these types of programs requires little investment and expertise. So question to abandon business normally does not come. In contrast organizing big events like “LakhoKonthee Sonar Bangla” requires huge investment and expertise. So any firm having these capabilities can manage big events. Even in managing big events, huge investment in non-sellable infrastructure is not required. Selling out the total setup is possible anytime if required. Exit barrier is not that much high.

Summary: No strong exit barrier in the industry is visible right now.

3.2.9 Entry Barriers of the Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

There is no strong entry barrier in this industry. Anyone can start this business easily. It is observed that a student of BBA (in some cases other departments) works under any event management company as Brand Promoter (BP) in first or second year. He starts thinking that he understands everything of this business. Right after completion of the degree, he starts business in this sector. Initially these firms manage some event if they have any relatives working in renowned corporate houses. However, providing quality service which is equivalent to services of established firms is totally impossible for these firms. They may create some instability in the industry, but ultimately cannot compete with the giants because of long term dependency and service contact of corporate houses with established firms.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Barriers like technology, efficient work force are not factors in this industry as anybody can manage these. Capital requirement is not also high. Ultimately there is no entry barrier.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

In organizing big events, huge capital (liquid money) is required which is the most dominant entry barrier. Another big barrier is expertise. Even after having capital, an entrepreneur cannot start business in event management industry if he cannot hire expert people. These experts should have knowledge not only on organizing events but also on brand management because events are actually used to build brand image. These people should be creative enough so that they can develop strategies and give creative ideas to organize an event which will match with the brand personality. The third important entry barrier is image. As for example, in arranging musical events, Antar Show Biz has huge image. In case of mega musical events, clients depend only on this firm.

Summary: It is found that industry experts have difference of opinion in this regard. Two believe that there is no entry barrier. One believes that capital requirement, specialized knowledge of brand and event management and image of reputed event management firms are entry barriers.

3.2.10 Rivalry among Competitors

Observation of Doza Alan, CEO, Skytracker Ltd.

Currently there is *intense competition* among the competitors. The clients have very clear idea about the possible costs to organize any event. Because the person who deals it from the organization is an expert normally recruited from any event management firm. So getting any work order by offering a lower price is not possible for any firm. This is the main reason of rigorous competition in this industry. Only a creative idea can make the difference.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

There are some very good companies out there. Competition is *intense but healthy*. Leader of the industry is MAPL, second position is occupied by Asiatic Exp. Interspeed is strong in trade marketing. Spotlight, and IMS are good at one to one communication. Tendency of price cutting to get the work is not common among top companies. As the jobs are pitch based, so rivalry is high in the sense that companies need to fight with others to get any work. And the competition is at the creative level.

Summary: Rivalry is of intense level.

3.2.11 Competitive Pressure from Substitute

Observation of Doza Alan, CEO, Skytracker Ltd.

Mr. Alan (2015) believes that event management wings of corporate houses which may be considered as a substitute will *not* become *a very big threat*. Some of corporate houses those tried this have some bitter experiences. The main problem faced by them is the dishonesty of the personnel involved in the process. To organize any event, lot of goods and services need to be bought in a very short period of time. This gives scope of making

money if the employees are not honest. If it is managed by any event management company, the firm completes the work professionally within the approved budget.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Advertising agency could be considered as a substitute of the industry. Because when during giving service to any firm, if it observes that there is a scope of organizing the event, they sometimes offers the service. In-house event management wing of a company is also substitute. However, this is not that much big threat. If a company wants to produce something equivalent to the industry service, so many people they will have to recruit that it will not be cost effective. The *threat from substitute product* is **low** in this industry.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

It is true that not all organizations/ corporate houses are establishing separate Event Management wings. However, some organizations like Akij Food & Beverage Ltd (AFBL) and Square Consumer Products have already established in-house event management wing. And there is a strong possibility that this can influence other organizations to do the same. AFBL and Square have hired professionals from existing renowned event management firms. These experts are organizing events by taking help from familiar supply sources. As a result, the industry is losing some clients. So there is *moderate threat* from substitute services.

Summary: Two experts believe that intensity of pressure from substitute is low, however one believes that it is of moderate level.

3.2.12 Detail Idea about the Products Taken by the Industry from Suppliers and their Bargaining Power

Observation of Doza Alan, CEO, Skytracker Ltd.

The biggest support event management companies need to take is sound and light. For a mega program / concert, the best suppliers in this category are DJpro (Owner: Mr. Shamim and Mr. Tanim, at Kathalbagan), Sound Shop (owner Mr. Shiab, at Banani), Sound Machine (Owner: Mr. Tithi, at Mogbazar) and SAS (owner Mr. Shahid at Shamoli).

Next important thing is stage, stall and booth making. The design is done by designers of event management firms, however construction is done by some professionals. The best person with this expertise is Mr. Latif. Another renowned person in this category is Mr. Mukim.

The third important support needed is from printers. This support is required specially for branding. One of the best printers giving support to this industry is ‘Shorup Art’.

Renting vehicles like microbus, pickup, bus or horse carts are required. There are some organizations giving transportation support only to event management industry like ‘Hasan Rent a Car’.

Television, Projector Screen, LED Screen, video mixing and recording is done by some other suppliers like ‘Sound and Vision’ and ‘Infinity’.

Courier service like ‘SA poribahan’ and ‘Sundarbon Curriers’ is needed to send materials like booth, printed materials, products for activation outside Dhaka.

Male and female apparels like t-shirt, jacket, 'saloarkamij', 'sharee' for brand promoters (BPs) are bought from garments industry and fashion houses. Gift items like pen drive, pen, mug, tunic etc. are supplied by gift item suppliers.

Actually supply and suppliers selection depends on nature and requirement of the event. The control on pricing and other terms and conditions is enjoyed by event management industry. The industry players enjoy this dominance as they are well informed about the price and they have alternative suppliers. If a supplier's price quotation is more, they can change the supplier and buy it from somebody else. There is only one exception which is for frames of stalls and other temporary establishments. In that case suppliers have some *bargaining power*, however it is *not that much high*.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

The industry needs supplies like stage, sound, light, musicians, food, ambiance, gift items, printing. Although there are multiple suppliers, however if quality is considered then actual number is few and getting a quality supplier becomes difficult. As for example 'Mukim' is most innovative and impactful as a supplier. They have invested huge for equipment like stage, light and all sorts of effects on stage. For sound, 'Sound Storm', 'Wind Ball' are mega suppliers. 'Bengal' has invested huge for light. To communicate with target group regarding the event and disseminating it after completion needs supports from digital, print and internet media. This infrastructure support is good enough. Suppliers have a *moderate influence* on the industry, the industry players also

have a moderate influence on them. It is like a partnership. No side controls or dominates the other side.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

There are various types of third party suppliers of branding materials; like male and female volunteers; logistics suppliers; labors; carpenters; painters; stage designers; suppliers of sound system; transportation companies as suppliers of vehicles; suppliers of horse carts; designers and printers; performers, magicians, comedians and singers. As the number of third parties is enough in Bangladesh, they do not possess enough bargaining power to influence terms and conditions.

Summary: Two experts believe that bargaining power of suppliers is low however one believes that it is of moderate level.

3.2.13 Bargaining Power of Buyers (Service Takers)

Observation of Doza Alan, CEO, Skytracker Ltd.

Corporate buyers, specially the multinational companies, have the power to dominate the service providers (agencies providing event management service) because they have alternative options. Buyers put pressure on the agencies to cut down the price. Establishment of an association is mandatory from which it will be ensured and monitored so that the member associations could not cut down the price below a level which may turn the industry into an unattractive one in terms of profitability.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Mostly clients are corporate clients. Maximum clients of the firm are multinational companies. Some local big corporate houses, social organizations (mainly social communication firms), government offices (mainly Bangladesh army) are also taking the service from Asiatic Exp. Although the firm is not involved in managing family circle events, some agencies are doing it and this is also a very growing business. In case of dealing with big customers, agency invests huge energy, time and money to build up the relationship. So if it is discontinued for any reason, it is a big loss for the firm. Establishing relationship with a dominant corporate client is very difficult for a new service provider in such a context. Replacing an existing service provider is always tough. That is why there is always a psychological pressure from powerful clients.

Sometimes agencies do price cut to remain competitive, in that case the clients take advantage. However, this does not happen frequently. Recruiting experts from the industry by clients is not creating any pressure to the industry. Unless the client wants to start business in this sector, it is unwise to establish an in-house event management wing by the client. It does not make any business sense, it is always easier and cheaper to get it outsourced from one of the professional event management firms. Some of firms have specializations, however it is not at the level that no other firm can provide similar service.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

Buyers can be classified into some broad categories: corporate buyers, trade bodies, government, NGOs, foreign embassies, UN organizations, households. These buyers can further be divided into three groups according to volume of purchase of the service as large, medium and small. Even the household events may become large when the budget allocation is big. There are some Family Circle Events like marriage ceremony, marriage anniversary of the upper class people where budget allocation is 5 to 10 crores. These events are organized by reputed Event Management Firms in Five Star Hotels where local and foreign star performers participate to make the event attractive.

Some big buyers are like Grameen Phone, Unilever, Nestle, buyers of big budget family circle events have huge bargaining power, other types of service takers do not have that much bargaining power.

Summary: On an average the buyers of event management industry of Bangladesh have moderate bargaining power.

3.2.14 Expectation About Long – Term Industry Growth Rate

Observation of Doza Alan, CEO, Skytracker Ltd.

Long run growth is ensured by introduction of the service among new customer groups like universities and effective use of social media.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Market is growing at the rate of 10-15 % annually. There will be always demand for events and entertainments and this demand is also growing up. So this industry will grow.

The industry players right now need to plan and organize, and steer it towards right direction.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

According to Mr. Jamal (2014), the scope for further growth of Event Management Service Industry of Bangladesh is huge. The demand for the service is increasing day by day. The service offer is becoming more attractive because of introduction of digital technologies.

Summary: Three experts unanimously believe that growth potential of this industry is very high.

3.2.15 Scope of Finding New Buyer (service taker) Groups in the Near Future

Observation of Doza Alan, CEO, Skytracker Ltd.

Some industries are still untapped. Like ‘Dheo Tin’ is a big industry, however, no firm has yet tried to convince this industry to use events and activations to increase their sales.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

The industry can take the product to public by producing shows and selling tickets.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

New buyers groups like Universities (both public and private) are becoming interested. Already some universities have started to take professional help from this industry to organize events like convocation.

Summary: The industry has the scope of business expansion by offering the service to new groups like industries those are not taking the service like Dheo Tin industry, universities etc. or they may create some public entertainment events and can sell tickets and make profit.

3.2.16 New Types of Service Demands from the Service Takers

Observation of Doza Alan, CEO, Skytracker Ltd.

There is a requirement of *3 D mapping* from the industry which can customize the presentation area which means that projection in any area of the backdrop in any shape is possible. So the clients can exclude some areas from presentation which could be used for other purposes.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

Some corporate houses is asking for *integrated service* like a blending of Below the Line (BTL) services, digital marketing, social media, Google etc so that offline experience could be shared online.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

The corporate houses are using event management industry to distribute products up to customers even in remote areas and to make them aware. Unilever has recently introduced a project named Joyita. Selling style of street vendors who visit residents to sell products ('Pheriwala') have been followed. Female salespersons were used for this project and they were named Joyita. They were hired and monitored by the Event

Management firm Interspeed. However, the training was given by the client, Unilever. They visited residences where they surveyed residents to collect information on cosmetics and toiletries usages patterns and the brands they use. Later on they also sold Unilever products at discounted rate in an attempt to make the residents user of Unilever brands. The main objective of the event was *product penetration*.

Summary: The industry needs to expand its service bundle on a continuous basis to meet new service demands from the customers. Recent service demands are like 3 D mapping, integrated service and product penetration etc.

3.2.17 Effect of Technological Change on the Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

In projection and presentations motion sensor is coming which can sense the motion of the hand. So, without using any extra device the presenter can change and reshape (zoom in or out) the slides only by moving the hand and fingers. Another new technology used in this sector is 'hologram'. It is used to create a 3 D image of the product in the stage specially during product launching.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

The industry uses new technologies like piros, omublasts, smokes, foams, laser to make the events more attractive and meaningful. To create impact, new technology is always needed.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

New technological changes are being creatively used by event management firms to make the events more attractive. As for example, in the year 2014, before the valentine day, Akij Foods and Beverage Limited (AFBL) developed a digital game to promote Mojo. As the target group is young people who are very much addicted to Facebook using, AFBL uploaded the game in Facebook so that the target group can compete online. In the game there were two cartoon characters: one young man who tried to meet his fiancée, who was on the top of a building, using a pipe. There were some obstacles. The interested participants had to enter into Facebook account of Mojo to enroll in the competition by entering their name, mobile number and occupation. The challenge of the game was to meet the rooftop young woman in minimum time. A digital reader book was developed which continuously monitored the registered players and their score. Even the participants could check their status. Top six winners were invited in a candle light dinner in Capricorn restaurant of Boshundhara City Mall with his/her fiancée on valentine day. Except the entertainment part, the total event was digital event.

Summary: To create impact, new technology is always needed and the industry is wisely using these to make their events more interesting as mentioned above.

3.2.18 Comment of Possibility of Future Uncertainty in the Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

He believes that there is no uncertainty right now.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

There is no other uncertainty except the political uncertainty right now.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

Because of change in technology and demand of customer, the industry had to adapt with various new services in previous years. Initially the demand was only for event; later on activation has been included with it. Very recently, customers are becoming interested for digital events. Only the event management firms, who are capable to meet the changing demands, will survive. So there is uncertainty for firms who are not fit to adapt, not for the industry.

Summary: The industry does not have any uncertainty except the political uncertainty.

3.2.19 Growth Potential of the Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

According to Mr. Doza Alan, growth potential is high.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

The growth potential is medium.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

It is evident that the corporate houses are increasing their budget for events and activations day by day. Other non-profit organizations like NGOs, UN organizations and government are doing the same. Affluent people are also taking professional help from

event management firms to organize family circle events. So it can be claimed that the growth potential of the industry is high in Bangladesh.

Summary: Two experts believe that growth potential is high, one believes it is medium.

3.2.20 Profitability of the Industry

Observation of Doza Alan, CEO, Skytracker Ltd.

He opined that profitability is medium.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

According to him profit margin is going down day by day. Because level of competition and negotiation power of client is increasing. However it is expected that it will not go down below the level which may turn the industry into unattractive business area. Profitability is in between low and medium.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

As there is no strong entry barrier in this industry, getting permission and starting business with minimum investment is possible. As a result, the number of firms is increasing day by day. These newcomers are trying to get work order by offering minimum price quotation. As a result, profit margin of this industry is also decreasing. Another factor which is also contributing to this decreased trend of profitability is that customers, especially the corporate clients, are well informed about the costing. They have started to recruit experts from event management service industry as full time employee so that they can negotiate with the industry players. In this context, asking for higher service charge is not possible. So, only the firms those are capable to get and

handle lots of events per year is able to get satisfactory profit. Ultimately it can be said that overall profitability of the industry right now is medium.

Summary: Profitability is going down day by day because of increased competition. Right now profitability of the industry is medium.

3.2.21 Geographic Expansion Scope of Event Management Service

Observation of Doza Alan, CEO, Skytracker Ltd.

Some event management companies like Windmill, Benchmark and Market Access Providers Ltd (MAPL) have already opened wings in Nepal. The industry is trying to expand their market internationally. However, as events are customized according to the local cultures, values, customs and religious norms, international expansion will have to be done taking one of the native firms as business partner. Otherwise making a successful event in another country will become impossible.

Observation of Mr. Tahsin Saeed, Executive Director, Asiatic Experiential Marketing Ltd.

For local expansion, the industry can produce attractive shows (as for example live event of Sisimpur or nationwide tour of popular bands like LRB) and generate revenue by selling tickets without depending on clients. For international expansion, the industry players can host award shows, REHAB fair, musical and cultural program for NRBs.

Observation of Jamal Uddin Ahmed (Manager, Event and Activation, Akij Foods and Beverage, Ex Manager of Spotlight)

International expansion of Event Management service industry of Bangladesh has already been started. Windmill has opened an office in Nepal. It is operating there for last five years. Some firms are trying to start business in Myanmar.

Summary: Industry experts believe that there are scopes of local and international expansion.

3.3 PART TWO: OVERVIEW OF SOME EVENT MANAGEMENT FIRMS

This part describes history of some event management firms of Bangladesh.

3.3.1 Asiatic Experiential Marketing Ltd: Asiatic Exp

Asiatic Exp is the event management wing of Asiatic 3sixty. Its history could not be separated from the history of Asiatic 3sixty. Asiatic started its journey in 15th March 1966 as East Asiatic. At the starting as there were few brands, the firm started serving generic business. As for example, the company carried a campaign to communicate the significant role of jute mills in people's live. After that they became Asiatic 3sixty in the later years of its operation and became one of the largest total marketing communication group in Bangladesh and since 1967, Asiatic 3sixty (the then East Asiatic) offered 360 degree marketing solution to its multinational and local clients.

In 1996, Asiatic built international partnership with J. Walter Thompson. Later in 2005, the agency was "re-lunched" by dropping the J. Walter Thompson in exchange for JWT. As being a part of the JWT family, oldest advertising agency in the world, it has pioneered many of the advertising innovations in Bangladesh. JWT, the fourth largest marketing communication agency in the world, has nearly 10000 employees in more than 200 offices in over 90 countries, serving over 1200 clients. Basically this attachment transformed the marketing communication wing of Asiatic 3sixty and renamed it to Asiatic JWT.

The range of Asiatic service transcends the frontiers of advertising to cover Social Communication, Events, Public Relations, Corporate Relations, Direct Marketing,

Formative Research, Media Planning & Management and Marketing & Product Planning. Asiatic JWT's role is to ensure that more people spend more time with its client's brands and purpose is to create ideas that people want to spend some more time with. They believe that better the idea the more time people will spend with it.

Asiatic 360

The various concerns of Asiatic 360 are:

A. Asiatic JWT

This is the associate wing of the JWT worldwide in Bangladesh and shares creative support and other marketing communication related support from JWT worldwide since the multinational corporate clients' base requires such associations with worldwide marketing agency. Under Asiatic JWT there are two main sub-functions:

i) Asiatic Marketing Communication Ltd. (AMCL)

This is the wing that creates all marketing communication material for the clients; the materials can be anything ranging from a banner print creative to a complete ATL (above the line) advertisement. This wing mainly works with the ATL communication of the clients and provides all types of creative supports to all other wings, the coordination of which provides the client a 360-degree marketing solution.

ii) Asiatic Social Limited

The wing of the Asiatic JWT responsible for Social Marketing Communication is Asiatic Social Limited. It basically addresses social marketing and social issues and mainly works with various NGO's (Non-Governmental organization), the government and other social marketing companies to provide marketing solutions for social issues.

B. Group M

This sub-function consists of three different departments namely: Asiatic Mindshare, Maxus and Media edge, all of which has only one basic function which is actually Media Buying. The main task of media buying lies within the negotiations of price and placement to ensure the best possible value.

C. MRC-Mode

This is the market research wing of Asiatic 3sixty and it designs research formats and research methods to provide the client with all important, relevant and desired information accurately and in a user friendly fashion which aids the client's decision making and program launch process.

D. Asiatic Exp

This is the event management wing of Asiatic 3sixty. Initially the name of the wing was Asiatic Events Marketing Limited (AEML). This has been renamed as Asiatic Exp. This is the Below the Line (BTL) Marketing solutions wing of Asiatic 3sixty and provides the best activation and BTL marketing solutions to its clients. As the research is on the event management service industry of Bangladesh, the activities of this wing are vital. In this context, the functions of this department would be emphasized more. All creative materials of the clients for the BTL communication and Activation programs are generated and implemented by this wing..

E. Forethought PR

This is sub unit that deals with public relation and media management. This department ensures that the right message is conveyed by the media and also helps in

communications not through the traditional methods but through the publicity and management. This department keeps liaison with individuals and figureheads who play an important role in the society, whichever social strata they belong to and ensures that they communicate the right message through appearances, performances, etc.

F. Nayantara Communication

This is audiovisual production unit and facility for the Asiatic 3sixty and creates all audiovisual elements of the Asiatic Marketing Communication Ltd. (AMCL), Asiatic Exp or any other department. They are the individuals who shoot, edit and create audiovisual presentation, which may be in the form of a drama, short film, etc.

Along with these departments and sub units, Asiatic 3sixty also has 20 Miles, which is another audiovisual production house of Asiatic 3sixty and their own in house printer called the Moitree Printers.

Asiatic Exp: An Overview

As mentioned earlier, this is the Below the Line Marketing solutions wing of Asiatic 3sixty that provides the events, activation and BTL marketing solutions to its clients.

Competitive Business Scenario

Asiatic Exp which was previously known as Asiatic Events and Marketing Ltd. (AEML) played a pioneer role in popularizing the concept of professional event management and marketing in Bangladesh. Being a part of the largest marketing communication group of company, which is the Asiatic 3sixty, it did not take Asiatic Exp very long time to establish itself as one of the best event, activation and BTL marketing and communication agency in Bangladesh.

The Vision Statement

“Become the Most Preferred below the Line Marketing solution offer.”

Brief History

The journey started during the time of Mini Cricket World Cup 1998 by the name Asiatic Events and Marketing Ltd. (AEML). The journey was not smooth initially. There were major setbacks and the company became a loss making company during the year of 2002 to 2006 period. However everything turned around during the 2007 as there were changes in management and better people were hired by the company to propel it to the top. And since then, in its 16th years of operation, Asiatic Exp now is considered as one of the best event management companies in Bangladesh. It has proven its worth to the client base and the goodwill is so solid that the client does not hesitate to pay premium for their services. Asiatic Exp had proven track record in planning, designing and implementing wide range of activations and events on behalf of various consumer brands of different multinational and local companies. They are extremely successful in providing quality service which helped the company to establish a premium goodwill, “providing the best”. The company repositioned itself by the name Asiatic Exp in 2016.

Services

Asiatic Exp is one of the leading BTL agencies in Bangladesh. The company provides a 360 degree solution for business promotion. The core essence of marketing actually starts with its root customer base where Asiatic Exp offers a versatile solution. They have the strongest B2B base as the leading companies are its stakeholders. Such as British American Tobacco Bangladesh, Unilever Bangladesh, HSBC, Standard Chartered, Grameenphone, Airtel Bangladesh, Nokia etc. Apart from these corporate clients, they

have United Nations bodies including the UNDP, UNFPA, UNICEF, World Bank, IDB clients from NGOs such as the Plan, Katalysist, IYCF, EngenderHealth, Embassies development programs from USAID, UKAID and the Bangladesh Government.

In term of service, they provide two types of services to their clients. One is Client Service where all the events and business plans are prepared according to client's demand. The solution driven activity starts with the planning department and then goes to the client service department and then to the Operation department. This solution includes marketing plan, requirements, budgets and time frame to achieve the goal. Another service they provide is "Activation". This term is known as campaign or direct marketing. Usually activation is useful for the product based marketing. A team of enthusiastic people is working with this activation activity. They are capable to go anywhere, any time and can reach the remote customer base as well.

3.3.2 Market Access

Market Access is an international organization with local origin which has worked endlessly and tirelessly, since its inception, to provide its clients with a complete business solution. It is considered as the pioneer firm and the leader of Event Management Service Industry of Bangladesh.

Overview

To share the total journey, Market Access Group humbly declares 'We have a rich history of continued growth riding, consistent performance & ethical business practice'.

Date of Inception: 1st March, 1996.

A humble beginning:

- ✓ 22 years ago, in an 8 x 10 ft garage on a back alley.
- ✓ Triple digit annual growth since its inception.

- ✓ Number one partner of leading FMCG, Telecommunication, Development Organizations & Financial Institutions of the country.

Credibility & Access gained through consistent track-record:

- ✓ Pioneer in the field of direct marketing and activation in Bangladesh.
- ✓ Widely appreciated understanding of local market: across the classes, casts, geography, and demography.
- ✓ Access to key decision making bodies and think tanks.

Continuous adaptation of Best Practices:

- ✓ Automated Database Management Systems.
- ✓ Performance & Reward Management System – Group Balance Scorecard.
- ✓ Strategic Planning.

Strategic Business Units (SBUs) of Market Access Group

The company provides 360⁰ services by six different SBUs, the detail of which are as follows:

- Market Access Providers Limited (MAPL):** Brand Activation, Event Design & Management, Branded Experience Management, Direct Sales, Direct Marketing, Door To Door Activity.
- RURAL - IR Activation & Promotion Limited (IRAPL):** Promotional Activities For Rural & Semi Urban Areas, Direct Marketing For Rural & Semi Urban, Outreach Programs, Awareness.
- Market Express:** Trade Marketing, Training & Development, Channel Development & Management, Merchandising & Promotions, Field Force Management.

- iv) **PEOPLESCAPE:** HR Processing, Outsourcing, Recruitment Management, Payroll Management, Performance Appraisal System, HR Policy Planning.
- v) **Carrotcomm:** Creative Communication, New Market Entry Strategies, Brand Development, Media Planning&Buying.
- vi) **Shoogar Productions:** Function & Non-Fiction Creative Writing, Audio Visual Production, Post Production Services, TV media Content Producers, Logistics & Technical Support.

3.3.3 Skytracker Ltd.

Doza Alan, CEO of Skytracker Ltd. and former executive of renowned event management firm Spotlight (a wing of advertising agency Bitopi), registered this new company in 2009. Formal operation of Skytracker was started in 2011. It is a private limited company engaged in events and activation management. The company is trying to actively contribute in a dynamic environment to build to positive reputation and image through quality service. Within this 9 years after its inception, the company has become one of the leading event management companies serving biggest corporate houses of the country like Unilever and Grameenphone. Their focus is on developing client companies brand through meaningful and powerful engagement. Their team members are young, enthusiastic and motivated to deliver effectively and efficiently. They claim very confidently that their ideas are very BIG – even the small ones. Besides events and activations, the company has started a new service line – outsourcing of customer care service of reputed companies. The people who are giving services to the customers of Pureit (a filter of Unilever) are actually employees of Skytracker Limited.

Clients of Skytracker:

Client base of Skytracker is very strong which comprises renowned national and multinational companies. The list includes: Nestle, Unilever, Priyopranon, SAMSUNG, Citycell, giz, BGCCI, Standard Chartered, Raffles, Save the Children, RAHIMAFROOZ, city bank, gain, Robi, QUBEE, Marlboro, Dabur, CSI, PHILIP MORRIS, Kingdom of the Netherlands, Embassy of the Federal Republic of Germany, UNFPA, STAR Cineplex, KATALYST, HUNTDMAN etc.

3.3.4 CEMS Bangladesh

Inception

The organization started its journey in Bangladesh in 1992 with its Global HQ in USA. CEMS-Global carries out its activities from CEMS USA based in New York. Its own operated offices are situated in six different countries—CEMS China, CEMS India, CEMS Lanka, CEMS Bangladesh, CEMS-Global Asia Pacific Singapore and CEMS Indonesia. It also has over 10 representative offices around the world. CEMS-Global organizes over 40 exhibitions per annum on all important sectors of the trade & economy in Asia and South America and has a commendable presence as one of the leading Multinational Exhibition Organizer of the world.

Standards and Values

CEMS Bangladesh is providing the service with a very confident declaration – “*CEMS – The key to unlocking a Successful Event*”. SEMS possesses some values and standards which they believe is required to ensure excellence. CEMS sets itself apart by pursuing perfection. The organization achieves excellence, at a minimum, in the process. It

transforms events. CEMS believes that truly successful event management requires knowledge, skill, finesse and creativity. That's why they bring all these attributes together to reinvent events to transform the ordinary into the extraordinary. CEMS handles everything that touches events, even social events. Regardless of size, it approaches each event with professionalism, confidence & responsibility and with the knowledge that is most essential for an event's success. Whatever the event management needs, CEMS can help the client meet them.

Service Offers

After its inception in Bangladesh, CEMS Bangladesh sets itself apart by pursuing perfection. They promote the organization by saying that conventions, conferences, seminars, product launches and exhibitions can make any organization a "force to be reckoned with" in the marketplace if the events are properly planned, promoted and executed. The challenge is to find the time, expertise and skills necessary to pull it off right. The client organizations find all three in CEMS. The organization is specially recognized for its extraordinary capability to organize conference and exhibition. Besides this specialization, the organization has gained years of experience developing, planning, marketing, researching, orchestrating and executing events ranging from half-day business meetings to multiple-day conferences, seminars, expositions and product Launches. Their talents and experience encompass the full range of Event Management **functions including:** hotel / venue site selection and contract negotiations; construction of booths; media proposals; media advertisement for the event (Print / Electronic Media); all kinds of printing and designing; different kinds of P.R. materials; air and ground transportation negotiations & arrangements; food & beverage

arrangements; marketing, including program design, distribution and implementation; clearing and forwarding (events related); tour management; program development, speaker selection / contracting, program evaluation; registration, both advance and on-site, including acknowledgements; badges, credentialing, security and admissions control; entertainment contracting; development of staging guide; development and delivery of giveaways for all functions; pre-conference planning and execution tactical sessions; equipment rental services; insurance / risk assessment and coverage; special event planning and management.

3.4 PART THREE: SOME SUCCESSFUL EVENTS OF BANGLADESH

3.4.1 Name of the Event: *LakhoKonthe Sonar Bangla*

Event Management Company: Asiatic Exp.

Client: Bangladesh Government

Objective: The main **objective** of the program was to unite the total country using the main emotion and theme of independence of Bangladesh. To inject the spirit of patriotism.

Target group: Citizen of Bangladesh

The way Asiatic Exp. organized the event: One of the biggest events of the firm is 'LakhoKontheSonar Bangla'. The initiative was taken by Bangladesh government and handled by Bangladesh army's Armed Forces Division (AFD). All renowned event management firms like MAPL, Asiatic Exp participated in the pitching. Asiatic Exp came out as the winner. The firm was responsible for both campaign and organizing the final event. From government, AFD was responsible for campaign and 9th division for the final event. For proper campaign, the agency involved creative, PR and digital marketing experts of the company. TV, press and billboard were used. TVC, music video, press and

billboard advertisements were created and aired to promote the theme. Digital marketing team opened a Facebook page named 'LakhoKonthe Sonar Bangla', it was attempted to access all internet users of Google and Facebook. For the final event management, main challenge was to communicate and ensure the presence of Guinness for world record. Guinness gave some directives of how the program should be arranged and what are the records those should be sent. It wanted video footage of every individual's entry at every entry point. Previous record was 1,29,000 participants. The target participants were 1,50,000. Human counters along with turnstile were used to count how many people are entering. Official count was 2,50,000. The total field were divided into 16 sectors. There were 16 main gates, one in every sector. Inside one main gate, there were 10 sub gates. Participants were distributed in various sectors uniformly. This took 4 hours. The participants were given food and gift during entry. A cultural program was going on inside to entertain the crowd before the starting of actual program. Shuvra Dev, Farzana Rowania were singers and Afzal Hossain was the anchor. Only after 3 hours of sending the video footage and documents, Guinness recognized the record.

3.4.2 Name of the Event: *ICC World Cup Cricket*

Event Management Company: Asiatic Exp.

Client: Bangladesh Cricket Board (BCB)

Objective: To organize opening ceremony of Cricket World Cup 2011

Target group: Cricket fans throughout the world.

The way Asiatic Exp. organized the event: In January 2010, Bangladesh Cricket Board (BCB) organized 'World Cup Trophy launch'. In 2011, the agency took the leading role as the local agency of organizing 'Cricket World Cup' opening ceremony. All

Bangladeshi presentations was planned and organized by this agency. The agency also designed and constructed the stage. Some dazzling shows were organized by International Event Management firm 'Witchcraft'. The agency is still enjoying the benefits in conducting other mega events what they gained by working with Witchcraft. The team became experienced and confident. Around 100 management level employees worked on behalf of both the agencies which proved how big the event was. The program design was also done jointly. The pitching (bidding to get the work) of 2011 World Cup Cricket was done jointly in August, 2010. That was a global pitch where 6 international companies along with their local partners participated. Asiatic-Witchcraft came up as the winner. On behalf of Asiatic Exp. initial proposal was prepared by Witchcraft, however Asiatic Exp. also gave its input especially regarding all Bangladeshi segments which also include selection and recruitment of local artists. Here it is to be mentioned that Witchcraft is one of the biggest multinational event management firms with very dominant presence in this subcontinent. Right before the world cup it successfully organized the 'Olympic Games' of Delhi. Big events of 'Bollywood' like The International Indian Film Academy(IIFA) Award is conducted by them. The budget for world cup event was 3 million dollar (21 crores BDT). Half of the money was given by ICC and half contributed by Bangladesh government. The profit was not huge, because both organizations wanted to produce a grand program within that limited budget to use it as a milestone which could be capitalized in future. The program was recognized as one of the best worldwide as per IMG rating, the rating was just behind Beijing Olympic 2008 and ahead of FIFA world cup 2010. Till now it is considered as the biggest event of ICC. It was the biggest moment of pride for the company. There was a preshow during

spectators' entrance into the stadium when Bangladeshi young singers like Konal, Mahadi, Rinku performed which was presented by Munmun and Naushin. The time span was from 4:30 to 5:30 pm. The performance was done in a metallic stage built in the center of the stadium. This part was not telecasted in televisions, it was only to engage the people who came little bit earlier and also to give the young stars a chance to perform in World Cup Opening Ceremony. Honorable prime minister arrived at 6 pm. Program was started with national anthem performed by 'Chayanot'. Welcome song was sung by Kona, Lita, Bappa, Arnoband was choreographed by 450 members of Bangladesh army. Captains of each team entered by a specially made spacious rickshaw decorated by LED lights along with a kid volunteer. At the same time Sonu Nigam was performing a song. Total performers of the total event was around 3,500. One of the most attractive part was cricket match in the sky which was performed by a Chinese team using ropes hanged from Shilpobhaban. The ball was a laser. Then performers of India, Srilanka and Bangladesh performed which included both acrobatic shows and songs. In Bangladeshi segment, Runa Laila and Sabina Yasmin performed. This was followed by song of one of the most renowned singers of the world, Bryn Adams. Then the theme song, which was composed of Bangla, Hindi and Sinhalese language, was performed by Shankor S. Anwar of Bollywood. At this moment spectacular 'atoshbazi' was started. Dhamaka, piroblast were used. A special show was with remote controlled flying kites and LED lights conducted by a team of Singapore.

3.4.3 Name of the Event: *Google Bus Community*

Event Management Company: Market Access Providers Limited (MAPL)

Client: Google

Objective: To familiarize Google Products(like Google apps; hangout which is a program of video conferencing; Google drive which allows 10 different people to access, share and edit a single file simultaneously from different places) with target customers so that they become regular user.

Target group: Age: 18+ ; undergraduate students reading in various universities and colleges.

Total number of target students to be covered by MAPL = 6.5 lacs.

Duration: Eight months program, From October 2014 to May 2014.

The way MAPL organized the event: Initially they sent a request letter to the target university or college. The letter was actually sent from The Ministry of Science and Information & Communication. The ministry issued the letter because they also wanted to encourage young people so that they become habituated with internet technologies and applications. In this way getting permission was not that much difficult. This was a two-day program for a single institute. First day was dedicated for free registration and dissemination of information about the event. The second day was for spot registration and training. In all the institutions, the duration of the program was from 10 am to 4: 30 pm. The students were divided in various groups / slots. In a slot maximum number of students was 50. Duration of each training session was 30 minutes. After each session there was a 10 minutes break. Each of the registered students of a slot were supplied with an android mobile phone before starting of the training session. The training was conducted in a room previously arranged and equipped for training. By using multimedia projectors they showed various Google products as was mentioned previously. To get the training, Gmail ID was mandatory. In case, if a student does not have a Gmail ID, the

employees of MAPL helped them to create one. The participants used their ID's to access into the Google applications as shown by the trainer in the screen. In this way they made all the participants accustomed with the applications Google has offered. In the last part they made all the participants members of Google Bus Community. After taking back the mobile phones they used those phones for the next session.

3.4.4 Name of the Event: *Mojo Utbhot Offer*

Event Management Company: Adcom

Client: Akij Food & Beverage Ltd. (AFBL)

Objective: The Brand Personality of Mojo Soft Drink is funny, hilarious, stylish, trendy. All the Television Commercials produced so far have this personality. The target was to organize a funny but stylish event during Eid Festival in an attempt to make this matured product more popular among current customers and also to create some new customers.

The Challenge: Using a funny concept during a religious festival was very risky. Open and closed ended questionnaires were used to find out the idea about what types of gift target consumers will prefer. Surprisingly, the most expected gift was 'Camel'. The agency, Adcom, was contacted to organize the event.

Target group: Young generation.

The way Adcom organized the event: The Bengali word 'Udhbhot' were changed to 'Utbhot'. In Bengali, 'Ut' means 'Camel'. The agency proposed a creative planning. That was a 360 degree campaign. The campaign was supported by television commercial (TVC) and newspaper advertisements. It was planned to activate target consumers by 'Camel'. Three camels were bought (the camels were bought from Rajasthan @ 5 lacs each) for this purpose. Three separate teams traveled the whole country with these

camels. A jingle was created and was recorded by popular vocalist 'Fuad'. Later on this jingle got the best prize in 'Communication Award' organized by Brand Forum. This jingle was used to attract the surrounding people. The idea of digital activation was also included. Interested persons also got the opportunity of taking picture along with the camel. The scope of uploading that picture was also available. An SMS competition was organized where interested people from the whole country participated. The participants had to send their name and home district through SMS within a given time. Three people who won the lottery were given camels. The winners were from Khulna, Barishal and Rangpur. In the prize giving ceremony renowned personalities were invited to give the camels. As for example in Khulna, Mayor was present.

3.4.5 Name of the Event: *Speed Car Racing*

Event Management Company: Adcom

Client: Akij Food & Beverage Ltd. (AFBL)

Objective: The Brand Personality of Speed Energy Drink is speed, energy, tendency to explore. It is the leader of the industry, the runner-up brand is Tiger. The revenue generated by this single product was Tk 1000 crores in 2014. However, the product is popular only to the young people outside Dhaka, specially of rural areas. An attempt was made to make it popular among urban young people.

Target group: Young generation of urban areas.

The way Adcom organized the event: Fourteen universities of Dhaka were selected where virtual racing game competition was organized. There was a dummy car with real driving seat, driving wheel and LED monitor. This was a simulation of real life racing. The winners got can of Speed along with entry pass of Fantasy Kingdom. In Fantasy

Kingdom, a three-day Final Racing competition was organized in Extreme Racing Zone. The first two days was knock-out system, and the third day was for final. All the participants were entertained by breakfast and lunch. The champion and two runner-ups were given Laptop, Tab and Samsung Mobile respectively.

3.4.6 Name of the Event:*NongorPheliGhateGhate*

Type of the Event: Social Awareness

Event Management Company: Spotlight

Client:US Aid

Objective: To make rural people cautious about necessity of hygienic sanitation.

Target group: Rural people of river coastal area.

The way Spotlight organized the event: The rural people, especially of river coastal areas, are not cautious about proper sanitation. To make them cautious, a 25 minutes drama written by Mosharraf Hossain was recorded. A launch was branded which travelled through all major rivers of Bangladesh. It stopped beside rural localities and markets. The river coastal people were invited inside the launch where the drama was shown to make them aware about proper sanitation. After the show, a question- answer session was arranged where the participants who could give proper answers were given branded thermometers as gift.

3.4.7 Name of the Event:*ShukPakhi*

Type of the Event: Social Awareness

Event Management Company: Spotlight

Client:US Aid

Objective: To make people cautious about Family Planning.

Target group: Adult rural people of overcrowded areas like Comilla, Noakhali and Sylhet.

The way Spotlight organized the event: Two female volunteers briefed target population by using slide shows and tried to make them cautious about the possible bad effects of excess children in the family.

3.5 CHAPTER SUMMARY

The chapter is based on both primary and secondary data. Part one includes a brief idea of inception of event management service industry in Bangladesh, its journey, current competitive situation, future scope and growth potential. This part is prepared using personal interviews of three leaders of this industry. Second part presents overview of four event management firms to get a general idea about their structure. The chapter concludes with description of some successful events which gives a proper understanding of the services offered by the industry.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter includes research methodology that has been applied to measure the competitiveness of event management service industry of Bangladesh. Attempts have also been made to find out growth potential of the industry. In doing so, the chapter first elaborates sampling design process, which includes description of target population, sampling frame, sample size, sampling technique, measurements and instrumentation of the study variables. Next, descriptions of data collection and data analysis techniques have been highlighted. The chapter has been concluded with the presentation of the findings of the pilot survey.

4.2 SAMPLING DESIGN PROCESS

The following sampling design process as proposed by Malhotra (2010) has been employed in this study. This is a five step process as shown in figure 4.1

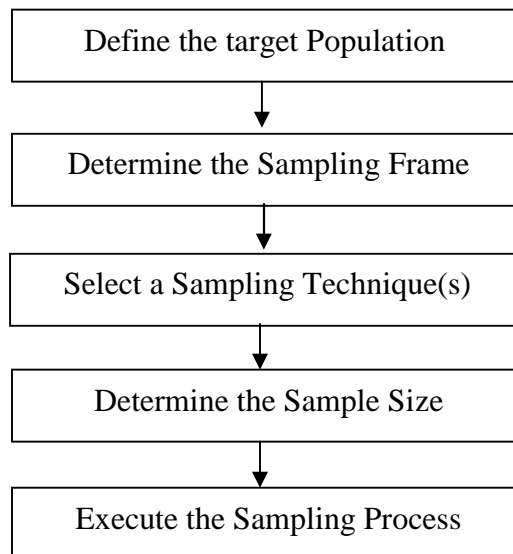


Figure 4.1: Sampling Design Process (Malhotra, 2010)

4.2.1 Target Population

‘The population or population of interest is the total group of people from whom we need to obtain information (McDaniel and Gates, 1995)’. The target population of the current study has been defined as ‘all entrepreneurs and executives working in various event management service companies or agencies of Bangladesh having at least two years’ experience up to the period of survey.’

According to Tull and Hawkins (2002), “a population must be defined in terms of *elements, sampling units, extent and time.*” As defined by Malhotra (2010), ‘an **element** is the object about which or from which the information is desired. In survey research, the element is usually the respondent.’ and ‘a **sampling unit** is an element, or a unit containing the element, that is available for selection at some stage of the sampling process’. Using this concept, the following constituent parts can be stated as: all entrepreneurs and executives (*Element*) working in various event management service companies or agencies and in some cases the corporate clients who are taking the service (*Sampling unit*) of Bangladesh (*Extent*) who have got at least two years’ experience up to the period of survey (*Time*).

4.2.2 Sampling Frame

In a broader sense, sampling frame could be defined as, ‘a means of representing the elements of the population (Tull and Hawkins, 2002)’. To be more specific, ‘a sampling frame is a list of the population elements or members from which we select units to be sampled (McDaniel, and Gates, 1995)’. The authors further observe that ‘in the ideal

situation we have such a list and it is complete and accurate; however, unfortunately all too often, we have no such list'. This falls in line with the current research as well.

Event Management is a newly formed service industry of Bangladesh which was previously a part of advertising industry. The entrepreneurs are trying to form a professional body like BGMEA, Bangladesh Association of Pharmaceutical Industries (BAPI) or REHAB with an attempt to make all event management firms of Bangladesh as its member; the initiative has yet to become perfectly operational. As a result, collection of a list of the firms operating in this industry is somewhat impossible right now. When interviewed, Alan, Doza(August, 2015), one of the gurus of the industry who is currently the CEO of the renowned event management firm Skytracker Ltd., has observed as follows, 'although there are ten to fifteen top level event management firms, there are thousands of mid-level and entry level firms. Almost every day new firms are getting enlisted. Around eighty to ninety percent firms are operating in Dhaka; the rest fifteen to twenty percent operating outside Dhaka are actually low to medium level firms basically involved in organizing family circle events, and local corporate events on a small scale.' This is the main reason why the majority of the firms selected in this study are from Dhaka. To make the study representative enough, firms of all sizes starting from low to top levels have been selected; few firms outside Dhaka have also been selected.

4.2.3 Sampling Technique

It is well known that Probability Sampling is controlled objectively so that the selection of sample items is independent of the person making the study and the items would be chosen strictly at random. In contrast, nonprobability sampling methods do not provide

every item in the universe with a known chance of being included in the sample with the selection process being at least partially subjective (Boyed Jr. *et al.* 1990). It is obvious that a sampling frame is mandatory in case of probability sampling. As getting a sampling frame is nearly impossible as stated before, probability sampling could not be employed in the current study. Instead, nonprobability snowball sampling was employed. ‘Snowball samples use sampling procedures that involve the selection of additional respondents on the basis of referrals from the initial respondents (McDaniel, and Gates, 1995).’ The people familiar with the event management service industry of Bangladesh were contacted first; they were requested to give some references. However, a few criteria were set for selection of both companies and respondents. It was decided that an employee of an event management firm and in very few cases corporate houses those are taking this service would be eligible as participants of the survey. The detail criteria are as follows:

- The companies chosen should be in business for at least 3 years and have a minimum of 6 to 10 permanent employees.
- The respondent who would take part in this study should be full-time professional with at least 2 years’ experience working at various levels such as entrepreneurs, managing directors, CEO, director, general manager, managers, assistant managers, senior executives (executives having 5 to 10 years’ experience), and executives (with 2 to 5 years’ experience) working in departments like operation, branding, marketing, event management (at field level), corporate events, activation, client service, business development and research, strategy and planning, advertising, creative, logistics and accounts.

- The personnel who do not have at least a bachelor degree are avoided as it would be difficult for them to understand the questionnaire and give appropriate responses.

Questionnaires were given to those respondents having the aforementioned criteria.

4.2.4 Sample Size

The current research employs structural equation modeling (SEM) as the principal data analysis technique. In SEM, determination of sample size is a very sensitive issue and should be done very carefully so that it becomes adequate. Hair *et al.* (2010) observed that sample size plays a crucial role to obtain stable, meaningful estimations and interpretations of results. According to Hoe (2008), a sample size of 200 possesses and provides enough statistical power for data analysis. This statistical strength of the results may be in doubt, if the observation/parameter ratio is less than 5:1 (Baumgartner and Homburg, 1996). This assumption implies that models with greater number of parameters require larger samples (Kline, 2010). However, the SEM statistical analysis becomes too sensitive, if the sample size is too large, e.g., exceeding 400, with the goodness-of-fit measures showing poor fit (Hair *et al.*, 2010). Although there is no accurate guideline regarding the sample size calculation, one rule of thumb has been suggested by Hair *et al.* (2010), the rule suggests that a minimum recommended level is five observations for each parameter. In line with the above recommended guidelines, considering the number of items (in the questionnaire) which is 45 in the current study, the target number of respondents has been fixed at around 230.

4.3 RELIABILITY AND VALIDITY OF THE INSTRUMENT

The use of reliability and validity are common in quantitative research and now it is reconsidered in the qualitative research paradigm (Golafshani, N., 2003).

4.3.1 Reliability: According to Creswell (2003), ‘reliability means that individual scores from an instrument should be nearly the same or stable on repeated administrations of the instrument, they should be free from sources of measurement error, and they should be consistent.’ As stated by Russ-Eft, (1980), ‘reliability refers to the degree of accuracy or consistency that an indicator measures whatever it measures. Simply stated, reliability assesses the degree to which an indicator will yield results on repeated applications’. As stated by Joppe (2000), reliability is the extent to which results are consistent over time and an accurate representation of the total population under study and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. So it could be concluded that an instrument could be claimed to be reliable if it provides the same or similar result in different applications. Although there are various types of methods for estimating reliability, Cronbach’s alpha is the most widely used to determine the reliability of an instrument. The value of Cronbach’s alpha which ranges from 0 to 1, a value of 0.7 or above is considered adequate in measuring the internal consistency of an instrument (Nunnaly, 1978). However, with short scales (e.g. scales with fewer than ten items), it is common to find quite low Cronbach values (e.g. .5). In this case, it may be more appropriate to report the mean inter item correlation for the items (Pallant, 2005). The optimal range of which as recommended by Briggs and Cheek (1986) varies from .2 to .4.

4.3.2 Validity: Validity is the extent to which a test measures what it is supposed to measure (McCowan and McCowan, 1999).. Ultimately it refers to the degree to which a scale or an instrument measures the intended construct. As described by Creswell (2003), ‘validity means that researchers can draw meaningful and justifiable inferences from scores about a sample or population.’ In 1985, American Educational Research Association, American Psychological Association, & National Council on Measurement and Education in their joint publication suggested that validity is the most important consideration in test evaluation, the concept refers to the appropriateness, meaningfulness, and usefulness of the specific inferences made from test scores. As argued by Russ-Eft, (1980), ‘validity is considered to be the most important dimension of a research instrument, because it indicates the extent to which the instrument measures what it was intended to measure. If an instrument is not valid, it has little or no value for the task at hand, and, further, the researcher literally cannot be certain as to what is being measured.’ Test validation is a process of accumulating evidence to support such inferences. There are a number of tests such as content, construct, etc. to check the validity of a scale.

Content Validity: ‘Content validity measures the extent to which items in the instrument reflect the purpose of the data collection effort’ (Cureton *et al.*,1973).’ Haynes *et al.* (1995) defined content validity as the degree to which elements of an assessment instrument are relevant to and representative of the targeted construct for a particular assessment purpose. According to Emory (1980), it is considered judgmental or subjective that is offered by the experts or by the practitioners in the related field. Such

expert judgment, as argued by McCowan and McCowan (1999), is needed to determine whether a test is accurate, appropriate, and fair.

Construct Validity: *Construct* validity is the extent to which a test measures a theoretical construct (McCowan and McCowan, 1999). According to Haynes *et al* (1995), construct validity is the degree to which an assessment instrument measures the targeted construct. It is measured by the loadings that indicate the relationship between the construct and its representative items. In this process, it checks whether an item measuring a particular construct loads significantly or converge with other items (the *convergent validity*) as well as it is unique insofar as it does not measure any other construct (the *discriminant validity*). While a construct validity of 0.7 or higher is preferable, a value of 0.5 is acceptable (Hair *et al.*, 2010).

4.4 INSTRUMENTATION OF MEASUREMENT ITEMS

In order to develop the items of the questionnaire, initially a thorough literature review was done to identify the relevant variables of the current study. This is followed by taking interviews of academics and industry professionals to ascertain its content validity. Based on this, items for industry rivalry, entry barriers, substitute services, bargaining power of suppliers and customers, attractiveness of event management service industry and its growth potential were identified. The instrument development process is shown in Figure 4.2.

4.4.1 Industry Rivalry: The items in the industry rivalry are taken from the following studies: Alrawashdeh (2013) conducted a study on ‘The Competitiveness of Jordan Phosphate Mines Company (JPMC) Using Porter Five Forces Analysis’. The researcher identified 7 items on a 2 point scale (yes / no) to identify the competitiveness of JPMC.

The items include: 'Is there a small number of competitors?', 'Is there a clear leader in your market?', 'Is the market growing fast?', 'Do you have low fixed costs?', 'Can you store your product to sell at the best times?', 'Is your product unique?', 'Is it easy for competitors to abandon their product?'. On an average 37 % respondents said yes and 63% said no. As a result it was concluded that rivalry power was high. Altmann (2007) conducted a research on "Coffee Shop Industry - A Strategic Analysis" where the author used the following items: 'Number of stores with annual revenue of \$11 billion or more', 'Whether the industry is highly concentrated or fragmented?', 'Competition through special offers (new tastes), outstanding service/ environment (internet, music, comfortable seating areas, short waiting queues), loyalty programs (bonus cards ensuring frequency of visits) and for premium locations (retail centers, university campuses, etc.)'. He concluded that there is strong competition within the industry for new customers, premium locations, etc. but overall the industry is saturated, settled and stable which allows almost all of the competitors to yield very good margins (40 to 60 percent). Thompson and Strickland (2003) identified the following items: 'number, size and capability of competitors', 'growth of demand', 'tendency of price cut', 'cost of switching', 'dissatisfaction of competitors about their market position and launching new moves', 'cost to come out from the business' etc. Goldet *al.*(2003) considered the following items to judge rivalry: 'whether number of firms will be increased or decreased in next 10 years?', 'whether the demand for red cedar is growing?', 'whether the profit margin is high?'. Based on the surveys, the level of rivalry in the eastern red cedar market is found to be non-competitive to moderately competitive. Deichert *et al.*(2006) identified 'market growth rate, profitability in the soft drink industry, brand loyalty and product

differentiation' as items and they found that the carbonated beverage industry is a highly competitive global industry.

4.4.2 Entry Barriers: The items for the entry barriers are gleaned from the following studies:

In their study 'Eastern Red Cedar Market Analysis', Goldet *al.*(2003) used the following items: 'capital requirement', 'lack of knowledge and experience', 'access to inputs', 'access to markets', 'labor intensity' and 'economies of scale' and found the entry barrier as of medium intensity. Deichert *et al.*(2006) have considered the following items, 'brand image', 'established distribution channel', 'growth potential of the industry', 'capital requirement' and 'economies of scale' in their research "Industry Analysis: Soft Drinks". They found that new entrants are not a strong competitive pressure for the soft drink industry. In the strategic analysis of Coffee Shop Industry, Altmann (2007) used the following items, 'difficulty to get license', 'difficulty to rent, remodel and install the equipment', 'capital requirement in the following areas: distribution system: shops, equipment, premium locations; marketing: creation of brand awareness & brand recognition, customer retention' and 'brand recognition' and found that entry barriers are rather low in case of opening a single small café, however, there are high entry barriers for the specialty level or big league/chain players. Alrawashdeh (2013) used the following items in the study, 'Are customers loyal to your brand?', 'Are there high start-up costs for your business?', 'Are the assets needed to run your business unique?', 'Is there a process or procedure critical to your business?', 'Will a new competitor have any difficulty acquiring/obtaining customers?', 'Do you need a license to open a new mine /

project’, ‘Will a new competitor have difficulty acquiring/obtaining needed inputs to compete efficiently’.

4.4.3 Substitute Services: The items for substitute services were selected after properly going through the following studies:

In their study on soft drink industry, Deichert *et al.* (2006) have considered the following items: quality, performance, and other relevant attributes of substitutes; differentiation in terms of variety, taste etc.; a healthier better alternative; low cost of the substitute etc. The following items were identified by Gold *et al.* (2003): product differentiations in terms of natural vs chemically treated, beauty, fragrance, durability, ease of maintenance, resistance to insect infestation and decay; quality; availability; cost. Ogollah *et al.* (2011) have identified the following items in their study on ‘Determinants of Strategic Forces That Shape Competition in Handicraft Industry In Kenya’: relative price of substitutes; Product similarities; presence of substitute supplies; buyer propensity to substitute. In the research on “Coffee Shop Industry - A Strategic Analysis” Altmann (2007) identified the following items: Competition with other drinks that are not the main focus of coffee shops: Soda, Juice, Water, Beer, Sports Drinks; Competition with other products, people are spending their money on: Ice Cream, Cigarettes, Sweets. In 2012, Alrawashdeh conducted a study on ‘The Competitiveness of Jordan Phosphate Mines Company (JPMC) Using Porter Five Forces Analysis’, where he identified the following items: Does your product compare favourably to possible substitutes?; Is it costly for your customers to switch to another product?; Are customers loyal to existing products?

4.4.4 Bargaining Power of Suppliers: The items in the bargaining power of suppliers are gleaned from the following studies:

Ogollah, *Ket al.* (2011) identified the following items when they tried to find out the determinants of strategic forces that shape competition in handicraft industry in Kenya: Supplier concentration (number and size); Technology; Buyer concentration (number and size); Importance of volume of business to the supplier; Supplier difference; Impact of supplies on costs (low/high). Altmann (2007) identified the following items: higher prices for differentiated products; cost of raw materials; collaboration with established suppliers. When Gold *et al.* (2003) analyzed the market of Eastern Red Cedar, they identified the following factors: size and capacity of the supplier; proximity; supplier's product quality; availability of supplies. Alrawashdeh (2013) performed a study on Competitiveness of Jordan Phosphate Mines Company (JPMC) Using Porter Five Forces Analysis. Items measured in the study include those such as: There are a large number of potential input suppliers?; Are the products that you need to purchase for your business ordinary?; Do your purchases from suppliers represent a large portion of their business?; Would it be difficult for your suppliers to enter your business, sell directly to your customers, and become your direct competitor?; Can you easily switch to substitute products from other suppliers?; Are you well informed about your supplier's product and market? The items measured by Deichert (2006) in the study of soft drink industry were: product differentiation; number of suppliers; capability of backward linkage with suppliers' industry.

4.4.5 Bargaining Power of Buyers: The items in the bargaining power of buyers are gleaned from the following studies:

In conducting a strategic analysis of Coffee Shop Industry, Altmann (2007) identified the following items: preference for nice atmosphere in the coffee shops; Preferences of customers for new flavors and subsequent switching to a different brand; brand loyalty; budget constraints. In 2011 Ogollah, K. *et al.* identified the following items: Switching costs by buyers; Buyer volume (volume of business); Buyer information about what other firms are Offering; Product differences; Brand identity; Buyer concentration (number and size); Switching costs. Gold *et al.* (2003) used the following items: volume of purchase by the buyer; type of buyer (reseller, wholesaler, retailer). In the work on Competitiveness of Jordan Phosphate Mines Company (JPMC), Alrawashdeh (2013) used the following items: Do you have enough customers such that losing one isn't critical to your success; Does your product represent a small expense for your customers?; Are customers uninformed about your product and market?; Is your product unique?; Would it be difficult for buyers to integrate backward in the supply chain, purchase a competitor providing the products you provide, and compete directly with you?; Is it difficult for customers to switch from your product to your competitors' products? Deichert (2006) conducted a study on soft drink industry where the researcher measured the following items: volume of purchase; increasing or decreasing trend of buyers' demand for the product.

4.4.6 Attractiveness of the Industry: The items for attractiveness of the industry are taken from the following studies: Spohn (2004) used the following items in the research titled 'Evaluating Market Attractiveness- A New Venture Perspective ': availability of

labor and production factors; relative costs of labor and production factors; development of new production technologies; many national competitors are also operating in foreign markets; easier availability of qualified labor; lower costs of qualified labor; easier availability of resources; lower costs of resources; lower taxes; higher stability of economical political environment; better transportation and telecommunication infrastructure; better access to dependent supplying and buying industries; easier availability of debt funding from banks; more financial assistance for new ventures (e.g. governmental funding, tax incentives etc.); threat of substitution: New products / services / technologies from other industries lead to a much lower demand.; threat of other new entries: Many new players are entering the market and threaten company's position.; market size: The market for the product/service is tremendous and we have just covered a small part of the overall market.; intensity of price bargaining: Basically all clients in my market do not accept the official price, but try to bargain.; entries to industry: A very large number of new firms have entered the market in the last year.; number of industry members: In my geographic sales market are a large number of other firms offering similar products / services.; accessibility of distribution channels: In our market is a clearly defined customer target group which can be easily reached by advertising in specialized magazines or can be identified from yellow pages.; legislative barriers: access to market is restrictively regulated by law. In their article, Wernerfelt *et al.* (1986) used the following items: industry growth; average industry profitability; whether consumers are willing to buy more at only slightly lower prices; whether inefficient firms can compete in the market. Value Based Management (2016) used the following items to judge attractiveness of an industry: market size; market profitability; pricing trends; competitive

intensity / rivalry; overall risk of returns in the industry; entry barriers; opportunity of differentiate products and services; demand variability; segmentation; distribution structure and technology development.

4.4.7 Growth Potential: In a report titled ‘The U.S. Biopharmaceutical Industry: Perspectives on Future Growth and The Factors That Will Drive It’, Battelle (2011) identified the following items: the ability to innovate; improvements in regulatory policy to create efficiencies. Sehgal *et al.* (2016) used the following items in an article on ‘Revving the Growth Engine:India’s Automotive Industry Is on a Fast Track’: the increasing affluence of the average consumer; overall GDP growth; the arrival of ultra-low-cost cars; and the increasing maturity of Indian original equipment manufacturers (OEMs). To find out the growth potential of Indian insurance sector, a research was conducted by Kannan (2010) where the following items were considered: initiatives taken by the private players/ companies; increased purchasing power of 200 million middle class household; new products and variety for consumers’ choice; computerization of operations and updating of technology; international best practices in service introduced by foreign players.

4.5 INSTRUMENT DEVELOPMENT PROCESS

An instrument development process which was used by Chen and Paulraj, 2004 has been adapted to adjust it with current study. A number of steps have been followed which have been portrayed in the following figure 4.2:

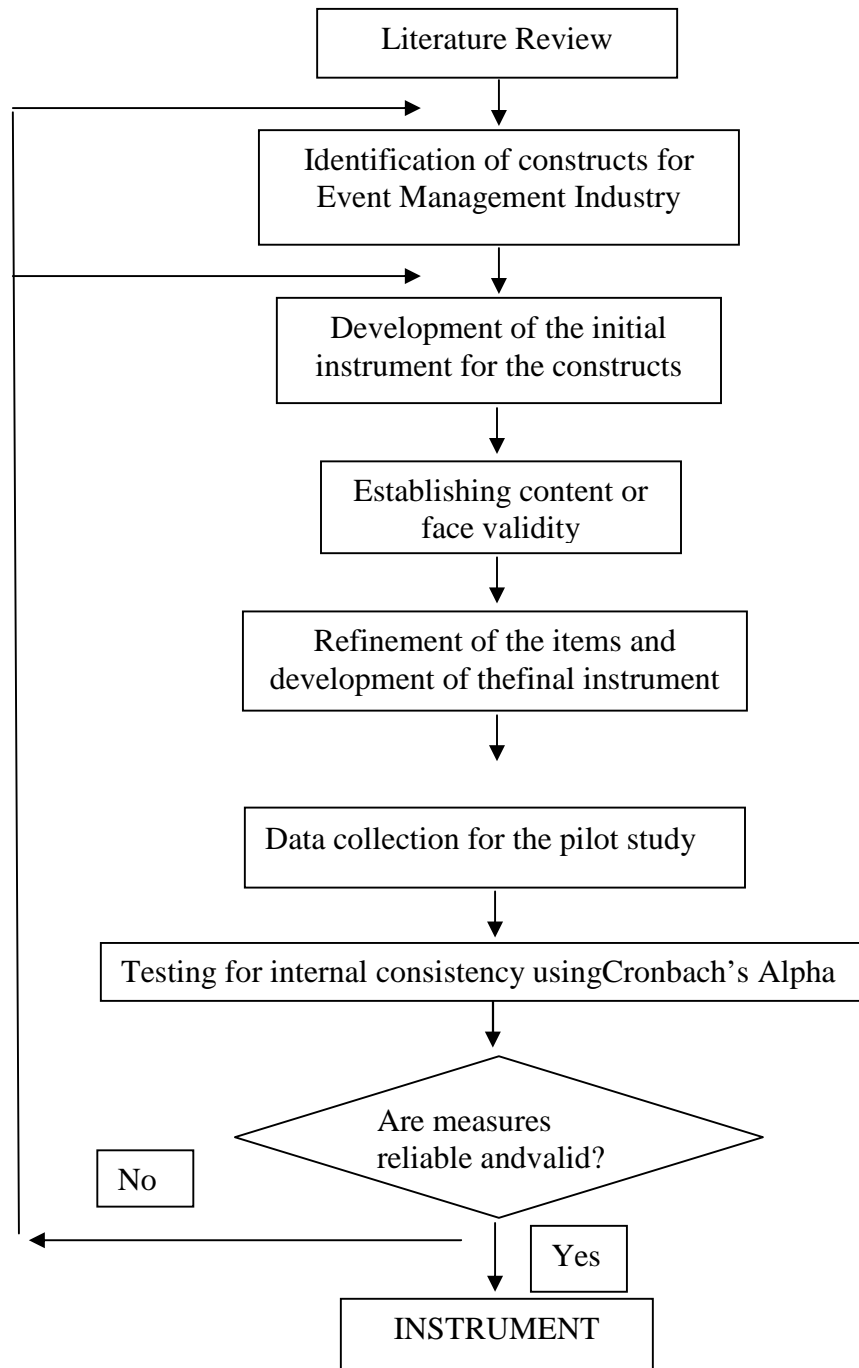


Figure 4.2: The Instrument Development Process(Chen and Paulraj, 2004)

4.6 DATA COLLECTION

Survey administration technique which is commonly known as ‘Drop off and Collect’ has been selected as the method for data collection. This is such a technique where the researcher delivers the questionnaire personally and visits the respondent again for the purpose of collecting the questionnaire once it is completed by the respondent(s). As the interviewer is absent during completion of the questionnaire by the respondent, this technique thereby eliminates response-errors that occur due to interview bias (Lovell *et al.*, 1976; Moutinho and Evans, 1992).

A questionnaire was developed with the objective to find out the competitive structure and growth potential of event management service industry in Bangladesh. At the beginning of the questionnaire, the purpose of the survey was stated. It was conveyed that their responses and comments would be kept strictly confidential and would be used only for academic purposes in an attempt to encourage them to offer their true feelings and give honest opinions without any hesitation. As this is self-administered questionnaire, proper elaborations were given as per requirement so that the potential respondents could understand the questions clearly and fill up easily.

Next, it asks a few general questions regarding the company’s competitive environment. In the middle part, a 5-point Likert scale has been used with a request to the respondents to provide a relative assessment of various statements in the questionnaire on a continuum ranging from ‘strongly agree’ to ‘strongly disagree’. These are very commonly used for collecting primary data in empirical research (Ward *et al.*, 1998). And as suggested by McDaniele *et al.* (1995), demographic questions, as they are sensitive in nature, have been presented in the last part.

4.7 DATA ANALYSIS

The data are analyzed using descriptive statistics. Among descriptive statistics frequency distribution, percentage are used to present the main characteristics of the sample and its mean, standard deviation and correlation between the variables. Graphs and tables are used to describe and explore the data. In the current study, Structural Equation Modeling (SEM) technique was used to assess the measurement methodology and the hypothesized testing. ‘Structural Equation Modeling (SEM), also known as path analysis with latent variables, is now a regularly used method for representing dependency (arguably “causal”) relations in multivariate data in the behavioral and social sciences (McDonald *et al.*, 2002)’. According to Hox *et al.* (2007), SEM is a very general statistical modeling technique widely used in behavioral sciences. It is considered as a combination of factor analysis and regression or path analysis. This model can handle a large number of endogenous and exogenous variables. This technique is different from other multivariate techniques because SEM is useful when one dependent variable becomes an independent variable in the relationship string. As for example, in the framework of the present study (figure 4.3), in the first part where threat of new entrants; threat of substitute services; rivalry among current competitors; bargaining power of the suppliers; bargaining power of the customers are considered as independent variables whereas ‘attractiveness of event management service industry of Bangladesh’ is considered as a dependent variable. However, ‘attractiveness of event management service industry of Bangladesh’ becomes an independent variable in terms of its influence on ‘growth potential of event management service industry of Bangladesh’.

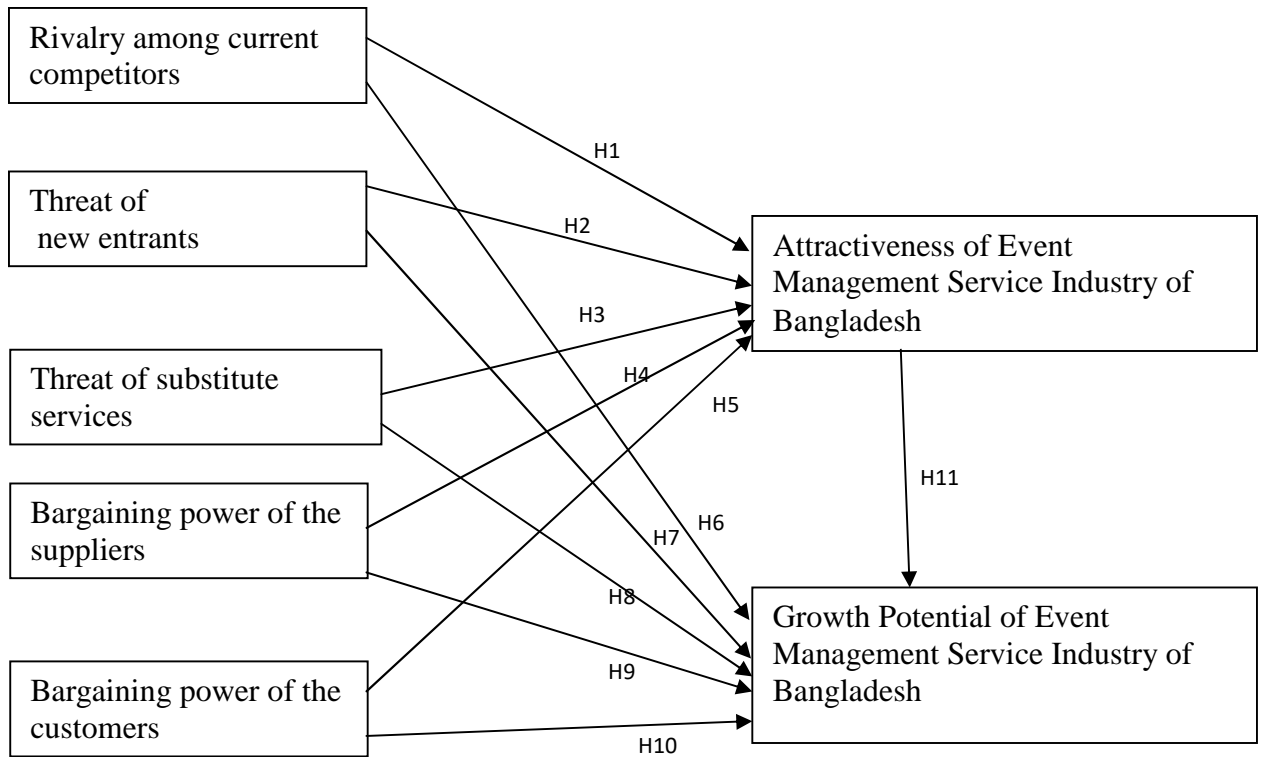


Figure 4.3: Research Framework

SEM has become popular because of some reasons (Schumacker and Lomax, 2004). Firstly, the researchers are becoming more aware of the need to use multiple observed variables to better understand their area of scientific inquiry. As the basic statistical methods can only utilize a limited number of variables, they are not able to deal with the sophisticated theories to be developed. Structural equation modeling permits complex phenomena to be statistically modeled and tested. In this research, initially the effect of five independent variables' effect would be observed on the dependent variable, 'attractiveness of event management service industry of Bangladesh'. Later on the effect of this dependent variable, after considering it as independent variable, would be checked on the dependent variable, 'attractiveness of event management service industry of Bangladesh'. The second reason is the greater recognition of the validity and reliability

of observed scores from measurement instruments by SEM. Now-a-days, measurement error has become a major issue in many disciplines however measurement error and statistical analysis of data have been treated separately. An important reason why Structural equation modeling (SEM) has become more acceptable is that SEM techniques explicitly take measurement error into account when statistically analyzing data.

In the Structural Equation Modeling (SEM), there are two processes. First process is called measurement model. This model means the establishment of the relationship between the latent construct and its constituent dimensions. The second process which is called structural model depicts the relationship among the latent constructs, describing which one of these directly or indirectly influences changes in the values of the latent constructs in the model (Byrne, 2010).

These model test procedures are primarily used to determine the goodness-of-fit between the sample data and the hypothetical model. The structure found by the hypothetical model is applied on the sample data and then tested as to how well the observed data can fit into this structure. In this current study SEM was used using AMOS 16.0.

In the application of structural equation modeling technique , Hair *et al.* identified seven stages in 2010. The stages are as follow:

- (i) Developing a theoretically based model
- (ii) Constructing a network path diagram of causal relationship
- (iii) Converting the network path diagram into a set of measurement and structural models
- (iv) Choosing the input matrix type and estimating the proposed model
- (v) Assessing the identification of the structural model

- (vi) Evaluation of the goodness-of-fit criteria, and
- (vii) Interpreting, and if justified, modifying the model.

In the first step of SEM, a theoretical model needs to be developed based on the theoretical causal relationships presented in developing the hypotheses. The five constructs those are used in the current study are as follows: threat of new entrants, threat of substitute services, rivalry among current competitors, bargaining power of the suppliers, bargaining power of the customers.

In the second stage, a path diagram needs to be developed that demonstrates the predictive relationships and the associative relationships between the concept and other potential indicators. In the model that was developed, all constructs (independent, mediating and dependent) were shown in circles; arrows were utilized to represent the theorized relationship.

In stage three, researcher has to convert the path model into a series of measurement models. Here, a confirmatory factor analysis (CFA) is performed to confirm the association between the observed measurement and the latent variables. CFA was applied to test the constructs of the current study.

The fourth stage is all about choosing the input matrix type and estimating the proposed model. The method of maximum likelihood is specified for estimating the structural equation model. Unlike other multivariate methodologies, SEM utilizes the data from variance-covariance or correlation matrices rather than the direct data. SEM focuses on the patterns of relationship of respondents rather than individual respondents. (Hair *et al.*, 2010).

The stage five is the assessment of the identification of the structural model, which is accomplished either by the order or rank condition. To meet the order condition, the model must have the degree of freedom greater than zero. In SEM, degree of freedom is calculated as the difference between the number of covariance and the actual number of coefficients in the proposed model (Hair *et al.*, 2010).

In the sixth stage the goodness-of-fit criteria for the model is evaluated. The goodness-of-fit is the degree to which the input matrix is predicted by the estimated model. A coefficient of determination (R-square) is the measure of goodness-of-fit for the overall equation (Hair *et al.*, 2010).

The final stage involves the interpretation and the modification of the model. This interpretation and modification, when needed, is done depending on the output of AMOS. This modification of the theoretical model is to address the inappropriate parameters or to generate a revised model to compare with the existing one (Hair *et al.*, 2010).

The relative strength of the effect is tested through several fit indices. The measurement and the structural models are analyzed through the fit indices obtained from the output of AMOS 16.0. Two types of fit indices are considered: absolute (such as, Chi-square statistic, goodness-of-fit (GFI), root mean square error of approximation (RMSEA), root mean square residual, and relative (such as, comparative fit index (CFI), Tucker Lewis index (TLI), etc.). It is suggested that the researcher use three to four indices rather than reporting all the indices because of occurrence of redundancy among them. A model reporting the chi-square statistic, degree of freedom, RMSEA and CFI are considered sufficient in providing adequate information to evaluate a model (Hair *et al.*, 2010).

4.8 FINDINGS FROM THE PILOT STUDY

To find out the reliability of the measurement instruments of the variables applied in this research, a pilot study has been conducted. This has also been done as per the suggestion of Schindler and Cooper (2003) for the purpose of content validation. This has facilitated in ensuring the clarity and the readability of the survey questionnaire applied for the study (Appendix-1). A total of 58 filled out questionnaires are employed for this purpose. The sample size is considered enough as it is in line with other similar studies using SEM (Joseph,2013). Prior to the administration of the pilot survey, the questionnaire was reviewed by two academicians (one, professor and the other, associate professor working in the Department of Marketing at Dhaka University and in the Department of Business Administration, University of Asia Pacific, Dhaka, respectively) and 5 practitioners working in five different Event Management Companies and corporate houses of Bangladesh. The designations of those persons consulted along with the name of the organizations are: Executive Director, Asiatic EXP; CEO, Sky Tracker Limited; Manager (Events & Activation), Akij Food & Beverage Ltd.; Head of Operations, Maker; and Head of Marketing, Blackpurple Communications. All the professionals mentioned above have decade-long experience in Event Management Service Industry of Bangladesh. A discussion on the demographic profile and the reliability of the instruments measured for this pilot study is given below.

4.8.1 Demographic Profile of the Respondents

The demographic profile of the respondents of the pilot survey is given below:

Table 4.1
Demographic Profile

Demographic Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Designation	CEO/ MD	9	15.5	15.5	15.5
	Director / GM	5	8.6	8.6	24.1
	Manager	15	25.9	25.9	50.0
	Asst. Manager / Sr. Exec.	21	36.2	36.2	86.2
	Executive	8	13.8	13.8	100.0
	Total	58	100.0	100.0	
Length of Service	2-5 years	34	58.6	58.6	58.6
	6-10 years	22	37.9	37.9	96.6
	more than 10 years	2	3.4	3.4	100.0
	Total	58	100.0	100.0	
Gender	Male	50	86.2	86.2	86.2
	Female	8	13.8	13.8	100.0
	Total	58	100.0	100.0	
Academic Qualification	Bachelor	25	43.1	43.1	43.1
	Masters	32	55.2	55.2	98.3
	Others	1	1.7	1.7	100.0
	Total	58	100.0	100.0	

From the table 4.1, it is observed that among 58 respondents, considering designation, majority (21 respondents, 36.2 %) belong to Assistant Manager and Senior Executive level followed by Manager (15 respondents, 25.9 %). As to their length of service, majority of respondents (34 respondents, 58.6 %) have an experience of 2-5 years; this is followed by the second group with 6-10 years of working experience (22 respondents, 37.9%) in event management service industry, only 2 respondents (3.4 %) have experience which is more than 10 years. Experienced people having more than 10

years of experience are only a few because this service industry is relatively new in Bangladesh. The third item under demographic variables is gender; 86.2 % respondents (50 respondents out of 58) are male, implying that it is a male dominated industry. In terms of academic qualification, 32 respondents (55.2%) have masters degree, 25 respondents (43.1 %) have bachelor degree.

4.8.2 Reliability of the Measurements

The value of Cronbach alpha ranges from 0 to 1 while a value of 0.7 or above is considered adequate in measuring the internal consistency of an instrument (Nunnally, 1978). To be more specific, some of the previous studies using Porter Five Forces model were studied. In a recent study (2016) done by Safari *et al.* on ‘The study on the competitive status of construction companies based on Michael Porter's five competitive forces (Case study: Armeno Project Development and Management Company)’, the researcher-made questionnaire with 5-point Likert scale which is comprised of 24 questions. The statistical population of this research consists of 60 experts and managers in Armeno Project Development and Management Company. Cronbach's alpha coefficient is applied to investigate the reliability of questionnaire and it is found equal to 0.703 indicating the proper reliability of questionnaire. Progresset *al.* (2013) conducted a study to uncover the compatibility of Small and Medium Enterprises’ (SMEs) competitiveness and modern technologies in the marketing of SME products and services. The researchers investigated whether the adoption of new marketing technologies had redefined Porter’s five competitive forces model (industry structure) and how it had manifested in the Buffalo City Metropolitan Municipality SMEs.

Quantitative primary research was conducted by utilizing semi-personal interviews which administered a questionnaire in the gathering of primary data from 211 retail and manufacturing SME owners /managers. The researchers have employed Item-Total correlation values, Cronbach’s coefficient alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) to check the measurement reliability. However, the researchers have argued that Cronbach alpha is the most universally used approach for assessing the reliability of a measurement scale with multi-point items. In their study they observed that Technological Marketing (capability) (TMC) has a Cronbach’s alpha of 0.96, while Porter’s Five Forces model (PFF) has a 0.97 cronbach’s alpha. For the current study cronbach’s alpha for Porter Five Forces Model was found as 0.819 which is shown is Table 4.3.

Table 4.2
Case Processing Summary of Basic Model

		N	%
Cases	Valid	58	100.0
	Excluded(a)	0	.0
	Total	58	100.0

Table: 4.3
Reliability Statistics of Basic Model

Cronbach's Alpha	N of Items
.819	39

For extended model which also includes Growth Potential of event management service industry, Cronback’s Alpha is found as 0.828 which is shown in table 4.5

Table: 4.4
Case Processing Summary of Extended Model

		N	%
Cases	Valid	58	100.0
	Excluded(a)	0	.0
	Total	58	100.0

Table: 4.5
Reliability Statistics of Extended Model

Cronbach's Alpha	N of Items
.828	45

Depending on the values of Cronbach's Alpha, it could be concluded that the constructs used both in Porter's Five Forces model and the extended model are reliable.

4.9 CHAPTER SUMMARY

After some introductory comments, the chapter starts with the sampling design used in this research which includes defining target population, determining sampling frame, selecting sampling technique and determining sample size. This is followed by detail discussion of reliability and validity of instrument. The next two parts are dedicated for instrumentation of measurement items and instrument development process. The chapter concludes with the analysis of the findings from the pilot study.

CHAPTER FIVE: FINDINGS AND DISCUSSIONS

5.1 INTRODUCTION

This chapter gives an overview of the findings of the research in accordance to the objectives formulated in the first chapter. The chapter also presents and discusses empirical results with regard to used methodologies and collected data. As stated in the research methodology section, at the beginning of the chapter SPSS version 16.0 was used for statistical analyses of the data. After the introductory part of section one, overview of collected data and response rate was done in section two, followed by screening and cleaning of data in section three, normality testing in section four, adequacy of sample size in section five, reliability and multicollinearity testing in section six, and descriptive statistics in section seven. The hypothesized model was tested in section eight. This was done by the two-part structural equation modeling (SEM) technique using AMOS version 16.0: the first part consists of the measurement models of the underlying constructs which is done by Confirmatory Factor Analysis (CFA), while the second part portrays the structural model of the proposed research framework, and its subsequent modification to the revised model. The chapter ends with discussion of the findings in section nine.

5.2 OVERVIEW OF COLLECTED DATA AND RESPONSE RATE

The respondents who took part in this study comprise full-time professionals with at least 2 years' experience working at various levels such as entrepreneurs, managing directors, CEO, director, general manager, managers, assistant managers, senior executives

(executives having 5 to 10 years' experience), and executives (with 2 to 5 years' experience) working in departments like operation, branding, marketing, event management (at field level), corporate events, activation, client service, business development and research, strategy and planning, advertising, creative, logistics and accounts. 370 questionnaires were distributed among professionals working in various event management firms of Bangladesh who are providing the service. Another 30 questionnaires were distributed among professionals working in various corporate bodies who are taking the service. Majority of the questionnaires (around 90%) were distributed in Dhaka, the rest in Khulna and Comilla. Out of total 400 questionnaires, 300 questionnaires were returned which indicates that the response rate was 75%. 69 responses were omitted for excessive missing value (more than 10%) or for having too many outliers. Responses omitted were considered as insincere and incomplete which may mislead the result. Finally this has resulted into a final sample size of 231 and thus the adjusted response rate became 57.75%. The response rate obtained in this study is comparable to other studies using SEM. For example, Nyadzayo et al. (2016) obtained 57% response rate.

5.3 SCREENING AND CLEANING THE DATA

After initial checking, data were screened and cleaned as necessary. Hair et al. (2010) advocate that analysis of SEM calls for the requirement of assessing the raw data prior to their usage. This was done in three steps: identification and necessary correction in data entry; identification and replacement of missing values (this step also includes exclusion

of cases having more than 10% missing values); identification and exclusion of cases with outliers.

5.3.1 Checking Errors and Giving Necessary Corrections

First, a three- step procedure was followed to check errors in data entry, necessary corrections were given when necessary.

- *Step 1: Checking for errors.* Each of the variables (items) were checked for scores that are out of range (i.e. not within the range of possible scores).
- *Step 2: Finding the error in the data file.* Wherein the data file this error occurred was specifically identified (i.e. which case is involved). Only two such cases under item 'Profitability of Industry' were identified. The score under this item ranges from 1-3, however two impossible scores, in both cases 4, were found.
- *Step 3: Correcting the error in the data file.* These two cases (case number 118 and 120) were identified and actual inputs (2 instead of 4 in both cases) were given after checking the questionnaires.

5.3.2 Identification and Replacement of Missing values

Using SPSS 16.0, an analysis was done to find out missing and extreme value pattern (Appendix 3). Missing data is a common incident that frequently occurs as respondents do not answer one or more questions in a questionnaire (Sekaran, 2006). Missing data means where valid values of one or more variables are missing for data analysis, this is particularly important for multivariate data analysis (Hair et al., 2006). Sekaran (2006) also noted that normally respondents leave the items blank when they fail to answer some items in the questionnaire. This happens normally in three instances: when the

respondents do not understand the question, when they do not know the answer, or when they do not intend to answer etc. Here the main concern is to detect the nature and relationships underlying the occurrence of missing data for handling those (Hair et al., 2006). Sekaran (2006) advocates that the problem can be solved by omitting the case especially when the sample size is large. However, Hair et al. (2006) advise a common rule of thumb that if missing data is less than 10 percent for an individual case or observation it can be avoided but that number must be adjusted with the chosen analysis technique. It indicates that cases having more than 10 % missing values should not be considered. Considering both suggestions, case number 3 and 72 were omitted for having excessive missing values i.e. more than 10% (Appendix 3 for details).

Missing values of other cases (cases having less than 10% missing values) were replaced as per the suggestion of Pallant (2005). The author recommended that the 'Replace with mean' option available in some SPSS statistical procedures which calculates the mean value for the variable and gives every missing case this value should never be used, as it can severely distort the results of the analysis, particularly if there are a lot of missing values. To minimize this problem, average of two adjacent values were taken to fill the gap.

5.3.3 Dealing with Outliers

According to Pallant (2005), outliers are cases with values well above or well below the majority of other cases. In the data screening process, how the outliers are treated is an important matter. Usually, outlier occurs due to incorrect data entry or missing values or if observations in the population are acute in their mixture of values across the factors

(Hair et al., 2006). As this study investigates competitive structure and growth potential of event management service industry in Bangladesh, it is natural to happen outlier because a respondent with unexpected experience may respond differently to the chosen variables and feel elsewhere which may satisfy his/her emotional attachment. That is why, it is usual for outliers to occur, however, if these extreme cases are considered, the study result would be biased (Hair et al., 1998; Tabachnick&Fidell, 2001). Considering experts' suggestions, the following cases were omitted: 1,2,13,15,27,28,29,31,32,33,39,42,48,55,56,58,59,60,67,80,82,85,100,107,119,121,122,132,138,141,150,153,154,155,156,157,162,167,168,169,171,180,191,197,203,206,208,209,210,211,237,243,247,249,254,263,274,275,282,284,285,290,291,294,297,299,300. The analysis to find outliers was done using SPSS 10, the detail is give in appendix 3 &4.

After omitting cases for having too many missing values and outliers, total number of usable responses became 231. All required analyses of the subsequent sections are done on the basis of finally selected 231 samples.

5.4NORMALITY TESTING

After screening and cleaning the data as necessary, the next data assessment involves the normality testing and this is very much important in Structural Equation Modeling. In SEM, one assumption relates to the multivariate normal distribution of the manifest variables; which, according to Kline (2010), is required in applying the method of maximum likelihood estimation that presupposes each of the individual variables being normally distributed. McDonald and Ho (2002) advocate that such multivariate normality assumption can be tested through a check of skewness and kurtosis values of univariate

variables. The authors pronounce that skewness and kurtosis values of greater than 3.0 and 10.0, respectively would be a testimony to the contravention of multivariate normality. Keeping these suggestions in mind, normality testing of all items (variables) was performed as shown in the following Table 5.1.

Table 5.1
Normality Testing of the Items

Sl No.	Items	Skewness	Kurtosis
1	IR1	-0.533	-0.255
2	IR2	-0.214	-0.982
3	IR3	-0.593	-0.054
4	IR4	-0.881	0.741
5	IR5	-0.645	0.188
6	EB1	-0.196	-0.942
7	EB2	-0.39	-0.687
8	EB3	-0.344	-0.491
9	EB4	-0.33	-0.82
10	EB5	-0.421	-0.768
11	EB6	0.25	-0.942
12	EB7	-0.258	-0.925
13	SS1	-0.302	-0.673
14	SS2	-0.231	-0.959
15	SS3	-0.134	-0.916
16	SS4	-0.207	-0.612
17	BPS1	-0.034	-0.936
18	BPS2	0.06	-0.815
19	BPS3	-0.528	0.093
20	BPS4	-0.186	-0.755
21	BPS5	-0.077	-1.07
22	BPS6	0.102	-0.825
23	BPC1	-0.293	-0.577
24	BPC2	0.072	-0.967
25	BPC3	-0.474	-0.303
26	BPC4	-0.424	-0.662
27	BPC5	-0.167	-0.805
28	BPC6	-0.064	-1.025
29	AOI1	-0.073	-0.967
30	AOI2	-0.003	-1.012
31	AOI3	-0.409	-0.743
32	AOI4	-0.161	-0.866
33	AOI5	-0.068	-0.544

34	AOI6	-0.514	-0.127
35	AOI7	-0.173	-0.618
36	AOI8	0.306	-0.864
37	AOI9	0.011	-0.804
38	AOI10	-0.131	-0.833
39	AOI11	-0.25	-0.669
40	GP1	-0.4	-0.445
41	GP2	-0.485	-0.273
42	GP3	-0.14	-0.53
43	GP4	-0.273	-0.782
44	GP5	-0.139	-0.342
45	GP6	-0.544	0.058

The table 5.1 confirms that there is no value of skewness or kurtosis under any item (variable) which crosses the aforementioned threshold, as a result, all the variables in the entire data set can, therefore, be considered as normally distributed.

5.5 ADEQUACY OF SAMPLE SIZE

After addressing the issue of missing values, outliers and normality assumption, the aspect of the sample size employed in the study was considered. Although it is agreed by all gurus regarding the suitability of a large sample size in SEM application that would generate much less sampling deviation compared to a smaller one (Hair *et al.* (2010), they could not reach at any consensus as to what constitutes the ‘largeness’ of a sample size. Some argue about a minimum size and according to their suggestion, that minimum size should be 100, preferably, 200 (Hoyle, 1995;Loehlin, 2004). Some other scholars’ opinion is that sample should depend on number of items (parameters / variables) used in the study. According to Hair *et al.* (2010), there should be a ratio of minimum 5 respondents for each estimated parameter, with a 10:1 or more being even more desirable for an SEM study. This proposition is also supported by Tabachnick and Fidell (2001),

who, however, propose that a ratio of 5:1 would be sufficient for meaningful data analyses.

In an attempt to meet aforementioned criteria, initially it is attempted so that the minimum sample size becomes at least 100, better if 200. Apart from this, it is tried so that it also meets the minimum 5:1 (sample: item) ratio. In the current study, number of items (parameters / variables) is 45, following 5:1 rule, the minimum sample size should be 225. As finally retained sample size in this research is 231 which meets all standards, it could be concluded that the sample size is adequate for SEM analysis.

5.6 RELIABILITY AND MULTICOLLINEARITY TESTING

5.6.1 Reliability

The value of Cronbach's alpha ranges from 0 to 1 while a value of 0.7 or above is considered adequate in measuring the internal consistency of an instrument (Nunnally, 1978). For the current study cronbach's alpha for Porter Five Forces Model was found as 0.874 which is shown in Table 5.3.

Table 5.2

Case Processing Summary of Basic Model

		N	%
Cases	Valid	231	100.0
	Excluded ^a	0	.0
	Total	231	100.0

a. Listwise deletion based on all variables in the procedure.

Table: 5.3

**Reliability Statistics of
Basic Model**

Cronbach's Alpha	N of Items
.874	39

For extended model which also includes Growth Potential of event management service industry, Cronbach's Alpha is found as 0.883 which is shown in table 5.5

Table: 5.4

**Case Processing Summary of
Extended Model**

		N	%
Cases	Valid	231	100.0
	Excluded ^a	0	.0
	Total	231	100.0

a. Listwise deletion based on all variables in the procedure.

Table: 5.5

**Reliability Statistics of
Extended Model**

Cronbach's Alpha	N of Items
.883	45

Depending on the values of Cronbach's Alpha, it could be concluded that the constructs used both in Porter's Five Forces model and the extended model are reliable.

The Cronbach's Alpha values both for Porter and Extended model are very high, 0.874 and 0.883 respectively. Such a high-figure designates that the questionnaire is a good indicator of what the researcher wants to investigate.

5.6.2 Multicollinearity

Regarding the questions of multicollinearity among the variables, Pallant (2005) suggests that when the independent variables are highly correlated (correlation coefficient being 0.9 or above), it points that multicollinearity exists. Table 5.6 presents the correlations among independent variables (also mediating and dependent variable) under the current study. The main SPSS output is given in Appendix 5.

Table 5.6

Correlation Measures among the Independent Variables

		Correlations						
		IR	EB	SS	BPS	BPC	AOI	GP
IR	Pearson Correlation	1						
EB	Pearson Correlation	.389**	1					
SS	Pearson Correlation	.314**	.322**	1				
BPS	Pearson Correlation	.209**	.454**	.403**	1			
BPC	Pearson Correlation	.371**	.431**	.333**	.532**	1		
AOI	Pearson Correlation	.189**	.340**	.344**	.425**	.473**	1	
GP	Pearson Correlation	.185**	.263**	.192**	.312**	.374**	.498**	1

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

Table 5.6 indicates, all the correlations are within the specified cut-off values, and are statistically significant (at $p < 0.01$).

5.7 DESCRIPTIVE STATISTICS

This section is divided into five subsections namely respondents' profile, general information of the companies surveyed, competitive scenario of the industry, industry growth potential, profitability of the industry. The results are shown in tabular form which is supported by necessary analysis. A pictorial presentation in bar diagrams has been appended in Appendix two.

5.7.1 Respondents' Profile

In this section, the background information of the participants of the survey is presented. Particularly, it provides the respondents' profile that highlights their designations, length of service, gender and academic qualifications.

The descriptive analysis of respondents' demographic profile is shown in Table

5.7

Table 5.7
Demographic Profile

Demographic Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Designation	CEO/ MD	13	5.6	5.6	5.6
	Director / GM	15	6.5	6.5	12.1
	Manager	57	24.7	24.7	36.8
	Asst. Manager / Senior Executive	62	26.8	26.8	63.6
	Junior Executive	84	36.4	36.4	100.0
	Total	231	100.0	100.0	
Length of Service	2-5 years	144	62.3	62.3	62.3
	6-10 years	79	34.2	34.2	96.5
	more than 10 years	8	3.5	3.5	100.0
	Total	231	100.0	100.0	
Gender	Male	186	80.5	80.5	80.5
	Female	45	19.5	19.5	100.0
	Total	231	100.0	100.0	
Academic Qualification	Diploma	2	.9	.9	.9
	Bachelor	106	45.9	45.9	46.8
	Masters	118	51	51	97.8
	Others	5	2.2	2.2	100.0
	Total	231	100.0	100.0	

This table shows that most of the respondents were Junior Executives (84 or 36.4%). This is followed by Assistant Managers / Senior Executives (62 or 26.8%). Only a few (13 or 5.6%) are top level executives (CEO / MD). In terms of respondents' Length

of Service, 144 respondents (62.3%) have only 2-5 years experience. Experienced people having more than 10 years of experience is only 8 (3.5%) among 231 respondents because this service industry is relatively new in Bangladesh.

As to respondents' gender, most (186 or 80.5%) were male and the rest were female who represented 19.5% of the sample. It is evident that this is a male dominated industry. Regarding the academic qualification, majority have masters degree (118 or 51%) followed by bachelor degree (45.9%). However, it should not be concluded that majority of the employees working in this industry are educated. This result is only because of selection bias. The undereducated employees were not selected considering their incapability of answering the questions.

5.7.2 General Information of Event Companies Surveyed

To make the study representative, an attempt was made to cover big, medium and small event management companies. Basically the selected companies were Dhaka based companies. This is because maximum event management firms / companies are operating from Dhaka. Only a few companies were chosen from Khulna and Comilla. The general information regarding the companies surveyed in the study is presented in Table 5.8.

Table 5.8

General Information of Event Companies Surveyed

General Information		Frequency	Percent	Valid Percent	Cumulative Percent
Number of years company in operation	1-4 years	57	24.7	24.7	24.7
	5-8 years	74	32.0	32.0	56.7
	9-12 years	42	18.2	18.2	74.9
	More than 12 years	58	25.1	25.1	100.0
	Total	231	100.0	100.0	
Number of employees working	Less than 20	48	20.8	20.8	20.8
	21-40	62	26.8	26.8	47.6
	41-60	39	16.9	16.9	64.5
	more than 60	82	35.5	35.5	100.0
	Total	231	100.0	100.0	

As can be observed from Table 5.8, maximum respondents (56.7%, 131 in number) are working in companies those are running business for less than 9 years (24.7% 1-4 years, 32% 5-8 years) which once again is because of very recent starting of the industry. 20.8 % respondents (48 in number) are working in companies having only less than 20 employee, 26.8 % having 21-40 employees, 16.9 % having 41-60 and 35.5 % having more than 60 employees. This is a proof which ensures that all sizes firms were selected and the study considers cross section of the industry.

5.7.3 Competitive Scenario of the Industry

To find out competitive situation prevailing among various competitors of event management service industry of Bangladesh, the respondents were requested to select one

of the three options those would reflect intensity of existing competition. The options were high, medium and low.

The result is presented in Table 5.9.

Table 5.9
Degree of Competition

Intensity of Competition	Frequency	Percent	Valid Percent	Cumulative Percent
High	138	59.7	59.7	59.7
Moderate	86	37.2	37.2	97.0
Low	7	3.0	3.0	100.0
Total	231	100.0	100.0	

The result shows that most of the respondents (138 respondents, 59.7%) believe that the intensity of competition is high. 86 respondents (37.2 %) have the opinion that the level of competition is moderate. Only 3% respondents think that the level of competition is low. The possible reason could be they are operating in a niche market with specialized service and in this case number of competitors is very low. As for example Antor Show Biz casts mega stars of the subcontinent. This firm is not involved in any other types of events. These types of firms with specialized service are not facing huge competition because of their service differentiation. However, the providers of 360 degree service are facing high level of competition as is evident from the survey outcome.

5.7.4 Growth Potential of the Industry

One of the main objectives of this study is to find out growth potential of event management service industry of Bangladesh. Although Structural Equation Modeling

(SEM) would be used to find out growth potential from responses using five point likert scale, the respondents were also asked directly regarding the possibility of further growth of this industry in Bangladesh. The findings are presented in table 5.10

Table 5.10
Industry Growth Potential

Growth Potential	Frequency	Percent	Valid Percent	Cumulative Percent
Low	7	3.0	3.0	3.0
Medium	85	36.8	36.8	39.8
High	139	60.2	60.2	100.0
Total	231	100.0	100.0	

Majority of the respondents believes (139, 60.2 %) that the industry has a high potential of growth. 36.8 % respondents believe that growth potential is medium. Only 3% respondents believe that the potential is low. This analysis confirms that industry experts are very much optimistic about future growth of this industry.

5.7.5 Profitability of Event Management Service Industry of Bangladesh

To get an idea of the attractiveness of this newly formed service industry of Bangladesh, the respondents were asked whether profitability of this industry is low medium or high. The answers are presented in table 5.11.

Table 5.11
Profitability of Industry

Profitability	Frequency	Percent	Valid Percent	Cumulative Percent
Low	19	8.2	8.2	8.2
Medium	130	56.3	56.3	64.5
High	82	35.5	35.5	100.0
Total	231	100.0	100.0	

Maximum respondents (130 or 56.3%) believe that the industry is moderately profitable right now. This is followed by 35.5% respondents who possess the opinion that the profitability is high. Only 8.2% believe that profitability is low. The findings establish the fact that although some of the weak firms are not doing well, the event management service industry of Bangladesh is overall a profitable service industry.

5.8 STRUCTURAL EQUATION MODELING (SEM)

The structural equation modeling (SEM) is a popular model used to test the causal effect among the main constructs of a hypothesized model (Kline, 2010). It consists of two processes: first, testing the measurement model which is done through confirmatory factor analysis (CFA), and then the structural model. This two-stage process is recommended to address any potential misspecifications in the former, which unless otherwise detected, would lead to a spurious assessment of the latter (Mueller & Hancock, 2007). The essence of doing so, they argue, would shed light on the causes of a poor model-fit with the sample data as well as help offset the non-convergence difficulty with SEM software.

The estimation technique applied is maximum likelihood estimation (MLE), the most common procedure in the analysis of SEM. Compared to the ordinary least squares (OLS) regression, it is found to be more efficient and unbiased given the non-violation of the assumption of multivariate normality (Hair *et al.*, 2010). Despite the availability of other techniques, such as GLS, WLS, ADF due to their superiority in handling non-

normal data, MLE continues to be the preferred approach and attests to its robustness even in case of violations of normality assumption (Savalei, 2008).

5.8.1 Confirmatory Factor Analysis (CFA)

As the items were adapted from existing literature, Exploratory Factor Analysis (EFA) was not necessary, instead, only Confirmatory Factor Analysis (CFA) was performed to assess the constructs of the study. This procedure is in line with other similar researches using SEM (Nyadzayo et al., 2016).

Kline (2010) advocates that the purpose of a measurement model points to the appropriateness as measurement instrument of the observed indicators representing a latent variable. This falls in line with the observation of Hair *et al.* (2010), who opine that in measurement theory, the key purpose is to estimate the relationship between the observed and the underlying latent variables. Since the structural portion of a full-fledged SEM model entails the relationships among latent variables and measures the extent of the validity of such relationships, it is of pivotal importance that the measurement of each latent construct is what Byrne (2010) says “psychometrically sound”. The validity of a measurement model thus assumes paramount significance and is to be ensured before the structural model is assessed.

Hair *et al.* (2010) opine that the aspect of causality impacts measurement theory: reflective versus formative. In case of the first theory, the latent constructs are assumed to generate the measured variables, and therefore the arrows are drawn from constructs to the variables; while in case of the second theory, the opposite holds true. Reflective measurement theory is adopted in this study.

The adequacy of a measurement model is performed by CFA; in doing so, three fit indices are checked to ascertain the fitting of the model with the data: normed chi-square, root mean square approximation (RMSEA) and comparative fit index (CFI). For an adequate model fit, general guidelines suggest cut-off values for such indices: Normed chi-square and RMSEA are to be less than 5 and 0.08, respectively, while CFI values are to be above 0.9 (Byrne, 1994). These criteria are merely guidelines. To explain, in a field in which previous models generate CFI value of 0.70 only, a CFI value of 0.85 represents progress and thus should be acceptable (Bollen, 1989). The following section presents the CFAs for the seven constructs, i.e., Industry Rivalry (IR), Entry Barriers (EB), Substitute Services (SS), Bargaining Power of Suppliers (BPS), Bargaining Power of Customers (BPC), Attractiveness of Industry (AOI) and Growth Potential of Industry (GP), undertaken in this study.

5.8.1.1 CFA of Industry Rivalry (IR)

The initial measurement model of Industry Rivalry (IR) is consisted of 5 items. As presented in Figure 5.1, the initial measurement estimation of IR exhibits a poor fit with the sample data as evidenced from the lower value of CFI (0.877) and higher value of RMSEA (0.106), whereas the threshold values of these fit indices are above 0.9 and below 0.08 respectively. Only the Normed Chi-square (3.565) is within the accepted range i.e. below 5. This, therefore, calls for a modification of the of the initial IR measurement model.

Chi-Square 17.827
 df 5
 Normed Chi-square = 3.565
 RMSEA.106
 CFI .877

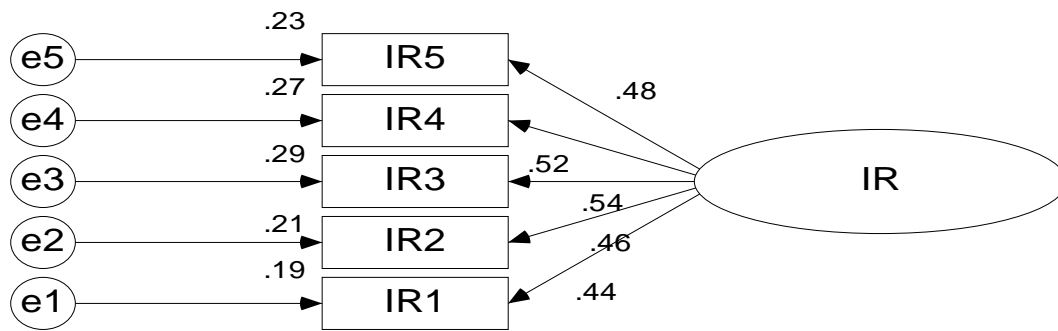


Figure 5.1: Initial Measurement Model of Industry Rivalry

Modification of this initial model is carried out based on the modification indices as displayed in the AMOS output (Appendix-6A). A look at the modification indices reveals higher error inter-correlations, such as, error e1 and e5 (MI =8.166) and error e4 and e5 (MI = 5.444). However, only by putting the error between e1 and e5 the initial measurement model significantly improves with all the fit indices meeting the threshold values as observed in the modified model of IR as presented in Figure 5.2.

Chi-Square 4.663
 df 4
 Normed Chi-square = 1.166
 RMSEA.027
 CFI .994

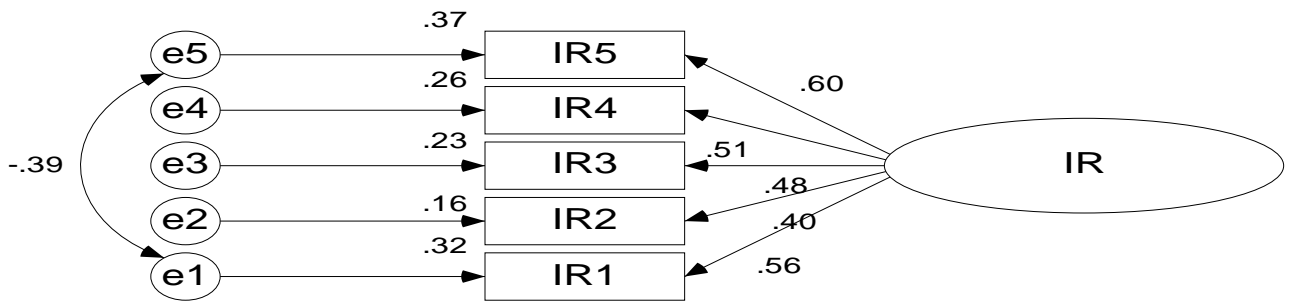


Figure 5.2: Modified Measurement Model of Industry Rivalry

The following Table 5.12 presents the results of the initial and modified CFA of IR with the threshold values for the fit indices.

Table 5.12
The results of CFA for Industry Rivalry (IR)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	3.565	1.166	< 5.0
RMSEA	0.106	0.027	< 0.08
CFI	0.877	0.994	> 0.9

5.8.1.2 CFA of Entry Barriers (EB)

The initial measurement model of Entry Barriers (EB) is comprised of 7 items. The initial measurement estimation of EB exhibits a poor fit (Figure 5.3) with the sample data as evidenced from the lower value of CFI (0.753) and higher value of RMSEA (0.104), whereas the threshold values of these fit indices are above 0.9 and below 0.08 respectively. Only the Normed Chi-square (3.509) is within the accepted range i.e. below 5. This, therefore, calls for a modification of the of the initial EB measurement model.

Chi-Square 49.131
df 14
Normed Chi-square = 3.509
RMSEA.104
CFI .753

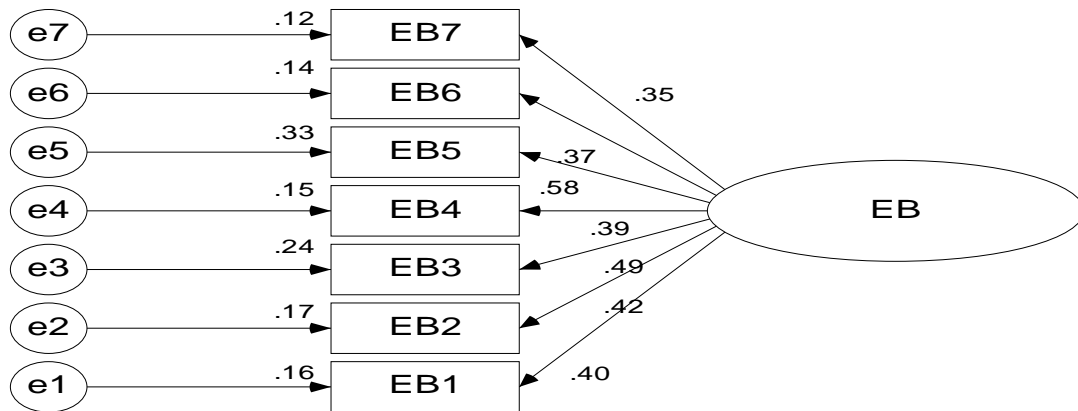


Figure 5.3: Initial Measurement Model of Entry Barriers

Modification of this initial model is carried out based on the modification indices as displayed in the AMOS output (Appendix-6B). A look at the modification indices reveals higher error inter-correlations, such as, error e4 and e6 (MI =12.281), error e4 and

e7 (MI = 8.942), error e1 and e4 (MI = 5.672) and error e2 and e4 (MI = 4.746). By putting earrings among the aforementioned pairs of error terms with high modification indices the initial measurement model significantly improves with all the fit indices meeting the threshold values as observed in the modified model of EB as presented in Figure 5.4.

Chi-Square 10.537
 df 10
 Normed Chi-square = 1.054
 RMSEA.015
 CFI .996

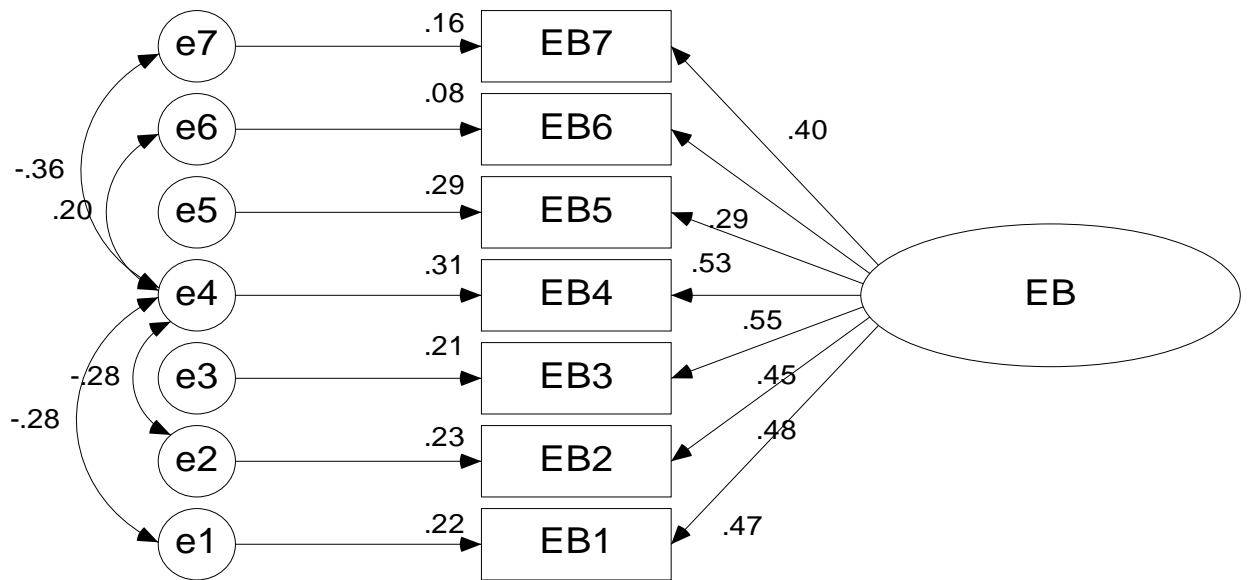


Figure 5.4: Modified Measurement Model of Entry Barriers

The following Table 5.13 presents the results of the initial and modified CFA of EB with the threshold values for the fit indices.

Table 5.13
The results of CFA for Entry Barriers (EB)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	3.509	1.054	< 5.0
RMSEA	0.104	0.015	< 0.08
CFI	0.753	0.996	> 0.9

5.8.1.3 CFA of Substitute Services (SS)

The initial measurement model of Substitute Services (SS) is comprised of 4 items. The initial measurement estimation of SS exhibits a poor fit (Figure 5.5) with the sample data as evidenced from the higher values of Normed Chi-square (7.362) and RMSEA (0.166), whereas the threshold values of these fit indices are below 5 and 0.08 respectively. Only the higher value of CFI (0.942) is within the accepted range i.e. above 0.9. This, therefore, calls for a modification of the of the initial SS measurement model.

Chi-Square 14.724
df 2
Normed Chi-square = 7.362
RMSEA.166
CFI .942

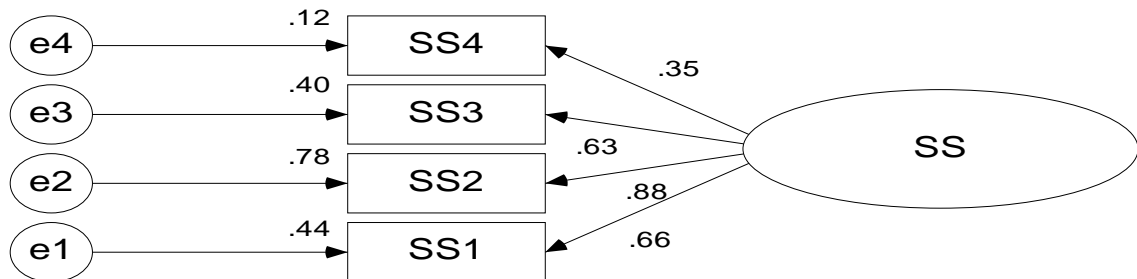


Figure 5.5: Initial Measurement Model of Substitute services

Modification of this initial model is carried out based on the modification indices as displayed in the AMOS output (Appendix-6C). A look at the modification indices reveals higher error inter-correlations, such as, error e3 and e4 (MI =11.479) and error e1 and e4 (MI = 4.471). However, by putting error only between e3 and e4 the modified measurement model displays a much improved result with all the fit indices meeting the threshold values as observed in Figure 5.6.

Chi-Square 2.291
 df 1
 Normed Chi-square = 2.291
 RMSEA.075
 CFI .994

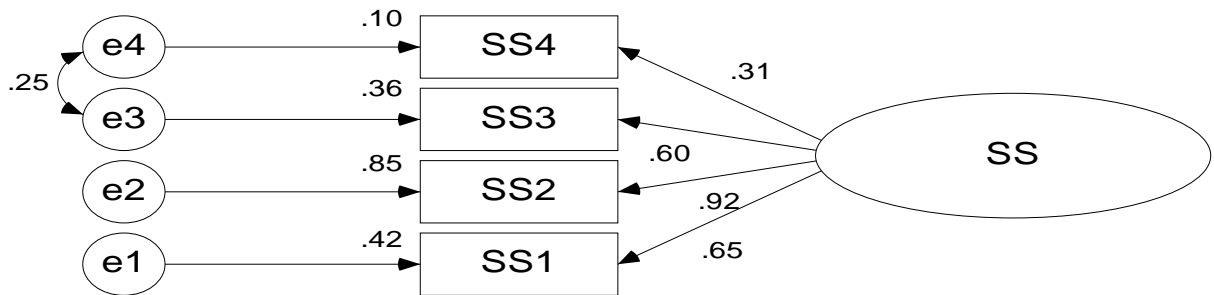


Figure 5.6: Modified Measurement Model of Substitute Services

The following Table 5.14 presents the results of the initial and modified CFA of SS with the threshold values for the fit indices.

Table 5.14
The results of CFA for Substitute Services (SS)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	7.362	2.291	< 5.0
RMSEA	0.166	0.075	< 0.08
CFI	0.942	0.994	> 0.9

5.8.1.4 CFA of Bargaining Power of Suppliers (BPS)

The initial measurement model of Bargaining Power of Suppliers (BPS) is comprised of 6 items. The initial measurement estimation of SS exhibits a poor fit (Figure 5.7) with the sample data as evidenced from the higher values of Normed Chi-square (6.093) and RMSEA (0.149), whereas the threshold values of these fit indices are below 5 and 0.08 respectively. On the other hand the accepted range of CFI is above 0.9, however, the CFI in the initial model is 0.723. This, therefore, calls for a modification of the of the initial BPS measurement model.

Chi-Square 54.834
df 9
Normed Chi-square = 6.093
RMSEA.149
CFI .723

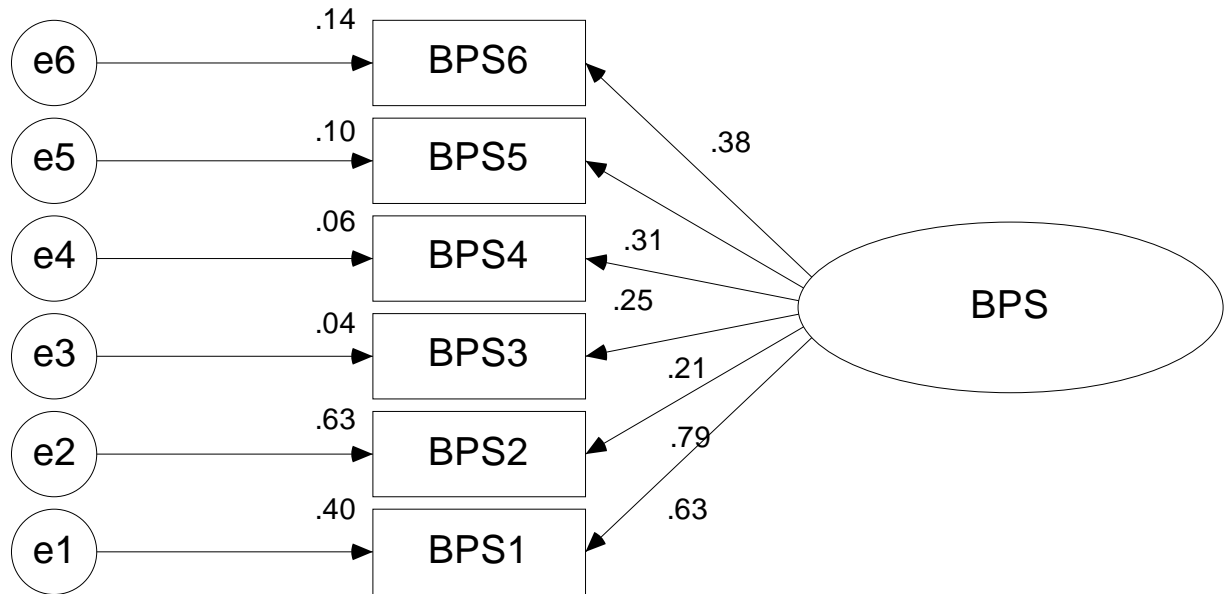


Figure 5.7: Initial Measurement Model of Bargaining Power of Suppliers (BPS)

Modification of this initial model is carried out based on the modification indices as displayed in the AMOS output (Appendix-6D). A look at the modification indices reveals higher error inter-correlations, such as, error e5 and e6 (MI =28.126), error e3 and e4 (MI =10.185) and error e3 and e6 (MI = 5.575). However, by putting earring between e5 & e6 and e3 & e4 the modified measurement model displays a much improved result with all the fit indices meeting the threshold values as observed in Figure 5.8.

Chi-Square 13.079
 df 7
 Normed Chi-square = 1.868
 RMSEA.061
 CFI .963

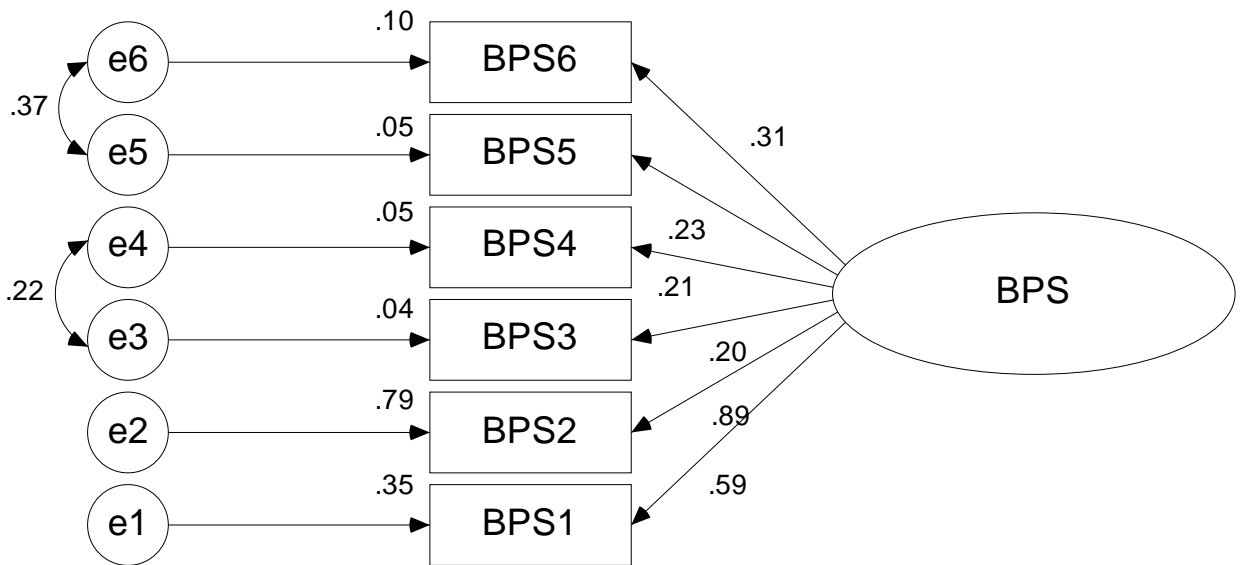


Figure 5.8: Modified Measurement Model of Bargaining Power of Suppliers (BPS)

The following Table 5.15 presents the results of the initial and modified CFA of BPS with the threshold values for the fit indices.

Table 5.15
The results of CFA for Bargaining Power of Suppliers (BPS)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	6.093	1.868	< 5.0
RMSEA	0.149	0.061	< 0.08
CFI	0.723	0.963	> 0.9

5.8.1.5 CFA of Bargaining Power of Customers (BPC)

The initial measurement model of Bargaining Power of Customers (BPC) is comprised of 6 items. The initial measurement estimation of BPC exhibits a poor fit (Figure 5.9) with the sample data as evidenced from the higher values of Normed Chi-square (7.522) and RMSEA (0.168) and lower value of CFI (0.644). All the values are way off the threshold points for such indices as specified before. This warrants an adjustment to this initial CFA of BPC.

Chi-Square 67.696
 df 9
 Normed Chi-square = 7.522
 RMSEA.168
 CFI .644

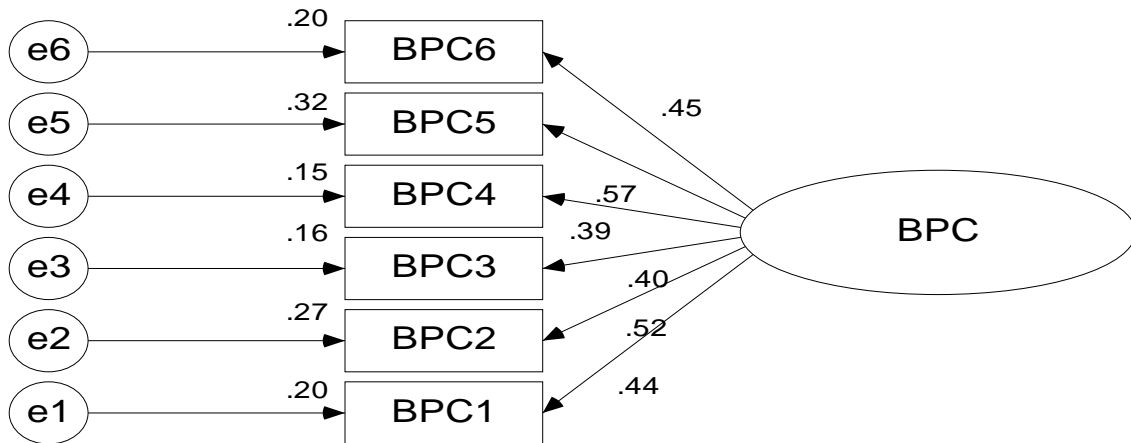


Figure 5.9: Initial Measurement Model of Bargaining Power of Customers (BPC)

Modification of this initial model is carried out based on the modification indices as displayed in the AMOS output (Appendix-6E). A look at the modification indices reveals higher error inter-correlations, such as, error e5 and e6 (MI =27.634), error e1 and e2 (MI = 10.779), error e3 and e4 (MI =10.272) and error e1 and e6 (MI = 10.084). By putting earrings between e5 & e6; e1 & e2; e3 & e4 and e1 & e6 the modified

measurement model displays a much improved result with all the fit indices meeting the threshold values as observed in Figure 5.10.

Chi-Square 11.769
 df 5
 Normed Chi-square = 2.354
 RMSEA.077
 CFI .959

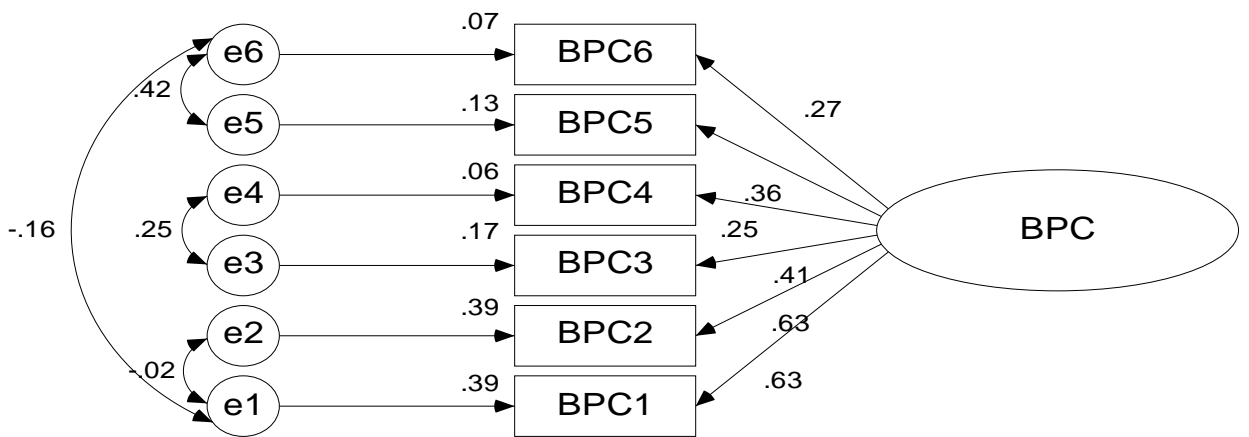


Figure 5.10: Modified Measurement Model of Bargaining Power of Customers

The following Table 5.16 presents the results of the initial and modified CFA of BPC with the threshold values for the fit indices.

Table 5.16
The results of CFA for Bargaining Power of Customers (BPC)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	7.522	2.354	< 5.0
RMSEA	0.168	0.077	< 0.08
CFI	0.644	0.959	> 0.9

5.8.1.6 CFA of Attractiveness of Event Management Service Industry of Bangladesh (AOI)

The initial measurement model of Attractiveness of Event Management Service Industry of Bangladesh(AOI) comprised 11 indicators / items. As shown in Figure 5.11, the initial measurement estimation of AOI is found to have a lacking in the fitness of the model due to the non-compliance of the fit indices with their respective threshold values. CFI and RMSEA were found as 0.870 and 0.084 whereas the CFI should be above 0.9 and RMSEA below 0.08 respectively. Only Normed Chi-square (2.619) was found within the limit (< 5.0). This demands an amendment of this initial CFA of AOI.

Chi-Square 115.215
df 44
Normed Chi-square = 2.619
RMSEA.084
CFI .870

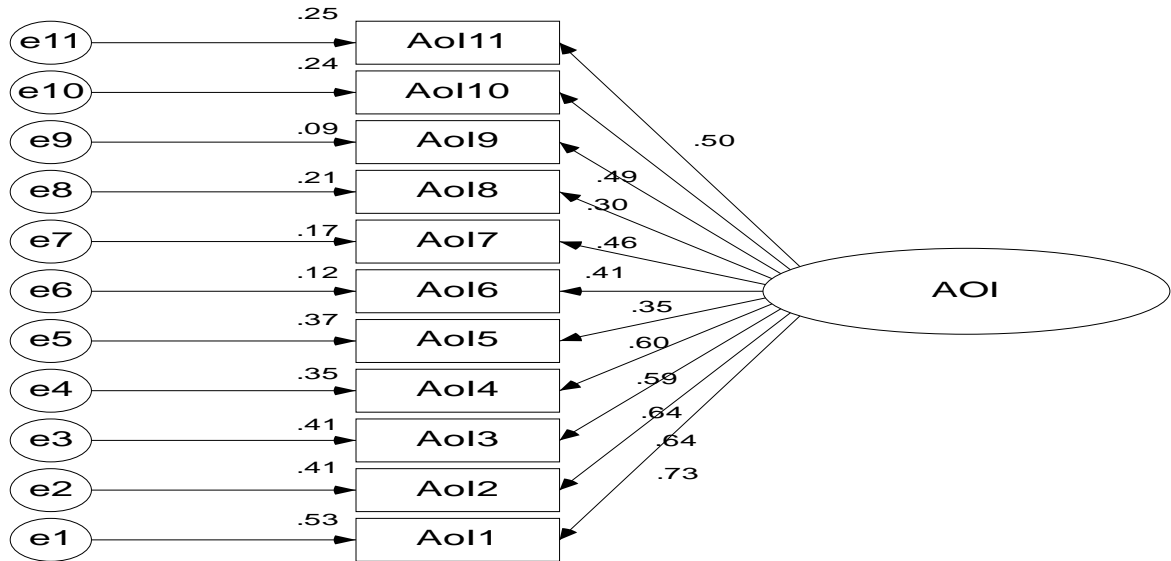


Figure 5.11: Initial Measurement Model of Attractiveness of Industry (AOI)

As to amending the initial CFA of AOI, a scrutiny into the table of modification indices of AMOS output (Appendix-6F) reveals that there prevail a number of high inter error correlations. However, in one case, it is very high. It is in between e8 and e9 where MI is 18.092. Only by connecting these two, the model exhibits a robust fit with all the indices satisfying their corresponding cut-off points as shown in figure 5.12.

Chi-Square 96.352
 df 43
 Normed Chi-square = 2.241
 RMSEA.073
 CFI .902

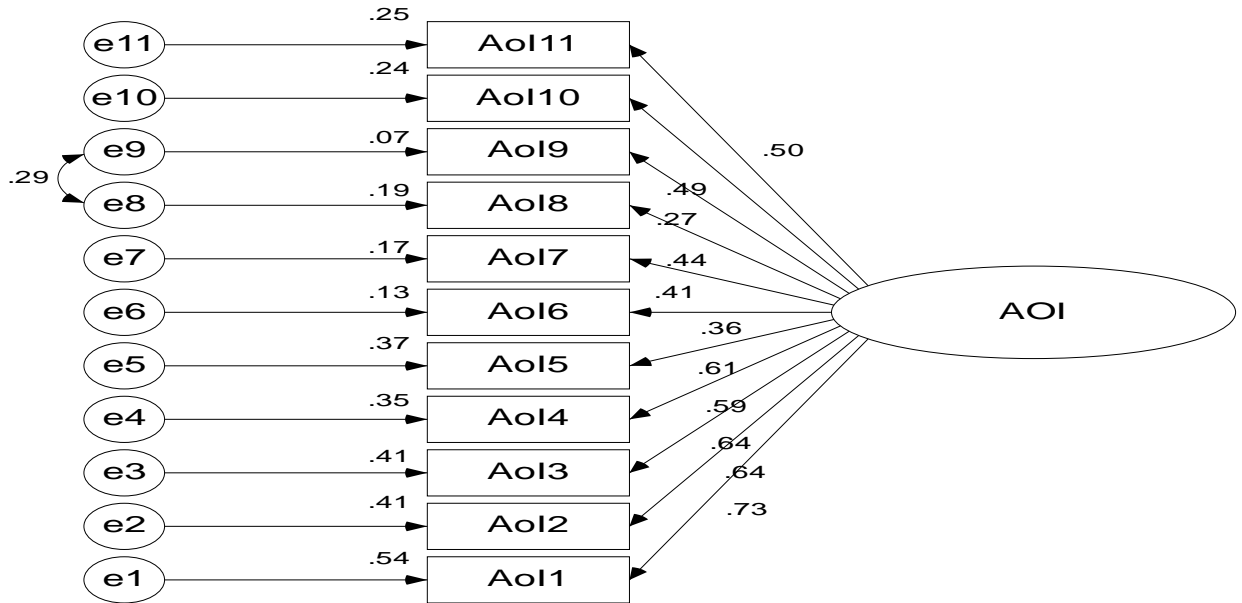


Figure 5.12: Modified Measurement Model of Attractiveness of Industry (AOI)

Table 5.17 presents the results of the initial and modified CFA of AOI with the threshold values for the fit indices.

Table 5.17
The results of CFA for Attractiveness of Event Management Service Industry of Bangladesh (AOI)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	2.619	2.241	< 5.0
RMSEA	0.084	0.073	< 0.08
CFI	0.870	0.902	> 0.9

5.8.1.7 CFA of Growth Potential of Event Management Service Industry of Bangladesh (GP)

The initial measurement model of Growth Potential of Event Management Service Industry of Bangladesh (GP) comprised 6 indicators. As shown in Figure 5.13, the initial measurement estimation of GP demonstrates a spurious result as evidenced from the values of CFI (0.876) and RMSEA (0.106) which are way off the threshold points. Only exception is Normed Chi-square (3.566) which falls within the accepted value. This warrants an adjustment to this initial CFA of GP.

Chi-Square 32.095
df 9
Normed Chi-square = 3.566
RMSEA.106
CFI .876

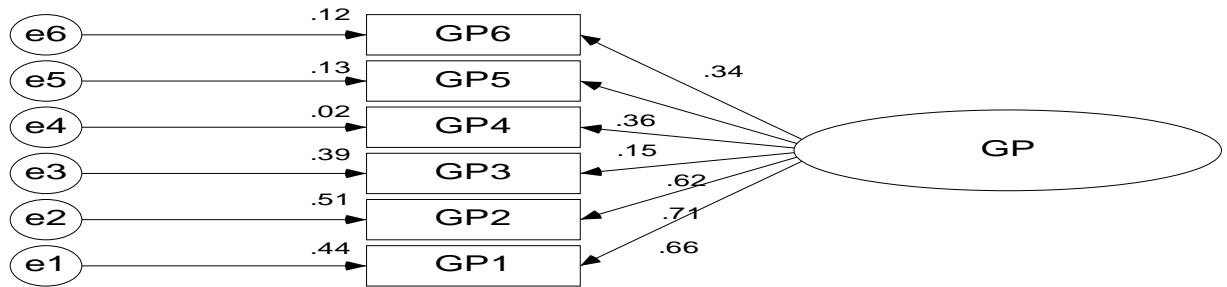


Figure 5.13: Initial Measurement Model of Growth Potential of the Industry (GP)

The adjustment to this initial CFA is performed based on the values of the modification indices as displayed in the AMOS output. The table of modification indices in AMOS output (Appendix 6G) sheds light on a number of high correlations among the measurement error terms, such as, error e2 and e5 (MI = 7.645), error e1 and e6 (MI =

6.079). Once these error terms of high correlations are connected, the model shows a significant improvement as indicated in Figure 5.14, the indices in this modified model meet their corresponding threshold values.

Chi-Square 11.863
df 7
Normed Chi-square = 1.695
RMSEA.055
CFI .974

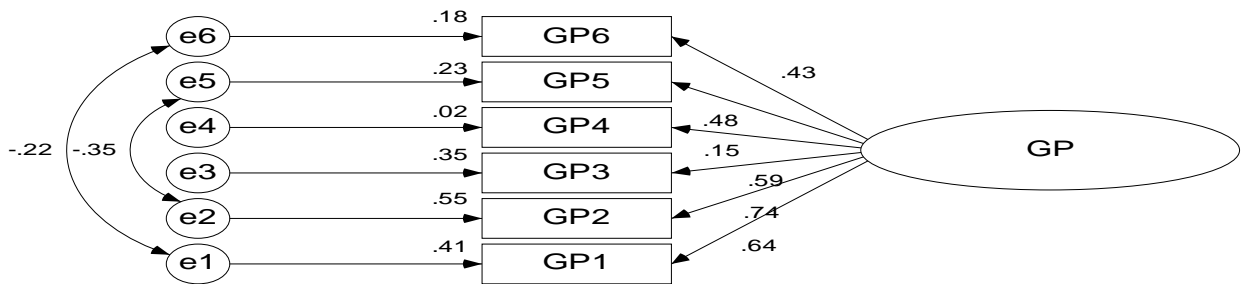


Figure 5.14: Modified Measurement Model of Growth Potential of the Industry (GP)

Table 5.18 presents the results of the initial and modified CFA of GP with the threshold values for the fit indices.

Table 5.18
The results of CFA for Growth Potential of Event Management Service Industry of Bangladesh (GP)

Goodness-of-fit statistics	Initial Model	Modified Model	Threshold values for the fit indices
Normed-Chi Square	3.566	1.695	< 5.0
RMSEA	0.106	0.055	< 0.08
CFI	0.876	0.974	> 0.9

5.8.2 Structural Model

To analyze the proposed model on Event Management Service Industry of Bangladesh, the following guidelines were developed and applied after intensive literature review.

- The analysis of structural model illustrates the relationship among the latent constructs. This study highlights the recursive approach where no particular construct is both a cause and effect of the other. In other words, in a recursive model, paths between constructs in the model proceed only from the antecedents to the consequences and not the other way around (Hair *et al.*, 2010).
- The loadings (or simple correlations) of the measures (items) with their respective construct were checked to assess individual item reliability. Nunnally (1978) suggested that items with extremely low loadings should be carefully reviewed, since they will add very little explanatory power to the model while attenuating / weakening (and therefore biasing) the estimates of the parameters linking constructs. In general, it is considered that items with loadings of less than 0.4 (a threshold commonly used for factor analysis results) or 0.5 should be dropped (Hulland, J, 1999). It is well known that the threshold value of item loading in social science is 0.4 (Majzub, R. M. *et al.*, 2010) , however, 0.5 and above is accepted in any area of research. In this study the items with factor loading 0.5 and above and only in few cases the items with loading very close to 0.5 are accepted.
- Since the number of items per factor is crucial, a limit was set to this process. According to the suggestion of Raubenheimer J (2004), if the scale is supposed to measure only one factor, it would require at least four items to be

properly identified. However, most scales in use measure more than just one factor. Scales with more than one factor may be identified with as little as two items per factor.

- To check the model fit, three fit indices are checked to ascertain the fitting of the model with the data: normed chi-square, root mean square approximation (RMSEA) and comparative fit index (CFI). For an adequate model fit, general guidelines suggest cut-off values for such indices: Normed chi-square and RMSEA are to be less than 5 and 0.08, respectively, while CFI values are to be above 0.9 (Byrne, 1994). These criteria are merely guidelines. To explain, in a field in which previous models generate CFI value of 0.70 only, a CFI value of 0.85 represents progress and thus should be acceptable (Bollen, 1989).

As it was decided that the items with loading more than 0.5 and only in few cases those with loading very close to 0.5, found in CFA, would be used; the items were screened as shown in Table 5.19.

Table 5.19
Factor Loading in CFA

Accepted			Rejected	
Item	Loading		Item	Loading
IR (Industry Rivalry)				
IR1	0.56		IR2	0.40
IR3	0.48			
IR4	0.51			
IR5	0.60			
EB (Entry Barriers / Threat of New Entrants)				
EB2	0.48		EB1	0.47
EB4	0.55		EB3	0.45
EB5	0.53		EB6	0.29
			EB7	0.40
SS (Threat of substitute services)				
SS1	0.65		SS4	0.31
SS2	0.92			
SS3	0.60			
BPS (Bargaining power of the suppliers)				
BPS1	0.59		BPS3	0.20
BPS2	0.89		BPS4	0.21
			BPS5	0.23
			BPS6	0.31
BPC (Bargaining power of the customers)				
BPC1	0.63		BPC3	0.41
BPC2	0.63		BPC4	0.25
			BPC5	0.36
			BPC6	0.27
AOI (Attractiveness of Event Management Service Industry of Bangladesh)				
AOI1	0.73		AOI6	0.36
AOI2	0.64		AOI7	0.41
AOI3	0.64		AOI8	0.44
AOI4	0.59		AOI9	0.27
AOI5	0.61			
AOI10	0.49			
AOI11	0.50			
GP (Growth Potential of Event Management Service Industry of Bangladesh)				
GP1	0.64		GP4	0.15
GP2	0.74		GP6	0.43
GP3	0.59			
GP5	0.48			

5.8.2.1 First Run

The full-fledged structural model takes into consideration all the latent constructs of the current research framework. In this regard, the initial full-fledged structural model, where only accepted items are used, is shown in Figure 5.15. Judging by the fit indices, there is evidence of misfit of the model with the sample data as CFI (0.824) do not attain the minimum stipulated threshold points of 0.9. However, Normed Chi-square (1.947) and RMSEA (0.064) are within the limit. There is thus room for improvement in this initial hypothesized model, which is modified as shown in Figure 5.16.

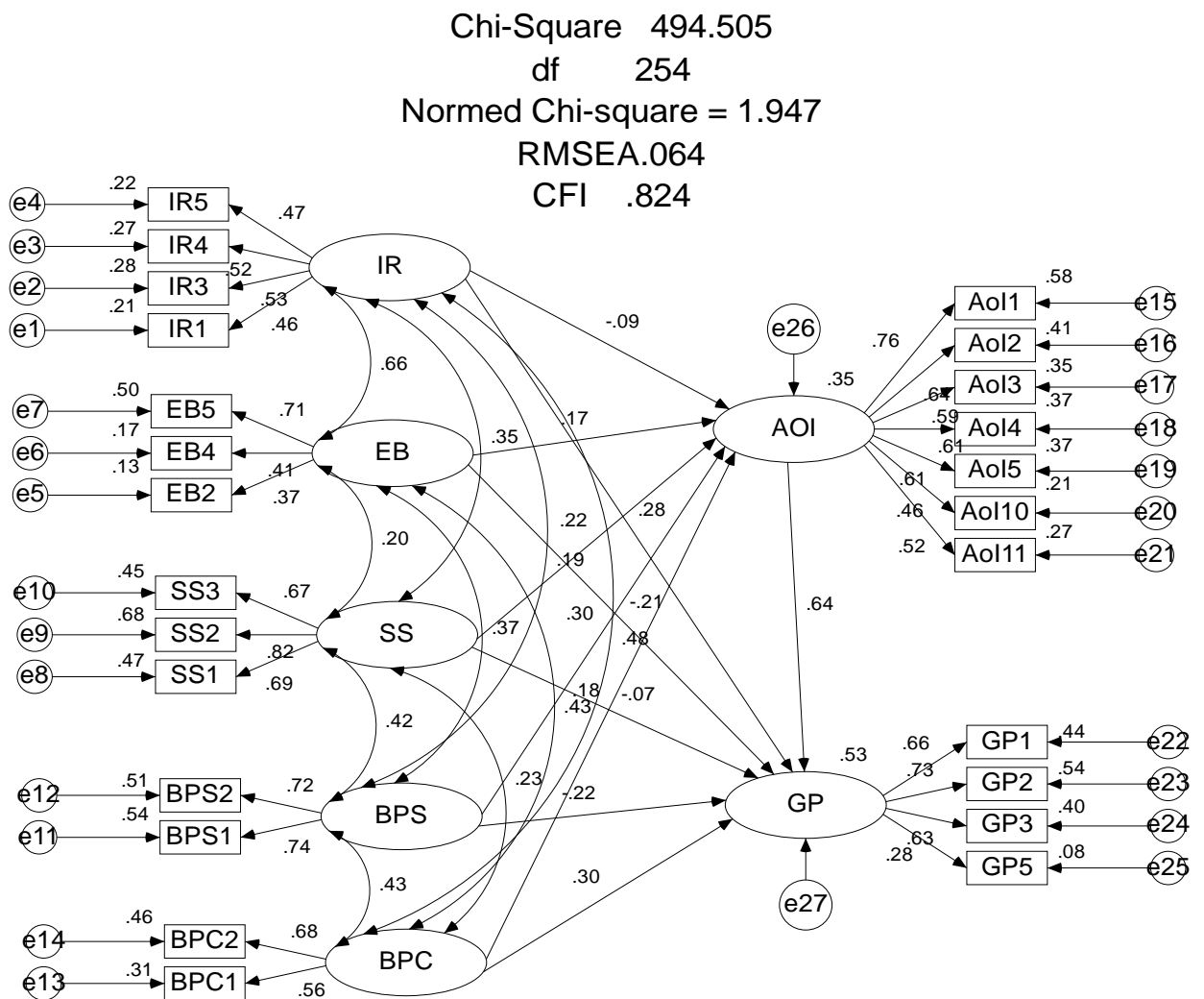


Figure 5.15: Initial Hypothesized Model (First Run)

The modification of the initial hypothesized model is performed by checking the table of modification indices (MI). As suggested by the MI table (Appendix 7), based on the arguments presented in the prior sections, earrings are then put on the large inter-correlations among the error terms; these are: error e1 and e4, [MI = 8.075]; e24 and e25 [MI = 6.225]; e3 and e4 [MI = 5.734]; e16 and e17 [MI = 5.282]; e16 and e21, [MI = 4.168]; e19 and e20, [MI = 4.106]. This results into the modified structural model (Figure 5.16) that shows all the fit indices being well within or at least very close to their specified range.

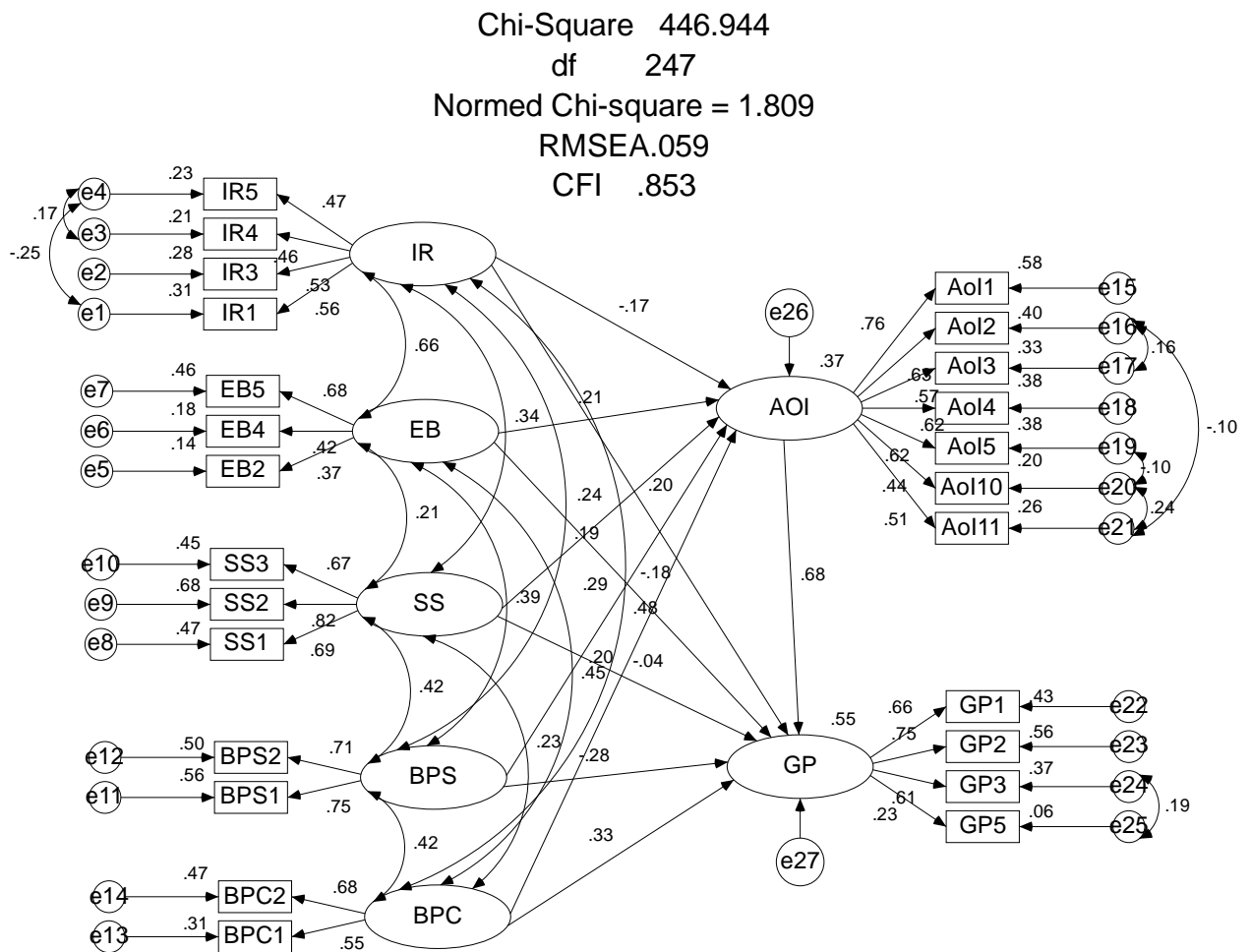


Figure 5.16: Revised Model (First Run)

Now the CFI is considerable, 0.853, very close to 9. From the Figure 5.16, it is observed that Attractiveness of Industry (AOI) stands as the mediating variable, through which Industry Rivalry (IR), Entry Barriers (EB), Substitute Services (SS), Bargaining Power of Suppliers (BPS), Bargaining Power of Customers (BPC) apply indirect effects on Growth Potential of Industry (GP). In this modified model, four path co-efficients, namely, SS → AOI, BPS → AOI, AOI → GP, and BPC → GP prove to be statistically significant at $p < 0.05$, $p < 0.05$, $p < 0.001$, and $p < 0.05$ respectively (Appendix 7).

5.8.2.2 Second Run

After checking the loading of all items of revised model (first run) it was found that two items have loading less than 0.4. These two items (EB2 0.37 and GP50.23) have been avoided in the second run. In the initial model of second run as shown in Figure 5.17, judging by the fit indices, there is evidence of misfit of the model as CFI (0.838) do not attain the minimum stipulated threshold points of 0.9. However, Normed Chi-square (2.013) and RMSEA (0.066) are within the limit. There is thus room for improvement in this initial hypothesized model, which is modified as shown in Figure 5.18.

Chi-Square 420.617
 df 209
 Normed Chi-square = 2.013
 RMSEA.066
 CFI .838

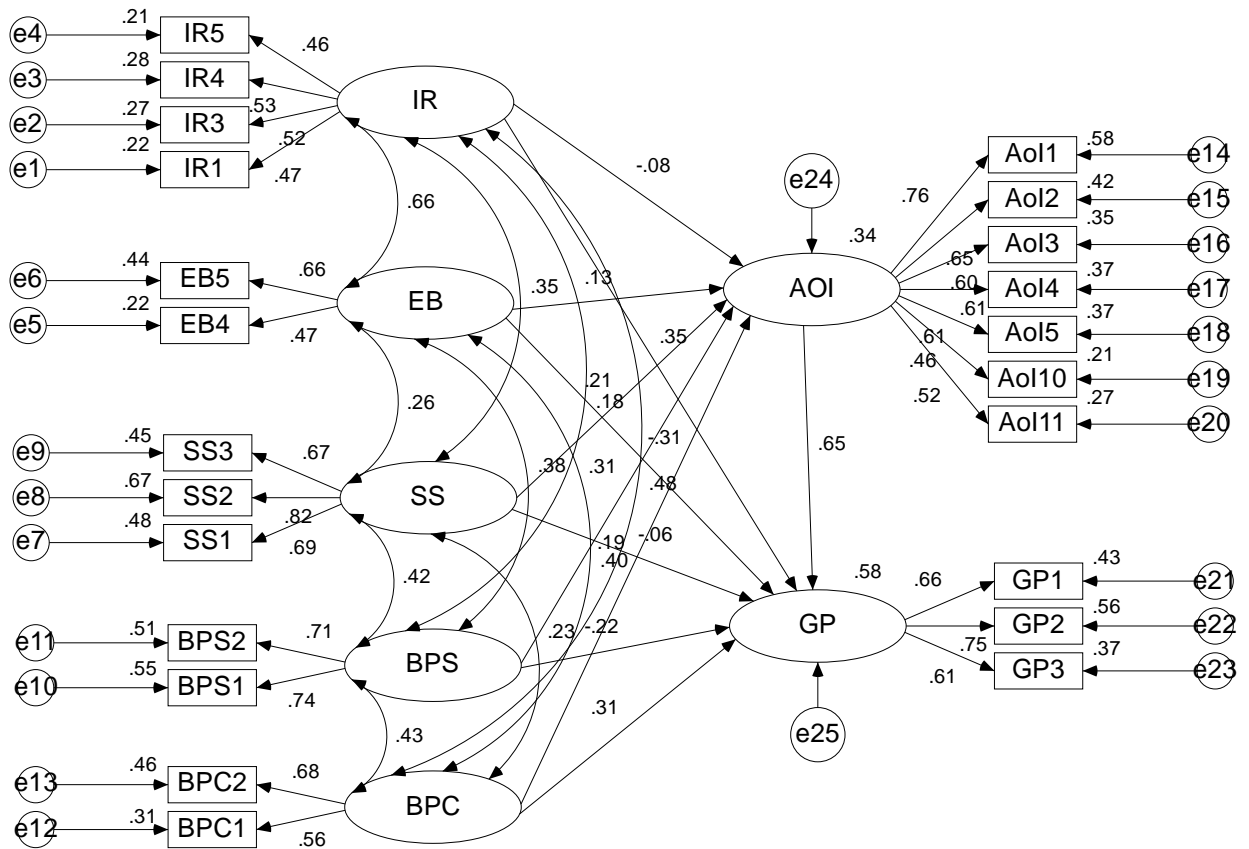


Figure 5.17: Initial Model (Second Run)

The modification of the initial hypothesized model (second run) is performed by checking the table of modification indices (MI). As suggested by the MI table (Appendix 8), earrings are then put on the large inter-correlations among the error terms; these are: error e19 and e20, [MI = 14.358]; e1 and e4, [MI = 8.232]; e3 and e4 [MI = 5.674]; e15 and e16 [MI = 5.040]; e7 and e9 [MI = 4.501]; e15 and e20, [MI = 4.403]; e18 and e19, [MI = 4.129]. This results into the modified structural model (Figure 5.18) that shows all the fit indices being well within or at least very close to their specified range.

Chi-Square 362.197
 df 202
 Normed Chi-square = 1.793
 RMSEA.059
 CFI .877

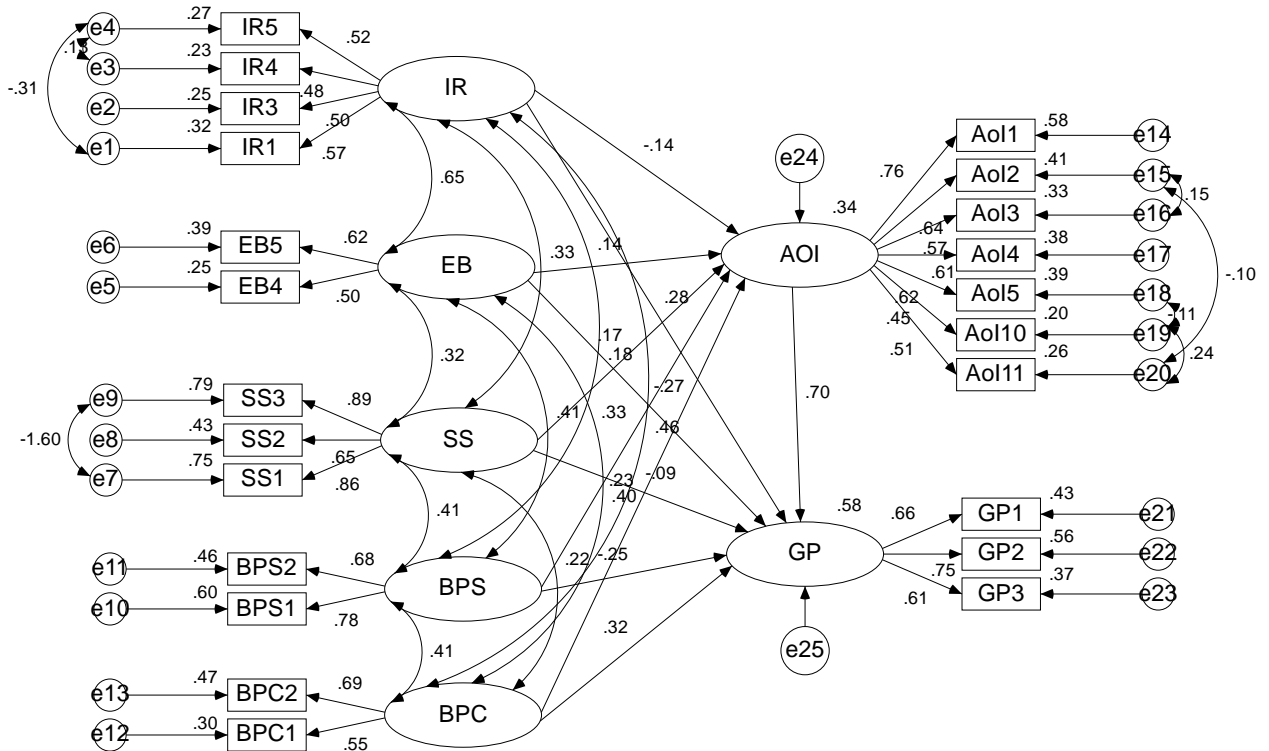


Figure 5.18: Revised Model (Second Run)

Now the CFI (0.877) almost touched the threshold value 9. In this modified model, four path co-efficients, namely, SS → AOI, BPS → AOI, AOI → GP, and BPC → GP prove to be statistically significant at $p < 0.05$, $p < 0.05$, $p < 0.001$, and $p < 0.05$ respectively (Appendix 8).

5.8.2.3 Third Run

In the initial and final models of first and second run some items with loading very close to 0.5 in CFA were used. In the third run, only the items with loading in CFA > 0.5 were used. In the initial model of third run as shown in Figure 5.19, judging by the fit indices,

there is evidence of misfit of the model as CFI (0.878) do not attain the minimum stipulated threshold points of 0.9. However, Normed Chi-square (1.839) and RMSEA (0.060) are within the limit. There is thus room for improvement in this initial hypothesized model, which is modified as shown in Figure 5.20.

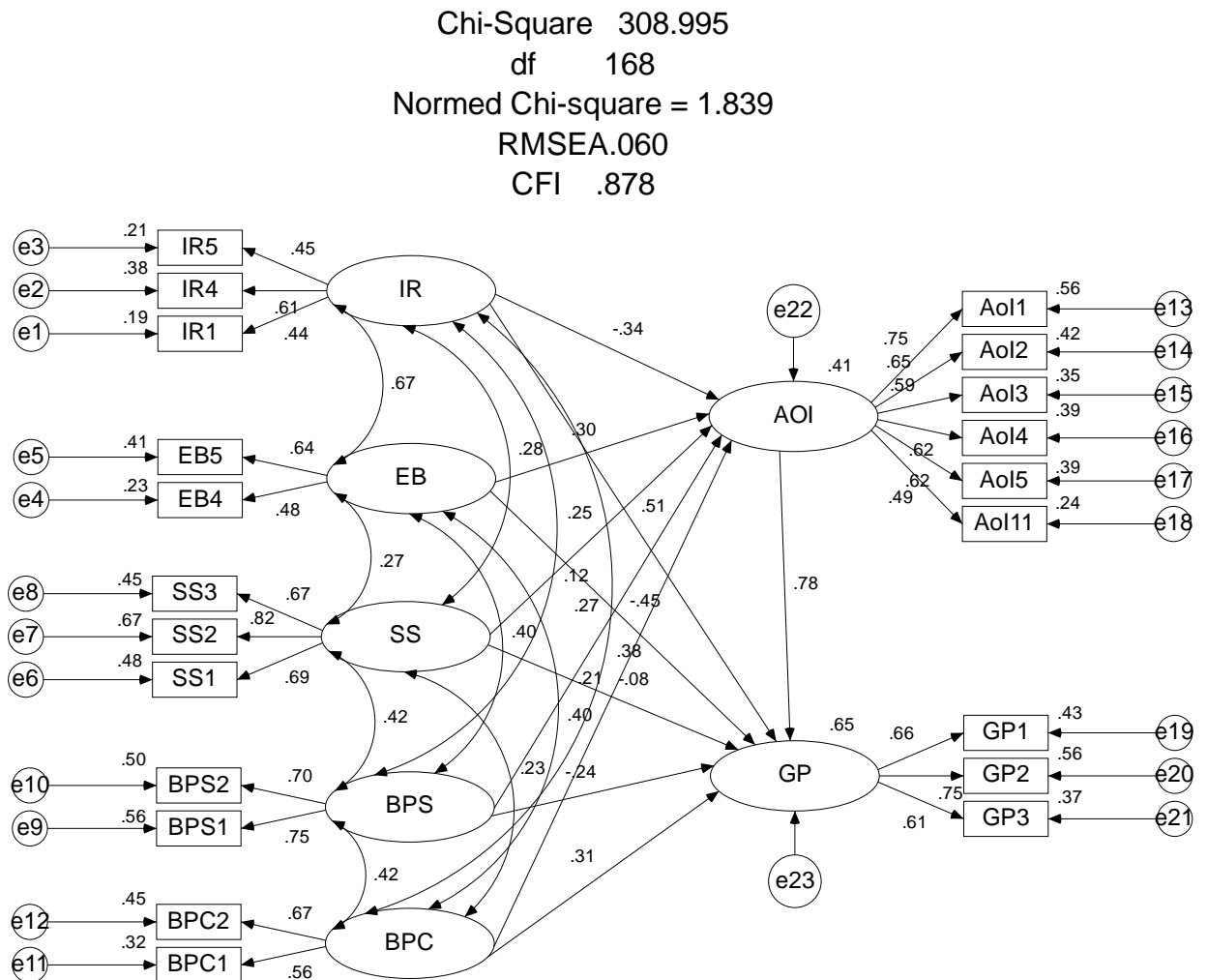


Figure 5.19: Initial Model (Third Run)

The modification of the initial hypothesized model (third run) is performed by checking the table of modification indices (MI). As suggested by the MI table (Appendix 9), earrings are then put on the large inter-correlations among the error terms; these are: e1 and e3, [MI = 6.083]; e14 and e15, [MI = 5.559]; e13 and e18 [MI = 4.984]; e6 and e8

[MI = 4.654]. This results into the modified structural model (Figure 5.20) that shows all the fit indices being well within their specified range. The factor loadings of items are also very good, all above 0.5 only with the exception of AOI 11, which is 0.44, however, it is not very low as loading above 0.4 is considerable.

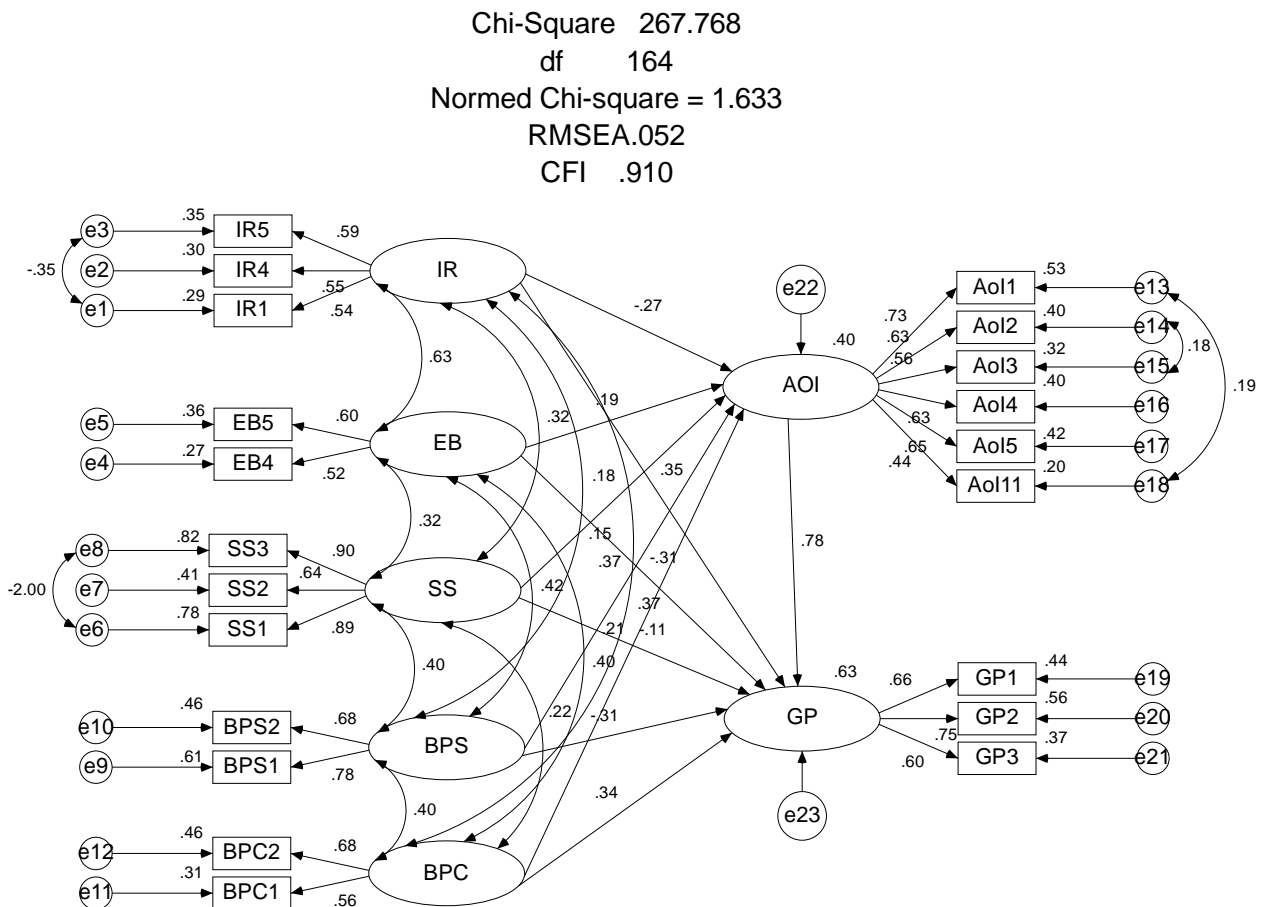


Figure 5.20: Revised Model (Third Run)

For the first time, in third run, the CFI is above the threshold value 9. All the fit indices reached the threshold values (Normed Chi-square = 1.633, RMSEA = 0.052, CFI = 0.910), indicating a perfect model fit. In this modified model, five path co-efficients, namely, SS → AOI, BPS → AOI, AOI → GP, BPS → GP and BPC → GP prove to be statistically significant at $p < 0.05$, $p < 0.01$, $p < 0.001$, $p < 0.05$ and $p < 0.05$ respectively (Appendix 9).

5.8.2.4 Final Run

In the third run, all fit indices reached the threshold value. However, when the item loadings were checked, it was found that all items except AOI₁₁ reached the target loading which is 0.5. Factor loading of AOI₁₁ is 0.44. In this situation AOI₁₁ was excluded in the final run. The initial model of final run is shown in Figure 5.21. The model depicts all the standardized path co-efficients among the latent constructs of the hypothesized theoretical framework. It is observed that four path co-efficients prove to be statistically significant at $p < 0.05$, one is significant at $p < 0.001$, and the rest seven appear to be non-significant as evidenced by the C. R. (Appendix 10). Judging by the fit indices, there is evidence of misfit of the model with the sample data as CFI (0.884) do not attain the minimum stipulated threshold points of 0.9. However, Normed Chi-square and RMSEA are within the accepted range. There is thus room for improvement in this initial hypothesized model, which is modified as shown in Figure 5.22.

Chi-Square 276.204
df 149
Normed Chi-square = 1.854
RMSEA.061
CFI .884

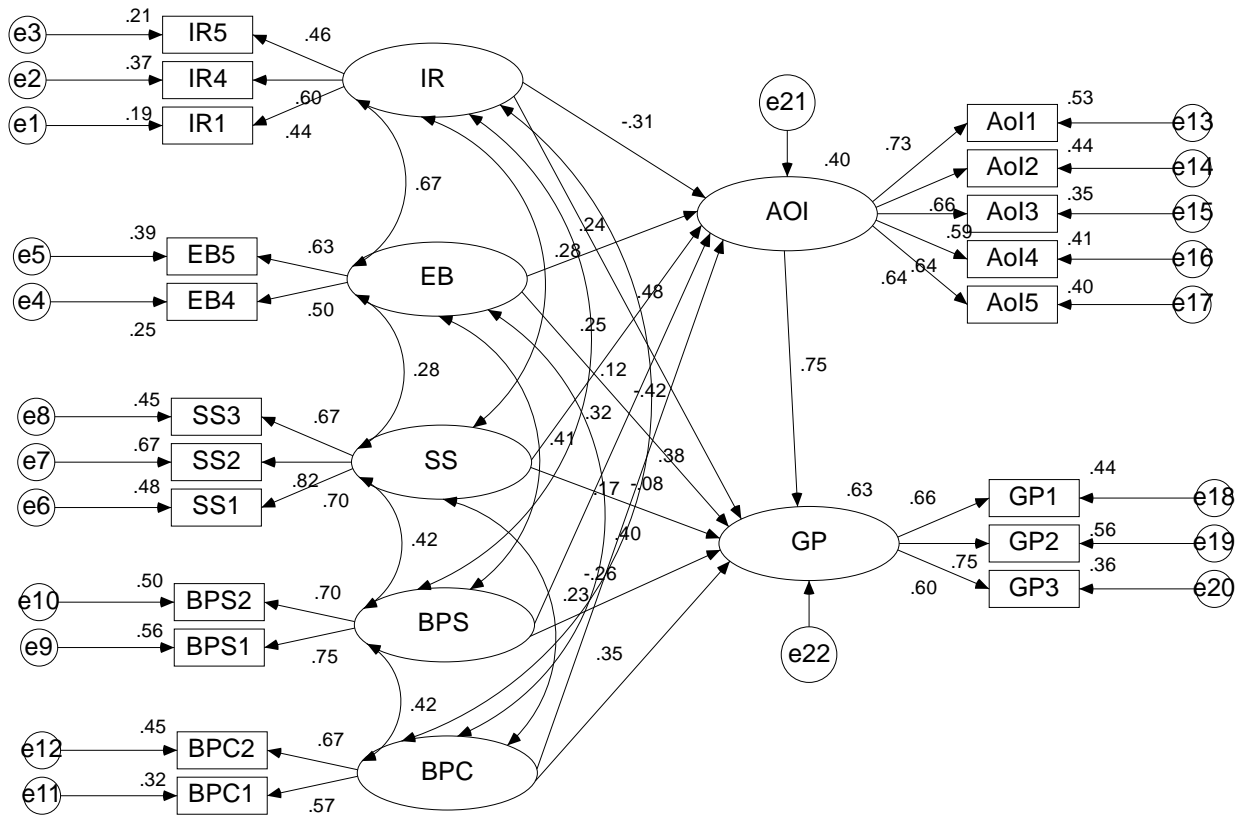


Figure 5.21: Initial Model (Final Run)

The modification of the initial hypothesized model is performed by checking at the table of modification indices (MI). As suggested by the MI table (Appendix 10), based on the arguments presented in the prior sections, earrings are then put on the large inter-correlations among the error terms; these are: error e1 and e3 [MI = 6.457]; e6 and e8 [MI = 4.836] and e14 and e15 [MI = 4.274]. This results into the modified structural model (Figure 5.22) that shows all the fit indices being well within their specified range.

Chi-Square 240.633
 df 146
 Normed Chi-square = 1.648
 RMSEA.053
 CFI .913

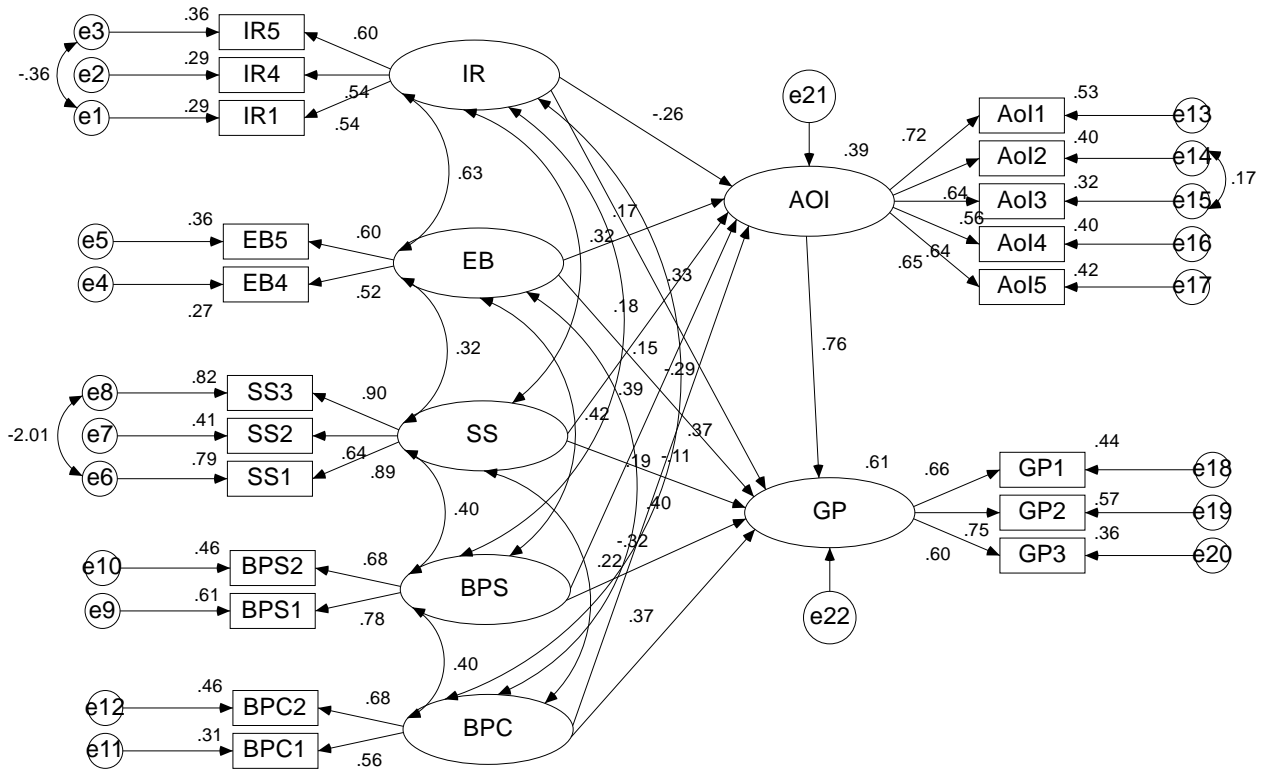


Figure 5.22: Revised Model (Final Run)

From the Figure 5.22, it is observed that attractiveness of event management service industry of Bangladesh (AOI) stands as the mediating variable, through which industry rivalry (IR), entry barriers (EB), substitute services (SS), bargaining power of suppliers (BPS) and bargaining power of customers (BPC) apply indirect effects on growth potential of event management service industry (GP). The direct effect of IR, EB, SS, BPS and BPC both on AOI and GP are also observed. In this modified model, five path co-efficients, namely, SS → AOI, BPS → AOI, BPS → GP, BPC → GP and AOI → GP prove to be statistically significant at $p < 0.05$, $p < 0.01$, $p < 0.05$, $p < 0.05$ and $p <$

0.001 respectively (Table 5.20; Appendix 10). Thus, it is suggested that in this study, the hypotheses H3 (threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh.), [SS AOI]; H4 (bargaining power of the suppliers has a positive impact on attractiveness of Event Management Service Industry of Bangladesh), [BPS AOI]; H9 (bargaining power of the suppliers has a positive impact on growth potential of Event Management Service Industry of Bangladesh.), [BPS GP]; H10 (there is a positive relationship between bargaining power of the customers and growth potential of Event Management Service Industry.), [BPC GP]; and H11 (attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential), [AOI GP]; are supported. The other six hypotheses, namely, H1 (rivalry among current competitors is positively related to attractiveness of Event Management Service Industry of Bangladesh), [IR AOI]; H2 (threat of new entrants has a positive impact on attractiveness of Event Management Service Industry of Bangladesh), [EB AOI]; H5 (there is a positive relationship between bargaining power of the customers and attractiveness of Event Management Service Industry), [BPC AOI]; H6 (rivalry among current competitors is positively related to growth potential of Event Management Service Industry of Bangladesh), [IR GP], H7 (threat of new entrants has a positive impact on growth potential of Event Management Service Industry of Bangladesh), [EB GP]; and H8 (threat of substitute services exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh), [SS GP]; are not validated by the model.

Table 5.20
Significance of the Path Co-efficients in the Revised Model (Final Run)

	Estimate	S.E.	C.R.	P	Label
AOI <--- IR	-.405	.270	-1.501	.133	
AOI <--- EB	.232	.264	.877	.380	
AOI <--- SS	.161	.077	2.103	.035	
AOI <--- BPS	.362	.125	2.903	.004	
AOI <--- BPC	.268	.172	1.562	.118	
GP <--- IR	.406	.257	1.577	.115	
GP <--- EB	-.316	.247	-1.278	.201	
GP <--- SS	-.075	.062	-1.196	.232	
GP <--- BPS	-.240	.112	-2.132	.033	
GP <--- BPC	.414	.165	2.514	.012	
GP <--- AOI	.606	.122	4.973	***	

The model reveals (Figure 5.22) that among five manifest variables, bargaining power of suppliers (BPS) wield highest influence (0.39) on attractiveness of event management service industry of Bangladesh. The second highest influence is from bargaining power of customers i.e. BPC (0.19), this is followed by threat of substitute services i.e. SS (0.18), threat of new entrants denoted by EB (0.17) respectively. The rivalry among current competitors of the industry (IR) has a negative influence (-0.26). All together these five manifest variables account for 39% of the total variance in attractiveness of event management service industry of Bangladesh. The model also demonstrates the influence of these five variables on growth potential of event management service industry of Bangladesh. The AMOS output discloses that bargaining power of customers (BPC) exerts highest influence (0.37) on growth potential which is followed by the influence (0.33) of rivalry among current competitors of the industry (IR). Other three have negative influences as follows: -0.32 for bargaining power of

suppliers (BPS), -0.29 for threat of new entrants (EB) and -0.11 for substitute services (SS). On the other hand, attractiveness of event management service industry of Bangladesh (AOI), the mediating variable, has very high influence (0.76) on growth potential. All together these five manifest variables along with attractiveness of the industry account for 61% of the total variance in growth potential of event management service industry of Bangladesh. In some cases, it was found that the influences are negative. It is possible in presence of mediating variables that positive impact will fade away. This finding coincides with other studies (Haque, 2012; Maigaet *et al.*, 2011).

The indirect effects of manifest variables on growth potential of event management service industry of Bangladesh (GP) through the mediating variable (attractiveness of event management service industry of Bangladesh, AOI) is also analyzed (Figure 5.22). It is inferred from the model that through attractiveness of event management industry, entry barriers (EB), industry rivalry (IR), substitute services (SS), bargaining power of suppliers (BPS) and bargaining power of customers (BPC) hold indirect effects of about 13% ($0.17 \times 0.76 = 0.1292$), -20% ($-0.26 \times 0.76 = -0.1976$), 14% ($0.18 \times 0.76 = 0.1368$), 30% ($0.39 \times 0.76 = 0.2964$) and 14% ($0.19 \times 0.76 = 0.1444$) respectively.

The discriminant validity which is like multicollinearity of regression was also checked. If the value of the correlation among the independent variables (predictors / manifest variables) is higher than the threshold, one can conclude that there is a lack of discriminant validity (Hamid, M.R.A., *et al.* 2017). Gold *et al.* (2001) proposed a

threshold value of 0.90. However, a threshold of 0.85 is suggested by some other scholars (Kline, R. B., 2010). The correlations among manifest variables were checked from AMOS output (figure 5.22). The values are: the correlation between IR and EB stands at 63% (0.63); the correlation between EB and SS stands at 32% (.32); the correlation between SS and BPS stands at 40% (0.40); the correlation between BPS and BPC stands at 40% (.40); the correlation between IR and SS stands at 32% (.32); the correlation between IR and BPS stands at 15% (.15); the correlation between IR and BPC stands at 37% (.37); the correlation between EB and BPS stands at 42% (.42); the correlation between EB and BPC stands at 40% (.40); the correlation between SS and BPC stands at 22% (.22). As all the values are below the cut-off value, the model passed discriminant validity test.

The summary of hypotheses testing is shown in Table 5.21

Table 5.21
Summary of Hypotheses Testing

Research Hypotheses		Result
H1	Rivalry among current competitors is positively related to attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H2	Threat of new entrants has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H3	Threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Supported
H4	Bargaining power of the suppliers has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Supported
H5	There is a positive relationship between bargaining power of the customers and attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H6	Rivalry among current competitors is positively related to growth potential of Event Management Service Industry of Bangladesh.	Not Supported
H7	Threat of new entrants has a positive impact on growth potential of Event Management Service Industry of Bangladesh.	Not Supported
H8	Threat of substitute services exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh.	Not Supported
H9	Bargaining power of the suppliers has a positive impact on growth potential of Event Management Service Industry of Bangladesh.	Supported
H10	There is a positive relationship between bargaining power of the customers and growth potential of Event Management Service Industry of Bangladesh.	Supported
H11	Attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential.	Supported

5.9 DISCUSSION OF THE FINDINGS

This section describes the findings of the impact of industry rivalry (IR), entry barriers (EB), substitute services (SS), bargaining power of suppliers (BPS) and bargaining power of customers (BPC) both on attractiveness and growth potential of event management service industry of Bangladesh (AOI) and through attractiveness on growth potential of the industry (GP). In this regard, the indicators or the questionnaire items comprising the constructs and their corresponding loadings are also mentioned and the findings of the study on the hypotheses are also highlighted. The section also provides academic and practical connotations of the findings which can be considered as a contribution to the research arena.

5.9.1 Industry Rivalry (IR): The study reveals that although five indicators (items) are used in the questionnaire after extant literature review, three are loaded perfectly (loading above 0.5) in the final model (Figure 5.22). Therefore, the indicators representing the construct, industry rivalry for event management service industry of Bangladesh, are: ‘the number of competitors is huge & major competitors are equal in size & capability’ (IR1); ‘industry competitors’ have a tendency to use price cuts to remain competitive’ (IR4); ‘selling out the business is difficult’ (IR5); the loadings of these three indicators are 0.54, 0.54 and 0.60, respectively. This is also manifested in the relatively high mean values of 3.58, 3.86 and 3.66 of the pertinent items, i.e., IR1, IR4 and IR5. This is in line with the statement given by industry guru Alan. Doja (2015).

To check the impact of industry rivalry (IR) on attractiveness of event management service industry (AOI) and on growth potential of event management

service industry of Bangladesh (GP), two different hypotheses were developed as follows:

H1: Rivalry among current competitors is positively related to attractiveness of Event Management Service Industry of Bangladesh.

and

H6: Rivalry among current competitors is positively related to growth potential of Event Management Service Industry of Bangladesh.

The study does not find support to the first hypothesis (H1), which is evident from the table of 'Significance of the Path Co-efficients in the Revised Model (Final Run)' (Table 5.20). In the same way sixth hypothesis (H6) is not also supported which is also apparent from the table of 'Significance of the Path Co-efficients in the Revised Model (Final Run)' (Table 5.20).

5.9.2 Entry Barriers (EB): The study divulges that from the seven indicators (items) used in the questionnaire, two are loaded perfectly in the final model (Figure 5.22). Therefore, the indicators representing the construct, entry barriers for event management service industry, are: 'capital requirement to enter the industry is very high' (EB4); 'access to various medias and star personalities to be used in the events is tough for new firms' (EB5); the loadings of these two indicators are 0.52 and 0.60, respectively. This is also manifested in the relatively high mean values of 3.45 and 3.72 of the pertinent items, i.e., EB4 and EB5.

To check the impact of entry barriers (EB) on attractiveness of event management service industry (AOI) and on growth potential of event management service industry of Bangladesh (GP), two different hypotheses were developed as follows:

H2: Threat of new entrants has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

and

H7: Threat of new entrants has a positive impact on growth potential of Event Management Service Industry of Bangladesh.

The study does not find support to thesecond hypothesis (H2which is evident from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20). In the same way seventh hypothesis (H7) is not also supported as is also apparent from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20).

5.9.3 Substitute Services (SS): From the four indicators (items) used in the survey,the study generatesthree indicators (items) relating to the construct, substitute services(SS) of the industry (Figure 5.22). As a result, the indicators representing the construct, substitute services (SS) of the event management service industry of Bangladesh, are: ‘attractively priced substitute services are available’ (SS1); ‘customers can easily switch to substitute services’ (SS2); ‘the substitute services are more acceptable in terms of quality, performance, and other relevant attributes’ (SS3); the loadings of these three indicators are 0.89, 0.64 and 0.90, respectively.This is also manifested in the relatively high mean values of 3.3, 3.52 and 3.22 of the pertinent items, i.e., SS1, SS2 and SS3.

To check the impact of substitute services (SS) on attractiveness of event management service industry of Bangladesh (AOI) and on its growth potential (GP), two different hypotheses were developed as follows:

H3: Threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

and

H8: Threat of substitute services exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh.

The study supports the third hypothesis (H3) as can be seen from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20) which is statistically significant at $p < 0.05$. However, the eighth hypothesis (H8) is not supported as is apparent from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20).

5.9.4 Bargaining Power of Suppliers (BPS): The study finds that out of six indicators (items) used in the questionnaire survey, two indicators are loaded that correspond to the construct, bargaining power of suppliers (BPS). These are: ‘getting help from a supplier of a competitor event management firm is difficult’ (BPS1); ‘suppliers’ ability to influence the terms and conditions of supply is very high’ (BPS2). The loadings of these indicators are 0.78 and 0.68, respectively. This is also manifested in the relatively high mean values of 3.05 and 3.27 of the pertinent items, i.e., BPS1, and BPS2.

To check the impact of bargaining power of suppliers (BPS) on attractiveness of event management service industry (AOI) and on growth potential of event management service industry of Bangladesh (GP), two different hypotheses were developed as follows:

H4: Bargaining power of the suppliers has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.

and

H9: Bargaining power of the suppliers has a positive impact on growth potential of Event Management Service Industry of Bangladesh.

The study supports the fourth hypothesis (H4) as is evident from the table of 'Significance of the Path Co-efficients in the Revised Model (Final Run)' (Table 5.20) which is statistically significant at $p < 0.01$. The ninth hypothesis (H9) is also supported as is also apparent from the table of 'Significance of the Path Co-efficients in the Revised Model (Final Run)' (Table 5.20) which is statistically significant at $p < 0.05$.

5.9.5 Bargaining Power of Customers (BPC): The study demonstrates that out of six indicators (items) used in the survey two are loaded that comprise the various aspects of bargaining power of customers (BPC) of event management service industry of Bangladesh (Figure 5.22). These are: 'customers can change the existing event management firm with very low costs of switching' (BPC1) and 'number of customers is small and losing one is critical to the success of the event management firm' (BPC2). The loadings of the indicators are 0.56 and 0.68, respectively. This is also manifested in the relatively high mean values of 3.48 and 3.41 of the pertinent items, i.e., BPC1, and BPC2.

To check the impact of bargaining power of customers (BPC) on attractiveness of event management service industry (AOI) and on growth potential of event management service industry of Bangladesh (GP), two different hypotheses were developed as follows:

H5: There is a positive relationship between bargaining power of the customers and attractiveness of Event Management Service Industry of Bangladesh.

and

H10: There is a positive relationship between bargaining power of the customers and growth potential of Event Management Service Industry of Bangladesh.

The study does not find support to the fifth hypothesis (H5), which is evident from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20). However, the tenth hypothesis (H10) is supported as is also apparent from the table of ‘Significance of the Path Co-efficients in the Revised Model (Final Run)’ (Table 5.20) which is statistically significant at $p < 0.05$.

5.9.6 Attractiveness of Event Management Service Industry (AOI): The study reveals that from the eleven indicators (items) used in the questionnaire, five are loaded perfectly in the final model (Figure 5.22). Therefore, the indicators representing the construct, attractiveness of event management service industry (AOI), are: ‘there is easier availability of skilled labor’ (AOI 1); ‘profit margin is very high’ (AOI 2); ‘cheap labor is easily available in this industry’ (AOI 3); ‘local market size is large’ (AOI 4); ‘Suppliers’ bargaining power is moderate’ (AOI 5); the loadings of these five indicators are 0.72, 0.64, 0.56, 0.64 and 0.65, respectively. This is also manifested in the relatively high mean values of 3.06, 3.05, 3.47, 3.41 and 3.52 of the pertinent items, i.e., AOI 1, AOI 2, AOI 3, AOI 4 and AOI 5.

To check the impact of attractiveness of event management service industry of Bangladesh (AOI) on its growth potential (GP), one hypothesis was developed as follows:

H11: Attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential.

The study supports the eleventh hypothesis (H11) as can be seen from the table of 'Significance of the Path Co-efficients in the Revised Model (Final Run)' (Table 5.20) which is statistically significant at $p < 0.001$.

5.9.7 Growth Potential of Event Management Service Industry of Bangladesh (GP):

The study divulges that although six indicators (items) are used in the questionnaire after extant literature review, three are loaded perfectly in the final model (Figure 5.22). Therefore, the indicators representing the construct, growth potential of event management service industry of Bangladesh (GP), are: 'economic stability of the country is leading to the growth of event management service industry' (GP 1); 'technological improvement (which is resulting into product and service innovation) is enhancing the growth of the industry' (GP 2); 'scope of local and international expansion of event management service business is stimulating growth of the industry' (GP 3); the loadings of these three indicators are 0.66, 0.75 and 0.60, respectively. This is also manifested in the relatively high mean values of 3.72, 3.86 and 3.76 of the pertinent items, i.e., GP 1, GP 2 and GP 3.

5.9.8 Structure of the Industry

Both primary and secondary sources are used to get an idea about the structure of event management service industry of Bangladesh. The findings are as follows:

- ✓ Lloyd L. Byars *et al.* (1996) advocate that an industry progresses along fairly predictable stages: emergence, growth, shakeout, maturity and decline. These phases resemble the well-known product life cycle (PLC). Certainly, the industry life cycle is only a framework that portrays the general pattern of industry evolution. The following figure displays the industry life cycle:

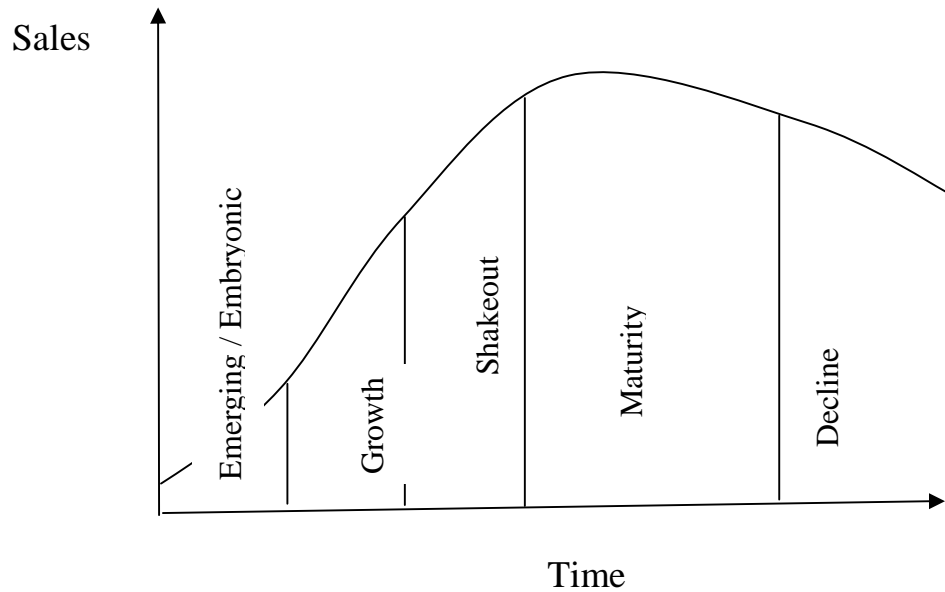


Figure 5.23 : Industry Life Cycle

According to the gurus of event management service industry of Bangladesh, the industry right now is in the *growth stage* (Sayeed, Tahsin., 2015; Alan, Doza, 2015; Ahmed, Jamal Uddin., 2014).

- ✓ Charles W. L. Hillat *el.* (2017) opine that the industry's competitive structure refers to number and size distribution of companies in a given industry. Structure of an industry may vary from *fragmented* to *consolidated or concentrated* which will have different implications for rivalry. Porter (1980) defines a fragmented industry as one comprised of many small or medium sized companies, none of which is in a position to dominate the industry. An industry is considered as consolidated when it is dominated by a small number of large companies (in which case it is referred to as an oligopoly) or, in extreme cases, by just one company (a monopoly) (Charles W. L. Hillat *el.* 2017). Although total number of firms in event management service industry of Bangladesh is few thousands

(Alan, Doza, 2015), number of large and medium size firms is 30-40 (Ali, Masud and Hasnat, Abul, 2014) and there is no notable differentiation among offers from different firms (Sayeed, Tahsin, 2015). As a result it could be concluded that event management is a *fragmented industry* in Bangladesh.

- ✓ Following the cosmetics market structure developed by John A. Czepiel and Roger A. Kerin (2009), a market structure has been developed for Event Management Service Industry of Bangladesh which is shown in figure 5.24.

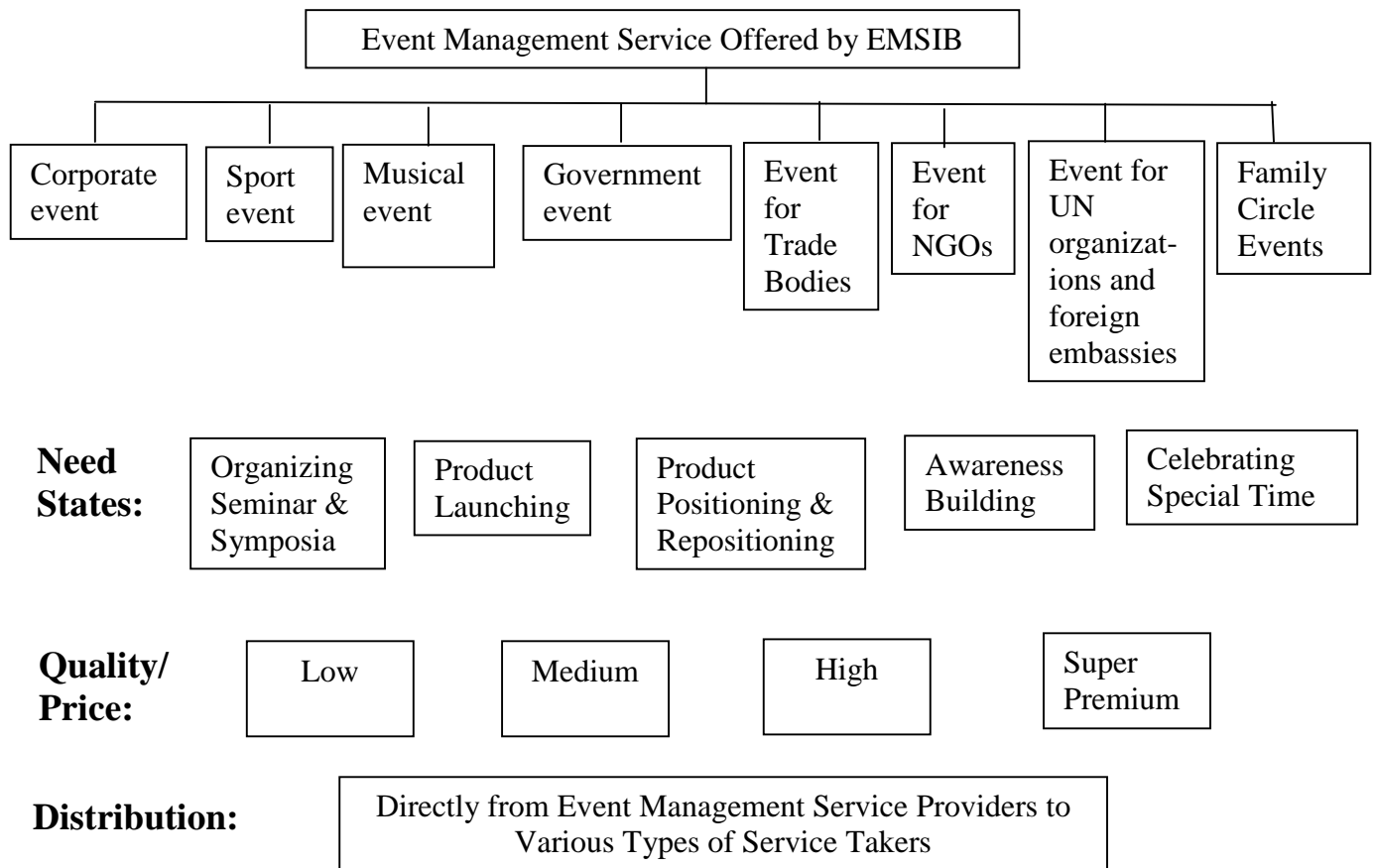


Figure 5.24 : Event Management Market Structure

If the structure of Event Management Service Industry of Bangladesh is critically analyzed, it will be evident that consumers have a number of different need states ranging from organizing seminar & symposia, product launching,

product positioning & repositioning, awareness building, celebrating special time etc. Depending on their own economics, consciousness of quality and the need state, they may seek different price points which will ultimately lead them to select a big, medium or small Event Management Service Provider.

5.10 CHAPTER SUMMARY

The chapter presents data analysis and findings of the study, particularly response rate, process of screening and cleaning of data, normality testing, adequacy of sample size, reliability and multicollinearity testing, respondents profile, general information of event management companies surveyed, competitive scenario, growth potential and profitability of the industry. The chapter also tests the proposed hypotheses by Structural Equation Modeling (SEM). The chapter concludes with discussion of the findings in a summarized form.

CHAPTER SIX CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter concludes the summary of methodology, findings and study hypotheses portrayed in the prior chapters. The chapter also provides theoretical implication of the findings and policy recommendations. Finally, problem & hindrances, study limitations and recommendations for future research are narrated.

6.2 SUMMARY OF METHODOLOGY AND FINDINGS

The current study is conducted to ascertain the impact of industry rivalry, threat of new entrants, threat of substitute services, bargaining power of suppliers and bargaining power of customers on attractiveness of event management industry of Bangladesh and through it growth potential of the industry. A survey questionnaire consisting of 45 questions or statements, apart from the demographic and the general sections having a few questions regarding the respective company and its competitive environment, is administered among the survey respondents. The participants were requested to express their opinions about the research questions on a Likert scale ranging from 1 to 5. Survey administration technique 'Drop off and Collect' was selected as the method for data collection. 370 questionnaires were distributed among professionals working in various event management firms of Bangladesh and another 30 questionnaires among professionals of corporate bodies who are taking the service. 90% questionnaires were distributed in Dhaka, the rest is Chittagong and Comilla. Out of total 400 questionnaires, 300 questionnaires were returned which indicates that the response rate was 75 %. Some responses were omitted because of having excessive missing value (more than 10%) and outliers. Responses omitted were considered as insincere and incomplete which may mislead the result. Finally this has resulted into a final sample size of 231 and thus the

adjusted response rate became 57.75%. Data input was carried out using SPSS version 16.0. The reliability of the variables is ensured through checking Cronbach alpha. For Porter's Five Forces Model the value was 0.874 and for the extended model the value was 0.883.

Data analyses are performed through structural equation modeling (SEM) using AMOS version 16.0 in a two-step process: the first part, which is the measurement model, is concerned with the fitness of the model of the seven individual constructs, namely, industry rivalry (IR), entry barriers (EB), substitute services (SS), bargaining power of suppliers (BPS), bargaining power of customers (BPC), attractiveness of event of event management industry (AOI) and growth potential of event management service industry of Bangladesh (GP); this is done through confirmatory factor analyses (CFA). The second step of the process, which is the structural model, deals with the hypothesized relationships among the seven latent constructs. The initial hypothesized model has been revised because the fit indices did not reach the threshold values and some of the item loadings were below optimum value of 0.5. The revised model attained all expected values.

6.3 SUMMARY OF THE STUDY HYPOTHESES

The major findings of the study are presented below:

For this study, there are ten primary and one mediated hypotheses as demonstrated in the research framework. Table 6.1 reveals the hypotheses stating whether these are supported (or not).

Table 6.1
Summary of Research Hypotheses

Research Hypotheses		Result
H1	Rivalry among current competitors is positively related to attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H2	Threat of new entrants has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H3	Threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Supported
H4	Bargaining power of the suppliers has a positive impact on attractiveness of Event Management Service Industry of Bangladesh.	Supported
H5	There is a positive relationship between bargaining power of the customers and attractiveness of Event Management Service Industry of Bangladesh.	Not Supported
H6	Rivalry among current competitors is positively related to growth potential of Event Management Service Industry of Bangladesh.	Not Supported
H7	Threat of new entrants has a positive impact on growth potential of Event Management Service Industry of	Not Supported

	Bangladesh.	
H8	Threat of substitute services exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh.	Not Supported
H9	Bargaining power of the suppliers has a positive impact on growth potential of Event Management Service Industry of Bangladesh.	Supported
H10	There is a positive relationship between bargaining power of the customers and growth potential of Event Management Service Industry of Bangladesh.	Supported
H11	Attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential.	Supported

The study finds that five path co-efficients, namely, SS AOI, BPS AOI, BPS GP, BPC GP and AOI GP prove to be statistically significant at $p < 0.05$, $p < 0.01$, $p < 0.05$, $p < 0.05$ and $p < 0.001$ respectively (Table 5.20; Appendix 10). Other six co-efficients are not statistically significant.

The model reveals that five manifest variables all together account for 39% of the total variance in attractiveness of event management service industry of Bangladesh. On the other hand, attractiveness of event management service industry of Bangladesh (AOI), the mediating variable, has very high influence (0.76) on growth potential. All together

these five manifest variables along with attractiveness of the industry account for 61% of the total variance in growth potential of event management service industry of Bangladesh.

6.4 POLICY IMPLICATIONS

The current research offers a number of policy implications as highlighted below.

- ✓ It is evident from the study that threat of substitute services exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh (EMSIB). Two types of substitute services of this industry are posing threat to the attractiveness of this emerging industry. The first one is direct service offer from the vendors. The industry depends on the vendors who provide sound, stage, flowers and other decoration items, frames for stalls, horse carts & other vehicles for road shows, food, light, printing, stationeries. In some cases, executives of corporate houses organize events by taking direct help from the vendors. The service taker companies are searching for a second type of substitute of the industry by forming an event management wing within the company. The company hires some expert executives working in event management industry to run the wing. Two biggest corporate houses of Bangladesh, Akij and Square, have done this. Maximum events of Akij, Square and other companies who are establishing event management wings are planned and organized by these in-house event management departments. In some cases, to handle a mega event, expert help from a renowned event

management firm is also taken. However, as experts of in-house event management department have detail idea of costing, making profit becomes difficult for the hired event management firm. If this trend becomes popular among other corporate houses, the industry may lose attractiveness. Although the latent variable (construct) substitute service is manifested by availability of attractively priced substitute; easy switching to substitute services; acceptability of substitute services in terms of quality, performance, and other relevant attributes; hard core loyalty of service takers toward the existing service providers even if they get equivalent service from any other source (Appendix One). However, first three items loaded perfectly (threshold value 0.5) with the construct. Which indicates that these three indicators (items) are more important in the context of event management service industry of Bangladesh. It can be concluded that threat from substitute service would be high if substitute services are attractively priced (item loading 0.89, Figure 5.22) and companies can easily leave the existing service from event management service industry and start taking substitute services (item loading 0.64, Figure 5.22). The intensity of the threat will reach the peak if substitute services are acceptable to the service takers in terms of quality, performance, and other relevant attributes (item loading 0.90, Figure 5.22).

- ✓ The second construct that exerts a positive impact on attractiveness of Event Management Service Industry of Bangladesh is bargaining power of suppliers. This is totally a supplier dependent industry. The industry takes

goods and services as and when needed. The types of supplies depend on the nature of the event. The commonly used supplies are provided by catering service (food); transportation companies (vehicles); hotels, motels and convention halls (venue); suppliers of various infrastructures (for stage and stall); suppliers of lights (laser and others) and sounds ; readymade garment companies (for t-shirts, caps etc); furniture manufacturers (for renting furniture), labor contractors; software companies and internet providers (for digital events, online registration and communication); professional architecture firms (for internal and external decoration of venue and stall) etc. Profit margin of this industry varies depending on asking price of the suppliers. As the suppliers are aware of this dependency, they enjoy bargaining power. It is also evident from the findings. The key industry players need to establish long term relationship so that suppliers become loyal. Only in this way it could be expected that they may avoid unnecessary pressure for higher price. This latent construct, bargaining power of suppliers, is manifested by the possibility of getting help from a supplier of a competitor event management firm in urgent cases; suppliers' ability to influence the terms and conditions of supply; suppliers are not dependent on any single event management firm rather have various options; suppliers have special technology and know-how; the number of suppliers is few; suppliers have the capability to start event management business and sell their service directly to the customers (Appendix One). However, first two items (item

loadings 0.78 and 0.68 respectively, Figure 5.22) are more important for the players of event management service industry of Bangladesh. The findings suggest that getting help from the suppliers who provide services to competitor event management firms is tough in this industry. So it is mandatory for all event management firms that they have some enlisted suppliers in various categories who are loyal to them. It is also evident that suppliers' ability to influence the terms and conditions of supply is very high. This is very critical for profitability of the industry. The industry players may consider to buy some resources those are frequently used. Machines for light and sound, some frames for infrastructure development should fall in this consideration. The member companies may consider resource sharing to minimize the influence and control of suppliers on terms and conditions.

- ✓ It is apparent from the study that bargaining power of suppliers exerts a positive impact on growth potential of Event Management Service Industry of Bangladesh. This is the only indicator which exerts positive impact both on attractiveness and growth potential of Event Management Service Industry of Bangladesh. Industry players should develop some capabilities to reduce dependency on suppliers as suggested before. Otherwise both attractiveness and growth potential of this industry will be at risk.
- ✓ It is evident from the study that there is a positive relationship between bargaining power of the customers and growth potential of Event

Management Service Industry of Bangladesh. Service demands are coming from various types of customer groups. The types of the events are also versatile. The groups are: corporate (product launching, positioning & repositioning, branding, activation, road show, sales promotion related competitions, tournaments like corporate leagues, annual meetings, picnic, customer / dealer conference etc), government and NGO (social awareness programs), trade bodies (local and international fairs), family circle customers (marriage ceremony, marriage anniversary, gayeeholud, birthday, family reunion), universities (convocation, orientation program, farewell program), sports bodies (opening and closing ceremony of various tournaments), etc. This latent variable, bargaining power of the customers, is manifested by low costs of switching from the existing event management firm to a new one; number of customers is small and losing one is critical to the success of the event management firm; customers are particularly important to the event management firm because of their corporate image; customers are well informed about event management firms' services, prices and costs; customers are capable of starting their own event management department; for customers, no event management firm has any specialization and all firms are equal to them (Appendix 1) . However, first two items (item loadings 0.56 and 0.68 respectively, Figure 5.22) are more important for this service industry of Bangladesh. The findings suggest that customers can change the existing event management firm with very low costs of switching. To face this threat, industry players

should be very loyal to the customers. They should try to satisfy the existing customers by providing quality service of the highest standard which may ensure that the customers will not take this advantage. As a consequence, loyalty would come from their side as well. Most important indicator under this construct is ‘number of customers is small and losing one is critical to the success of the event management firm’ (item loading 0.68, Figure 5.22). If we consider all types of customers like family circle customers, the number is not small. However real customers who take continuous service, on whom this industry depends, are corporate customers. Even now when the industry has entered into growth stage, only the big companies are taking this professional service. It is surprising that maximum medium size companies are arranging events by their executives. As they do not have a huge pool of potential corporate clients, industry players are afraid to lose any existing big corporate customer. The clients are also aware of this situation. They are manipulating this, putting pressure to reduce price, sometimes giving threat that they will change the firm. A very alarming situation hindering the growth potential of this industry. To confront this negative situation, the members of this industry, especially the dominant firms, should go for customer awareness program. They should try to convince the potential clients that taking service from event management firms will reduce the time and cost while ensuring that the event gets a professional look. This will lead to better branding of the company and its products as well. In this way, if the mid-level corporate

houses become interested about this service, growth potential of this industry will increase in many fold.

- ✓ It is apparent from the study that attractiveness of event management service industry of Bangladesh has a positive impact on its growth potential. Although the latent variable (construct) attractiveness of event management service industry is manifested by easier availability of skilled labor; high profit margin; availability of cheap labor; large local market size; bargaining power of suppliers; intensity of competition among the existing service providers; bargaining power of customers; barriers to start business in this industry; availability of alternatives of event management service offers; availability of supporting materials (equipment, frames, furniture etc.); better communication infrastructure; etc. Among these eleven indicators, five found as very important because of having high loading values (> 0.5) with the construct. Easier availability of skilled labor is found to be most important (item loading 0.72, Figure 5.22). Experts of the industry observe that EMSIB is maturing day by day and labors are becoming skilled as well. As a result, this labor dependent industry is now capable of giving better service than before which is leading to more customer satisfaction. This is the main reason that attractiveness of this industry is increasing which will ultimately contribute to future growth. It is also evident from the findings that profit margin of this industry is very high (item loading 0.64, Figure 5.22) which is also making this industry attractive. Another positive finding is that

cheap labor is easily available in this industry (item loading 0.56, Figure 5.22). The other contributing factors ensuring attractiveness are: large local market size (item loading 0.64, Figure 5.22) and moderate (not high) bargaining power of suppliers (item loading 0.65, Figure 5.22). These all dimensions are not only making this industry attractive but also contributing to high future growth. However, there are some specific dimensions (items) of growth potential: economic stability of the country; technological improvement resulting into product and service innovation; scope of local and international expansion of event management service business; political situation of the country; high capability of event management service industry players to increase the awareness level of the customers; collaboration / partnership with suppliers, media and channels of distribution. The findings show that some of the aforesaid dimensions are more important in the context of event management service industry of Bangladesh. Technological improvement is found to be most important contributor of growth of this service industry (item loading 0.75, Figure 5.22) followed by economic stability of the country (item loading 0.66, Figure 5.22). Bangladesh has already started its journey as a developing country. The United Nation has given this recognition on March 17, 2018. This economic stability is contributing to growth of this industry. The third important factor is scope of local and international expansion (item loading 0.60, Figure 5.22). Locally, various new customer groups like family circle, universities, UN organizations, foreign

embassies, sports and trade bodies have started taking this service to organize events. Political parties, social clubs are also showing interest for this expert service. Dominant firms of the industry are trying to expand the business globally, especially at the surrounding countries like Nepal, Bhutan etc. Initial success will motivate them for further international expansion.

- ✓ As there is no special restriction from the government, starting the business in this sector is very easy. It also does not need very high startup capital. It is not mandatory that event management firms will have to invest huge to buy machineries and materials used to organize events. Hundreds of suppliers in each category are available. However, capability to organize events needs creativity and experience. Getting the service order needs reputation and network. So starting the business could be easy, however getting the job and organizing the event is difficult. As a result, existing dominant firms are always enjoying major share of business and making huge profit. Profitability is increasing even more as the suppliers do not have huge bargaining power because of the existence of too many suppliers.
- ✓ There is a dearth of both local and global empirical studies highlighting the impacts of Porter's Five Forces on event management industry. The current study demonstrates that the attractiveness of this service industry mainly depends on threat of substitute services and bargaining power of suppliers. And the growth potential mainly depends on bargaining power

of suppliers and bargaining power of customers. In this situation, it is imperative that event management service providers of Bangladesh give special emphasize on the aforementioned three forces as both attractiveness and growth potential of the industry will be ensured if threat of substitute services, bargaining power of suppliers and bargaining power of customers are properly taken care of.

- ✓ The present study contributes to academic body of knowledge by attempting to extend Porter's Five Forces Framework. The model was extended by introducing a new construct, growth potential of the industry. The findings suggest that this extension has been supported, H11 (attractiveness of Event Management Service Industry of Bangladesh has a positive impact on its growth potential), $p < 0.001$. Thus, this extended research model can help the ongoing efforts of theory building in this field. This approach should be used in further research. In addition, the results obtained from the hypotheses of this study will be the basis for future research and literature review.

6.5 POLICY RECOMMENDATIONS

A number of policy recommendations is proposed for the event management service industry of Bangladesh. These are presented below.

- The findings suggest that the industry is highly competitive (Table 5.9). It is mandatory for a firm to have service differentiations to survive in such a

competitive scenario. Some of the dominant firms are already individually recognized for having exclusive capabilities. 'Antaar Show Biz' for musical events; 'SEM' for organizing conferences and exhibitions; 'Total Events' for handling sports; 'Asiatic Exp' for handling mega events like LakhoKonthe Sonar Bangla and international events like Opening Ceremony of ICC World Cup Cricket 2011; 'Skytracker' for outsourcing of sales and customer service activities of renowned corporate houses etc.

- Although the impacts of the threat coming from new entrants on both attractiveness and growth potential of the industry are not validated right now, the study results also reveal that the profitability (Table 5.11) and growth potential (table 5.10) of the industry are very high which may attract new entrants in future. The dominant firms are trying to organize under one professional body. The body should try to establish some legal and technological barriers so that unplanned entry from novice starters cannot create any volatile situation which may cause substantial drop of profitability of the industry (Sayeed, Tahsin., 2015).
- Currently there is intense competition among the competitors (Table 5.9). The main reasons identified are:i) huge number of competitors,ii) clients have clear idea about the possible costs to organize any common types of eventso they are in a position of bargaining which has resulted in price competition among competitors(Ahmed, Jamal Uddin., 2014). The person who does the bargaining on behalf of the organization is an expert normally recruited from any event management firm who has detail idea about the costing of regular corporate events. In such a situation getting any work order by offering a lower price should

not be the strategy for any firm, since the price is already at the lowest level. If competitors follow this price cutting strategy to remain competitive, profit margin of the industry will be dropped immensely. Only a creative idea can make the difference. In this case the event management firm with the new innovative idea will enjoy the bargaining power. For survival, it is mandatory that event management firms will think more about creativity. The persons with extraordinary ideas should be recruited as strategic planners who will visualize an event (Alan, Doza., 2015). They should be attracted by offering very high salary and other benefits.

- The findings of depth interview with industry gurus suggest that corporate buyers, specially the multinational companies, have the power to dominate the event management service providers because they have alternative options (Sayeed, Tahsin., 2015; Ahmed, Jamal Uddin., 2014). Buyers put pressure on the agencies to cut down the price. Establishment of an effectively functioning association is mandatory from which it will be ensured and monitored that the member associations could not cut down the price below a level which may turn the industry into an unattractive one in terms of profitability (Alan, Doza., 2015).
- Now-a-days consumers want firsthand experience. Events and activations could be better used for this purpose. And it is suggested by the industry experts (Sayeed, Tahsin., 2015; Alan, Doza., 2015) that the industry players should concentrate on experiential marketing. Initially the agency should try to understand the brand and its need, then it should identify the target group and ultimately try to find out what are the relevant touch points in the person's life

where the agency can intercept and give an experience of the brand to that person so that a positive disposition is created towards the brand by the program which eventually leads to purchase. This experience is of behavioral change or getting more conviction on the brand which will ultimately lead to brand preference. Ultimately, next level of experiential marketing will be purchase.

- Opportunity of international expansion of the service is there. Already Integrated Marketing Service Ltd. (IMS) and Market Access Providers Limited (MAPL) have opened office in Nepal. Right now some firms are organizing events like international tour of LRB or NogorBaul, REHAB fair and star studded cultural programs in various countries targeting Non Resident Bangladeshis (NRBs). Another example is of Asiatic Exp. that wants to use its experience of organizing opening ceremony of World Cup Cricket 2011 to take part pitching of international games with the intention of representing Bangladesh globally (Sayeed, Tahsin., 2015). However, as events are customized according to the local cultures, values, customs and religious norms, international expansion will have to be done taking one of the native firms as business partner. Otherwise making a successful event in another country will become impossible.
- There are also opportunities of local expansion in the untouched areas. As for example, Asiatic Exp. wants to produce ‘Sisimpur Show’ like ‘Disney Show’ so that the viewers can enjoy a live show instead of watching it in TV. Spectators will have to buy ticket to enjoy the show. Along with making money, main objective is to establish some local brands with very high acceptance like ‘doramon’ among Bangladeshi children so that companies can produce and sell

children products using these local characters of Sisimpurlike ‘Halum’, ‘IkriMikri’ and ‘Tuktuki’. Ultimately, the company has an intention of establishing ‘Sisimpur Theme Park’ like ‘Disney World’ (Sayeed, Tahsin., 2015). Similar initiatives could be taken by other top level firms of this industry. Event management firms can also organize nationwide tour of popular bands like LRB or NogorBaul and generate revenue by selling tickets without depending on clients.

- Long run growth of the industry could be ensured by effective use of social media. This could be done by developing apps for Facebook and other popular social media (Ahmed, Jamal Uddin., 2014). IT industry can act as a vendor (supplier) responsible for making the apps as per event management industry’s requirement (Alan, Doza., 2015). This process is popularly known as digital activation. This digital activation demands a special attention if the target group is young generation who have very high fascination for smart phone.
- Recently some of the event management firms are using apps to monitor the outsourced sales officers recruited and supervised by event management firms who are actually working for renowned companies like Samsung, Unilever etc. They can send sales data through the app installed in their smartphone. These apps are also capable of doing necessary analysis. Most important feature of these apps is geotagging (Alan, Doza., 2015). This is a system which ensures presence of the sales officer because physical presence at the shop is mandatory for opening of the app. This system could be widely used by other firms of this industry who are providing similar services.

- Local corporate houses down the line needs to be educated so that they start taking the service. These companies have a tendency of thinking that the agencies are making huge money from them (Sayeed, Tahsin., 2015). The industry should try to make them educated by conducting awareness building campaigns using missionary type of expert salespeople so that they understand the need and benefit of using a professional agency and how it is benefiting its brands. If they understand how they will get incremental growth and benefit, they will become interested for the service which will ensure further growth of the industry.
- The industry can take advantage of a recently developed service demand from corporate houses which is penetration and distribution of products into hard to reach areas of Bangladesh(Ahmed, Jamal Uddin., 2014). Some corporate houses observed that sending products into those areas using own salesman, deliveryman and motorized vehicles is very much difficult and expensive. To reduce the cost they approached the event management industry to provide them with some people who will do the job. As for example Unilever has recently used renowned event management firm Market Access Providers Limited (MAPL) to distribute their products in those types of areas. The firm is using **Cycle Sales Man (CSM)**who uses cycle to distribute products of the clients into those areas. They create initial demand which is capitalized by the client to increase the coverage and sales. This new service demand could be capitalized by the industry.
- To increase the awareness level of clients and to make them interested for the service, industry leaders should take a lead to educate customers about the new innovative ideas of the industry that can bring a better result for them. The clients

should be continuously motivated so that they are attracted to the offers of the industry. The industry players are moderately capable in doing so, there are scopes to enhance this capability by incorporating more knowledge, skill and smart approaches (Sayeed, Tahsin., 2015).

6.6 PROBLEMS & HINDRANCES, STUDY LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The study assumed some problems and hindrances prior to data collection. However, unwanted problems and hindrances were also faced during and after the data collection. There are also a number of limitations that need to be taken into account. These are stated as follows:

- The data collection was very difficult. Only highly educated personnel of target organizations were capable to respond. As the industry in a labor dependent industry, it was hard to find adequate number of eligible respondents.
- Some insincere respondents did not pay proper attention and were reluctant to fill out the questionnaire which produced lot of missing values (more than 10%) and outliers in some of the filled questionnaires. Those insincere responses were screened out and omitted just to avoid biasness.
- The current study involves only the employees of event management service industry of Bangladesh and only in few cases executives of the service taker corporate houses are considered. In order to have a comprehensive overview, views and opinions of other members, like suppliers of this industry in one side and various groups of the customers on the other side should be taken into

consideration. These would greatly complement to the findings of the study, and to the current body of literature as well. Apart from this, some selected event management companies that are stationed in overwhelming number in the capital city are considered. Only two districts outside Dhaka are covered. This leaves the scope for covering companies operating in other districts in future studies.

- There is room for improvement in refining the instruments further; for example, only four items are gleaned from extant literature for the construct, threat of substitute services. Future studies could refine and incorporate existing and other items for a better representation of this latent construct.
- This is a cross-sectional study. Longitudinal surveys including several observations of the same subjects at different periods of time continued for a longer period should be considered in the future studies which will offer valuable insights into the refinement of the measurement instruments as well as theory building in this area.
- From the methodological perspective, this is basically a quantitative study which is approached from a positivistic paradigm. However, there may have many soft issues in both attractiveness of event management service industry of Bangladesh and its future growth potential that might be better revealed should a qualitative study through interviews and focus-group discussions be carried out as well. Only three personal interviews of industry gurus were taken. Focus group discussion was not done. So it has not become a perfect mixed-method approach. Any future research would, therefore, be of much significance if a full-fledged mixed-method approach is used in this regard.

- The present study elucidates the interrelationships among industry rivalry (IR), entry barriers (EB), substitute services (SS), bargaining power of suppliers (BPS), bargaining power of customers (BPC), attractiveness of event management service industry of Bangladesh (AOI) and growth potential of the industry (GP). Other service industries, such as, banking, telecommunication, transportation, education, could be considered in order to figure out how these variables interplay with each other in those contexts as well. Besides the service sectors, manufacturing industries should also be taken into account; this would provide scope for wider generalizations of the study findings.

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APPENDIX

APPENDIX ONE

Survey Questionnaire

A Survey on Competitive Structure and Growth Potential of Event Management Service Industry of Bangladesh: A Managerial Perspective

Dear respondent,

I am Shamsad Ahmed, Associate Professor of Department of Business Administration of University of Asia Pacific (UAP). Currently I am pursuing PhD degree in the Department of Marketing of University of Dhaka (DU) under supervision of Professor Dr. Haripada Bhattacharjee. My PhD topic is 'Competitive Structure and Growth Potential of Event Management Service Industry in Bangladesh: An Empirical Study'.

It is my honor to request you to participate in this survey. You do not need to mention your name or that of your company. Your responses are solicited in finding out the influencing factors shaping the growth potential of event management service industry of Bangladesh. Depending on your valuable responses necessary recommendations will be given so that all concerned could be properly informed and motivated to take necessary steps for further quality improvement of this industry.

Please be assured that your responses and comments will be kept strictly confidential and will be used only for academic purposes. Should you have any queries, please contact me @ 01757257520, or e-mail me in my address: shamsad@uap-bd.edu

Your cooperation and participation is much appreciated.

Best regards,

Shamsad Ahmed
(Registration No.: 07/ 2013-14)

Endorsed by:

Professor Dr. Haripada Bhattacharjee
(Supervisor)
Department of Marketing
University of Dhaka (DU)
e-mail: h.bhattacharjee.du@gmail.com

1. Number of years my company has been operating in event management service industry:
(1) 1-4 years (2) 5-8 years (3) 9-12 years (4) More than 12 years
2. The total number of employees currently working in my organization:
(1) Less than 20 (2) 21-40 (3) 41-60 (4) More than 60

3. The segments in which we are providing services (MULTIPLE CHOICE IF APPLICABLE):

SL No.	Segments (Please put tick mark where applicable)
1.	Corporate Event (Arranging seminar / symposia / general meeting; Product Launching; Product Repositioning; Road Show etc.)
2.	Sport Event
3.	Musical Event
4.	Government Event
5.	Event for Trade Bodies
6.	Event for NGOs
7.	Event for UN organizations & Foreign Embassies.
9.	Family Circle Event (GayeeHalud, Marriage Ceremony etc.)
10.	Any other segment. (Please mention) ----- -----

4. Please circle about the degree of competition among competitors of Event Management Service industry:

High	1
Moderate	2
Low	3

Please indicate the degree to which you agree or disagree on a 1 to 5 scale on various statements given in the following sections:

Strongly Disagree 1	Disagree 2	Somewhat agree 3	Agree 4	Strongly Agree 5
------------------------	---------------	---------------------	------------	---------------------

5. **Industry Rivalry** (competition among the competitors of your industry) (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. The number of competitors is huge & major competitors are equal in size & capability.	1	2	3	4	5
b. Demand of the service offered by the industry is growing slowly.	1	2	3	4	5
c. Services provided by various event management firms are quite similar.	1	2	3	4	5
d. Industry competitors' have a tendency to use price cuts to remain competitive.	1	2	3	4	5
e. Selling out the business is difficult.	1	2	3	4	5

6. **Entry barriers** (difficulty for a new company to start business in event management industry) (PLEASE CIRCLE A NUMBER).

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. Existing major competitors are capable of providing services at low cost.	1	2	3	4	5
b. It is difficult for new firms to match the technology & specialized know-how of the existing event management firms of the industry.	1	2	3	4	5
c. Customers (Service takers) are loyal to the services of existing firms.	1	2	3	4	5
d. Capital requirement to enter the industry is very high.	1	2	3	4	5
e. Access to various medias and star personalities to be used in the events is tough for new firms.	1	2	3	4	5
f. It is tough to get required licenses from government to start the business in this industry.	1	2	3	4	5
g. It is hard to get and retain efficient and reliable workforce.	1	2	3	4	5

7. **Substitute Services** (like if the service taker starts its own event management department or gets any other opportunity to take the service other than from event management firms) (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. Attractively priced substitute services are available.	1	2	3	4	5
b. Customers can easily switch to substitute services.	1	2	3	4	5
c. The substitute services are more acceptable in terms of quality, performance, and other relevant attributes.	1	2	3	4	5
d. Customers do not show hard core loyalty toward the existing service provider when they get equivalent service from any other source.	1	2	3	4	5

8. **Suppliers** (the parties those help you to organize events) (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. Getting help from a supplier of a competitor event management firm is difficult.	1	2	3	4	5
b. Suppliers' ability to influence the terms and conditions of supply is very high.	1	2	3	4	5
c. Suppliers do not depend on any single event management firm rather have various options.	1	2	3	4	5
d. Suppliers have special technology and know-how.	1	2	3	4	5
e. The number of suppliers is few.	1	2	3	4	5
f. Suppliers have the capability to start event management business and sell their service directly to the customers.	1	2	3	4	5

9. **Customers** (the organizations / families taking service from you) (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. Customers can change the existing event management firm with very low costs of switching.	1	2	3	4	5
b. Number of customers is small and losing one is critical to the success of the event management firm.	1	2	3	4	5
c. Customers are particularly important to the event management firm because of their corporate image.	1	2	3	4	5
d. Customers are well informed about event management firms' services, prices and costs.	1	2	3	4	5
e. Customers are capable of starting their own event management department.	1	2	3	4	5
f. For customers, no event management firm has any specialization and all firms are equal to them.	1	2	3	4	5

10. **Attractiveness** of event management service industry of Bangladesh (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. There is easier availability of skilled labor.	1	2	3	4	5
b. Profit margin is very high.	1	2	3	4	5
c. Cheap labor is easily available in this industry.	1	2	3	4	5
d. Local market size is large.	1	2	3	4	5
e. Suppliers' bargaining power is moderate.	1	2	3	4	5
f. There is strong competition among the existing service providers.	1	2	3	4	5
g. Customers' bargaining power is moderate.	1	2	3	4	5
h. It is easy to start business in this industry.	1	2	3	4	5
i. Alternatives of event management service offers are readily available.	1	2	3	4	5
j. There is easier availability of supporting materials (equipments, frames, furniture etc.).	1	2	3	4	5
k. Better communication infrastructure is available.	1	2	3	4	5

11. **Growth Potential** of event management service industry of Bangladesh (PLEASE CIRCLE A NUMBER)

	Strongly Disagree	Disagree	Somewhat agree	Agree	Strongly agree
a. Economical stability of the country is leading to the growth of event management service industry.	1	2	3	4	5
b. Technological improvement (which is resulting into product and service innovation) is enhancing the growth of the industry.	1	2	3	4	5
c. Scope of local and international expansion of event management service business is stimulating growth of the industry.	1	2	3	4	5
d. Political situation of the country is not causing growth of event management service industry.	1	2	3	4	5
e. High capability of industry players to increase the awareness level of the customers is leading to further growth of the industry.	1	2	3	4	5

f. Collaboration / partnership with suppliers, media and channels of distribution increases growth of the industry.	1	2	3	4	5
--	---	---	---	---	---

12. Please comment on the following points:

- | | | | | | |
|---|--|--|--|--|---|
| a. The industry's growth potential is – | | | | | |
| Low | | | | | 1 |
| Medium | | | | | 2 |
| High | | | | | 3 |
| b. Profitability of the industry is – | | | | | |
| Low | | | | | 1 |
| Medium | | | | | 2 |
| High | | | | | 3 |

Demographic Information

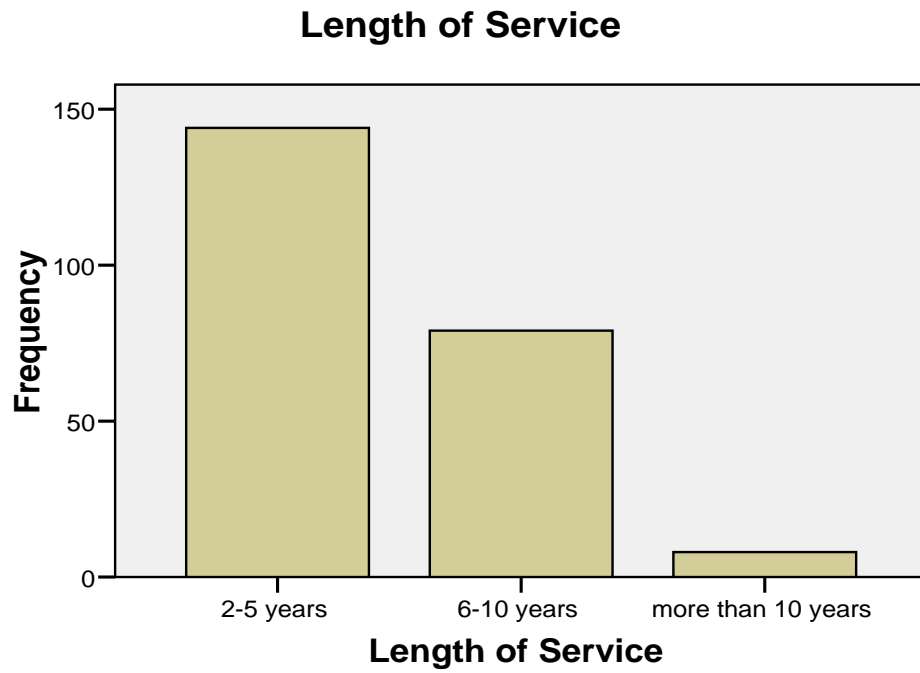
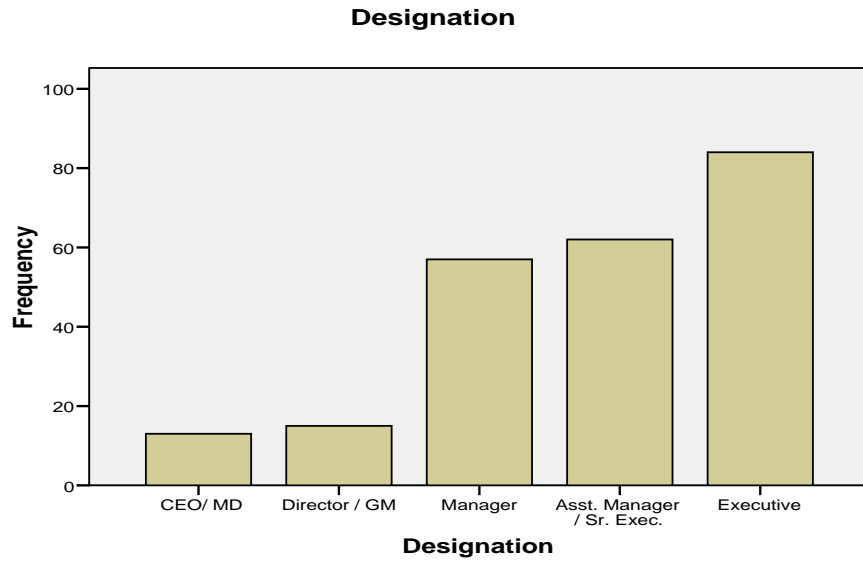
1. Designation:
2. Department:
3. Length of service in this company (years): (1) 2 – 5 (2) 5 – 10 (3) More than 10
4. Gender (1) Male (2) Female
5. Academic Qualification: (1) Diploma (2) Bachelor (3) Masters (4) PhD. (5) Others

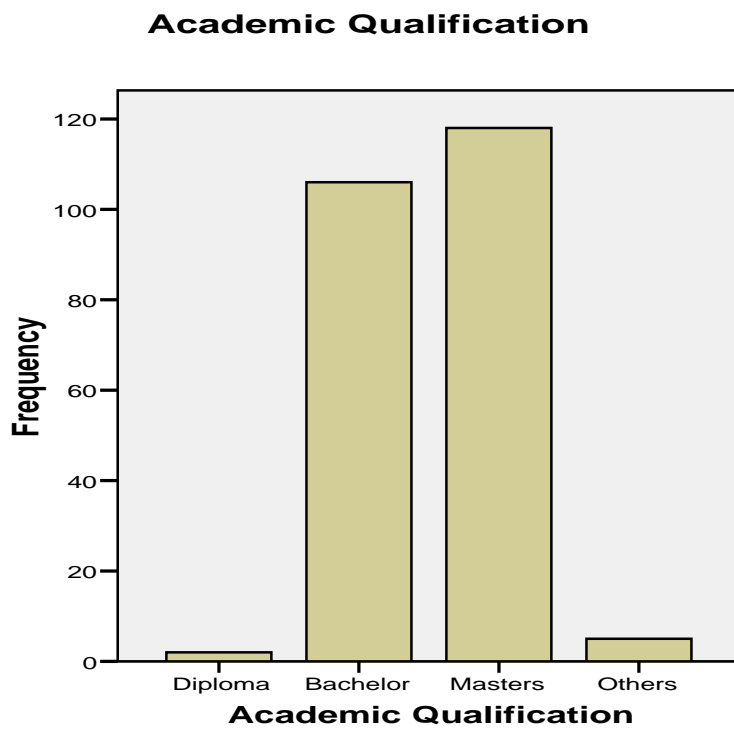
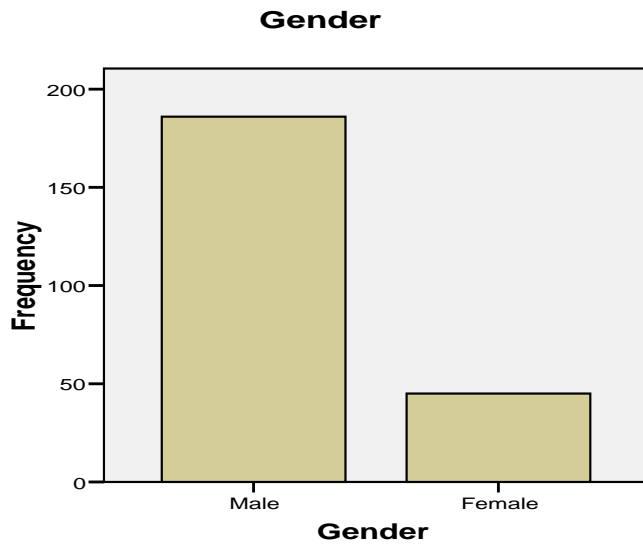
Comments: If you have any additional comment, please mention below:

THANK YOU FOR YOUR COOPERATION

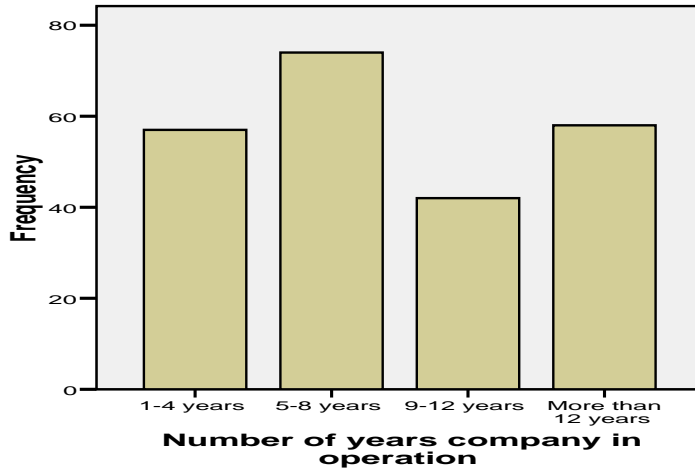
APPENDIX TWO

Descriptive Statistics
Bar Diagrams

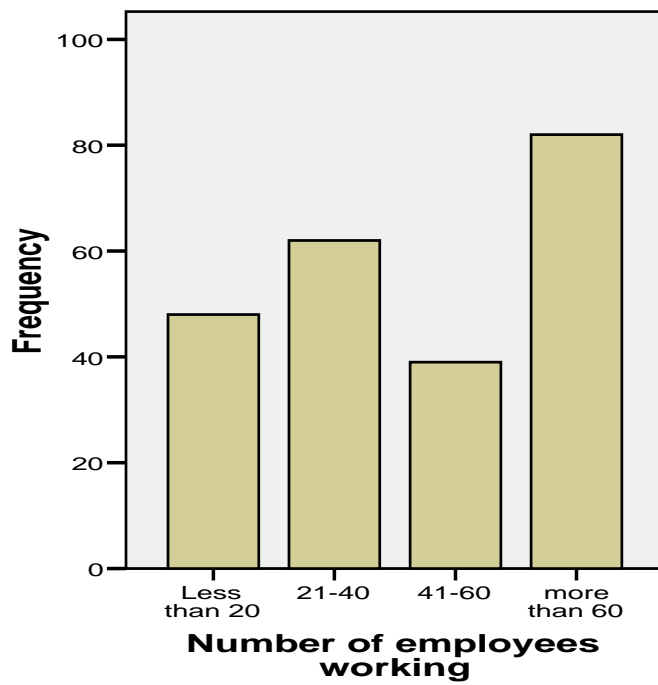




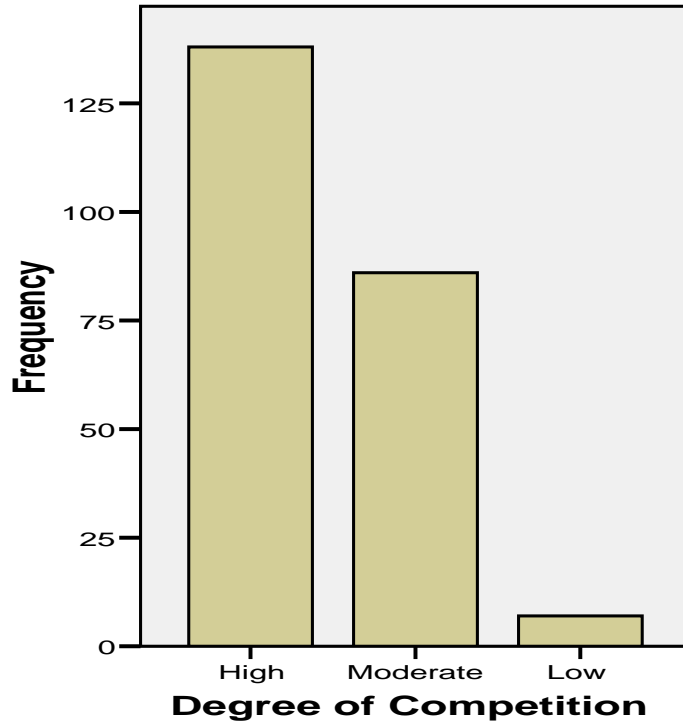
Number of years company in operation



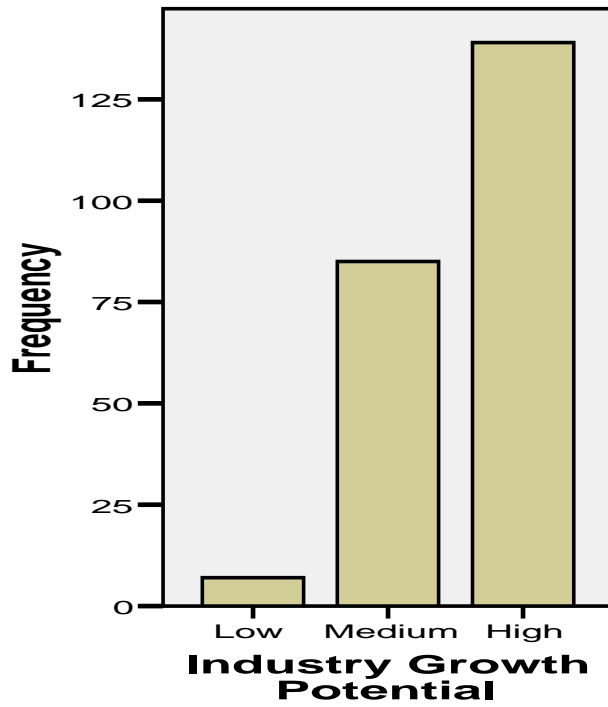
Number of employees working



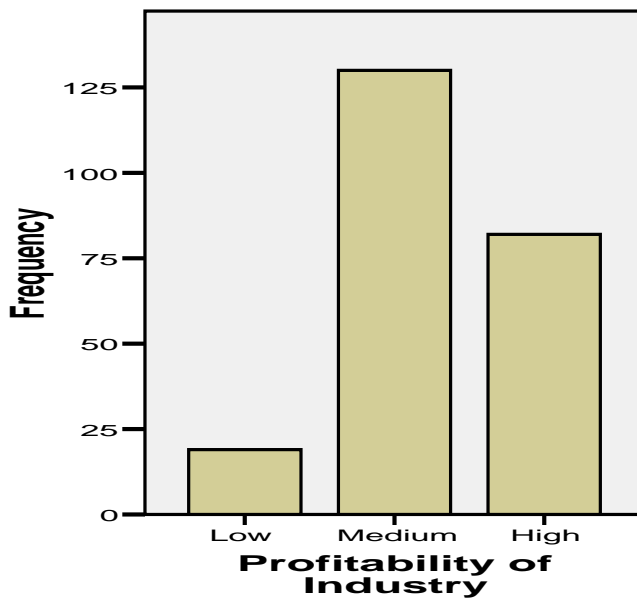
Degree of Competition



Industry Growth Potential



Profitability of Industry



APPENDIX THREE**Missing and Extreme Value Patterns**

(Case Number 3 and 72 should be omitted for having excessive missing values i.e. more than 10% .)

Case	# Missing	% Missing	Extreme Low Value (Number of Items)	Extreme High Value (Number of Items)
1	0	0.0	4	
2	0	0.0	1	
3	11	24.4		
4	0	0.0		
5	0	0.0		
6	0	0.0		
7	1	2.2		
8	0	0.0		
9	0	0.0	1	
10	0	0.0		
11	0	0.0	1	
12	0	0.0		
13	1	2.2	6	
14	0	0.0	1	
15	0	0.0	1	
16	0	0.0		
17	0	0.0	1	
18	0	0.0		
19	0	0.0	2	
20	0	0.0		
21	0	0.0		
22	0	0.0	1	
23	0	0.0	1	
24	0	0.0		
25	0	0.0		
26	0	0.0		
27	0	0.0	2	
28	0	0.0	1	
29	0	0.0	1	
30	0	0.0		
31	0	0.0	4	
32	0	0.0	2	
33	0	0.0	3	
34	0	0.0		
35	0	0.0		
36	0	0.0		
37	0	0.0		
38	0	0.0	1	
39	0	0.0	1	
40	0	0.0		

41	0	0.0	1
42	0	0.0	1
43	0	0.0	1
44	0	0.0	1
45	0	0.0	2
46	0	0.0	1
47	0	0.0	1
48	0	0.0	1
49	0	0.0	
50	2	4.4	
51	0	0.0	
52	0	0.0	
53	0	0.0	
54	0	0.0	
55	1	2.2	2
56	0	0.0	3
57	0	0.0	1
58	0	0.0	2
59	0	0.0	4
60	0	0.0	2
61	0	0.0	
62	0	0.0	
63	0	0.0	
64	1	2.2	1
65	2	4.4	
66	0	0.0	1
67	0	0.0	1
68	0	0.0	1
69	0	0.0	1
70	0	0.0	1
71	0	0.0	1
72	14	31.1	
73	0	0.0	
74	0	0.0	
75	1	2.2	1
76	0	0.0	
77	0	0.0	
78	0	0.0	
79	0	0.0	
80	0	0.0	3
81	0	0.0	
82	0	0.0	2
83	1	2.2	
84	1	2.2	2
85	0	0.0	1
86	0	0.0	2
87	0	0.0	
88	0	0.0	1
89	0	0.0	
90	0	0.0	

91	1	2.2	
92	0	0.0	
93	0	0.0	
94	0	0.0	
95	0	0.0	
96	0	0.0	
97	0	0.0	
98	0	0.0	1
99	0	0.0	
100	0	0.0	3
101	0	0.0	
102	0	0.0	
103	0	0.0	
104	1	2.2	
105	0	0.0	1
106	0	0.0	1
107	1	2.2	3
108	0	0.0	1
109	0	0.0	2
110	0	0.0	1
111	0	0.0	
112	0	0.0	
113	0	0.0	1
114	0	0.0	
115	0	0.0	1
116	0	0.0	
117	0	0.0	
118	0	0.0	
119	0	0.0	2
120	0	0.0	
121	0	0.0	1
122	0	0.0	
123	0	0.0	
124	0	0.0	
125	1	2.2	
126	2	4.4	
127	0	0.0	
128	0	0.0	
129	0	0.0	
130	0	0.0	
131	0	0.0	
132	0	0.0	1
133	0	0.0	
134	1	2.2	
135	0	0.0	
136	0	0.0	
137	0	0.0	
138	0	0.0	
139	1	2.2	
140	0	0.0	

141	1	2.2	1
142	0	0.0	
143	0	0.0	
144	0	0.0	
145	0	0.0	
146	0	0.0	
147	0	0.0	
148	1	2.2	
149	0	0.0	
150	0	0.0	
151	1	2.2	1
152	2	4.4	
153	1	2.2	2
154	1	2.2	2
155	4	8.9	2
156	2	4.4	1
157	0	0.0	8
158	0	0.0	1
159	4	8.9	
160	0	0.0	
161	1	2.2	
162	0	0.0	1
163	1	2.2	
164	1	2.2	
165	1	2.2	
166	0	0.0	
167	0	0.0	9
168	0	0.0	1
169	1	2.2	2
170	0	0.0	
171	0	0.0	1
172	0	0.0	
173	0	0.0	
174	0	0.0	
175	1	2.2	1
176	0	0.0	
177	0	0.0	
178	2	4.4	
179	0	0.0	1
180	0	0.0	1
181	0	0.0	
182	0	0.0	
183	0	0.0	
184	1	2.2	
185	0	0.0	
186	0	0.0	
187	5	11.1	
188	0	0.0	1
189	0	0.0	1
190	0	0.0	1

191	0	0.0	2
192	0	0.0	1
193	0	0.0	
194	0	0.0	1
195	0	0.0	
196	1	2.2	
197	1	2.2	1
198	1	2.2	
199	0	0.0	
200	0	0.0	1
201	1	2.2	
202	1	2.2	1
203	3	6.7	1
204	0	0.0	1
205	0	0.0	1
206	0	0.0	2
207	0	0.0	
208	0	0.0	3
209	0	0.0	2
210	0	0.0	3
211	0	0.0	2
212	0	0.0	
213	0	0.0	
214	0	0.0	
215	0	0.0	1
216	0	0.0	
217	0	0.0	
218	0	0.0	
219	0	0.0	
220	0	0.0	
221	1	2.2	
222	0	0.0	
223	0	0.0	
224	0	0.0	
225	0	0.0	
226	0	0.0	
227	0	0.0	
228	2	4.4	
229	0	0.0	
230	0	0.0	
231	0	0.0	
232	0	0.0	
233	0	0.0	
234	0	0.0	
235	1	2.2	1
236	0	0.0	
237	0	0.0	1
238	0	0.0	
239	0	0.0	
240	0	0.0	

241	0	0.0	
242	0	0.0	
243	0	0.0	1
244	0	0.0	
245	0	0.0	
246	0	0.0	
247	0	0.0	
248	0	0.0	
249	0	0.0	
250	1	2.2	
251	2	4.4	1
252	0	0.0	
253	0	0.0	
254	0	0.0	
255	0	0.0	
256	0	0.0	
257	0	0.0	
258	0	0.0	
259	0	0.0	
260	0	0.0	
261	0	0.0	
262	2	4.4	
263	0	0.0	2
264	0	0.0	
265	0	0.0	
266	1	2.2	1
267	2	4.4	
268	0	0.0	1
269	0	0.0	
270	0	0.0	
271	0	0.0	1
272	0	0.0	
273	0	0.0	
274	0	0.0	
275	0	0.0	1
276	0	0.0	
277	0	0.0	
278	0	0.0	
279	0	0.0	
280	0	0.0	
281	1	2.2	3
282	0	0.0	2
283	0	0.0	
284	0	0.0	
285	1	2.2	2
286	0	0.0	1
287	1	2.2	
288	0	0.0	
289	2	4.4	
290	1	2.2	1

291	2	4.4	1
292	0	0.0	1
293	0	0.0	
294	0	0.0	
295	0	0.0	
296	0	0.0	1
297	0	0.0	1
298	0	0.0	
299	0	0.0	3
300	3	6.7	1

APPENDIX FOUR

Identification of Extreme Values

Extreme Values

			Case Number	Value
IR1	Highest	1	3	5.00
		2	8	5.00
		3	15	5.00
		4	16	5.00
		5	20	5.00 ^a
	Lowest	1	157	1.00
		2	150	1.00
		3	107	1.00
		4	100	1.00
		5	85	1.00 ^b

Extreme Values

			Case Number	Value
IR2	Highest	1	5	5.00
		2	8	5.00
		3	28	5.00
		4	29	5.00
		5	36	5.00 ^a
	Lowest	1	297	1.00

	2	282	1.00
	3	274	1.00
	4	159	1.00
	5	157	1.00 ^b

Extreme Values

			Case Number	Value
IR3	Highest	1	8	5.00
		2	16	5.00
		3	29	5.00
		4	46	5.00
		5	47	5.00 ^a
	Lowest	1	167	1.00
		2	157	1.00
		3	155	1.00
		4	154	1.00
		5	153	1.00 ^b

Extreme Values

			Case Number	Value
IR4	Highest	1	8	5.00
		2	11	5.00
		3	15	5.00
		4	16	5.00
		5	20	5.00 ^a
	Lowest	1	234	1.00
		2	192	1.00
		3	150	1.00
		4	141	1.00
		5	109	1.00 ^b

Extreme Values

			Case Number	Value
--	--	--	-------------	-------

IR5	Highest	1	8	5.00
		2	10	5.00
		3	11	5.00
		4	15	5.00
		5	28	5.00 ^a
	Lowest	1	211	1.00
		2	210	1.00
		3	209	1.00
		4	208	1.00
		5	206	1.00 ^b

Extreme Values

			Case Number	Value
EB1	Highest	1	8	5.00
		2	13	5.00
		3	14	5.00
		4	16	5.00
		5	20	5.00 ^a
	Lowest	1	263	1.00
		2	167	1.00
		3	2	1.00
		4	275	2.00
		5	274	2.00 ^b
EB2	Highest	1	8	5.00
		2	10	5.00
		3	15	5.00
		4	22	5.00
		5	24	5.00 ^a
	Lowest	1	296	1.00
		2	121	1.00
		3	300	2.00
		4	298	2.00
		5	297	2.00 ^b
EB3	Highest	1	10	5.00

		2	20	5.00
		3	28	5.00
		4	29	5.00
		5	41	5.00 ^a
	Lowest	1	194	1.00
		2	192	1.00
		3	191	1.00
		4	190	1.00
		5	189	1.00 ^c
EB4	Highest	1	11	5.00
		2	22	5.00
		3	28	5.00
		4	39	5.00
		5	42	5.00 ^a
	Lowest	1	251	1.00
		2	59	1.00
		3	57	1.00
		4	56	1.00
		5	47	1.00 ^c
EB5	Highest	1	1	5.00
		2	10	5.00
		3	11	5.00
		4	20	5.00
		5	24	5.00 ^a
	Lowest	1	299	1.00
		2	247	1.00
		3	203	1.00
		4	138	1.00
		5	121	1.00
EB6	Highest	1	8	5.00
		2	9	5.00
		3	10	5.00
		4	63	5.00
		5	64	5.00 ^a
	Lowest	1	290	1.00
		2	203	1.00

		3	189	1.00
		4	121	1.00
		5	60	1.00 ^c
EB7	Highest	1	8	5.00
		2	9	5.00
		3	14	5.00
		4	19	5.00
		5	36	5.00 ^a
	Lowest	1	299	1.00
		2	243	1.00
		3	203	1.00
		4	141	1.00
		5	55	1.00
SS1	Highest	1	8	5.00
		2	14	5.00
		3	48	5.00
		4	52	5.00
		5	53	5.00 ^a
	Lowest	1	237	1.00
		2	203	1.00
		3	177	1.00
		4	167	1.00
		5	161	1.00 ^c
SS2	Highest	1	1	5.00
		2	8	5.00
		3	26	5.00
		4	44	5.00
		5	46	5.00 ^a
	Lowest	1	237	1.00
		2	162	1.00
		3	67	1.00
		4	58	1.00
		5	15	1.00
SS3	Highest	1	9	5.00
		2	10	5.00
		3	20	5.00

		4	29	5.00
		5	48	5.00 ^a
	Lowest	1	237	1.00
		2	200	1.00
		3	199	1.00
		4	194	1.00
		5	135	1.00 ^c
SS4	Highest	1	1	5.00
		2	9	5.00
		3	10	5.00
		4	26	5.00
		5	29	5.00 ^a
	Lowest	1	156	1.00
		2	155	1.00
		3	154	1.00
		4	153	1.00
		5	98	1.00 ^c
BPS1	Highest	1	1	5.00
		2	3	5.00
		3	10	5.00
		4	15	5.00
		5	84	5.00 ^a
	Lowest	1	276	1.00
		2	262	1.00
		3	169	1.00
		4	161	1.00
		5	150	1.00 ^c
BPS2	Highest	1	10	5.00
		2	57	5.00
		3	80	5.00
		4	82	5.00
		5	84	5.00 ^a
	Lowest	1	191	1.00
		2	60	1.00
		3	59	1.00
		4	56	1.00

		5	55	1.00 ^c
BPS3	Highest	1	1	5.00
		2	10	5.00
		3	13	5.00
		4	14	5.00
		5	15	5.00 ^a
	Lowest	1	168	1.00
		2	27	1.00
		3	299	2.00
		4	275	2.00
		5	263	2.00 ^b
BPS4	Highest	1	8	5.00
		2	10	5.00
		3	13	5.00
		4	17	5.00
		5	44	5.00 ^a
	Lowest	1	167	1.00
		2	39	1.00
		3	300	2.00
		4	294	2.00
		5	284	2.00 ^b
BPS5	Highest	1	8	5.00
		2	13	5.00
		3	38	5.00
		4	46	5.00
		5	47	5.00 ^a
	Lowest	1	248	1.00
		2	211	1.00
		3	210	1.00
		4	209	1.00
		5	208	1.00 ^c
BPS6	Highest	1	8	5.00
		2	49	5.00
		3	84	5.00
		4	91	5.00
		5	92	5.00 ^a

Lowest	1	296	1.00
	2	274	1.00
	3	273	1.00
	4	261	1.00
	5	237	1.00 ^c
BPC1 Highest	1	9	5.00
	2	28	5.00
	3	29	5.00
	4	36	5.00
	5	38	5.00 ^a
Lowest	1	268	1.00
	2	211	1.00
	3	210	1.00
	4	209	1.00
	5	208	1.00 ^c
BPC2 Highest	1	9	5.00
	2	15	5.00
	3	28	5.00
	4	29	5.00
	5	30	5.00 ^a
Lowest	1	282	1.00
	2	169	1.00
	3	157	1.00
	4	48	1.00
	5	13	1.00
BPC3 Highest	1	5	5.00
	2	11	5.00
	3	12	5.00
	4	14	5.00
	5	15	5.00 ^a
Lowest	1	210	.00
	2	300	2.00
	3	291	2.00
	4	281	2.00
	5	271	2.00 ^b
BPC4 Highest	1	3	5.00

		2	4	5.00
		3	7	5.00
		4	11	5.00
		5	12	5.00 ^a
	Lowest	1	297	1.00
		2	292	1.00
		3	167	1.00
		4	82	1.00
		5	80	1.00
BPC5	Highest	1	8	5.00
		2	20	5.00
		3	41	5.00
		4	44	5.00
		5	45	5.00 ^a
	Lowest	1	299	1.00
		2	298	1.00
		3	290	1.00
		4	281	1.00
		5	273	1.00 ^c
BPC6	Highest	1	8	5.00
		2	38	5.00
		3	44	5.00
		4	46	5.00
		5	47	5.00 ^a
	Lowest	1	299	1.00
		2	298	1.00
		3	253	1.00
		4	240	1.00
		5	237	1.00 ^c
AoI1	Highest	1	10	5.00
		2	18	5.00
		3	44	5.00
		4	46	5.00
		5	48	5.00 ^a
	Lowest	1	288	1.00
		2	286	1.00

		3	285	1.00
		4	283	1.00
		5	211	1.00 ^c
AoI2	Highest	1	27	5.00
		2	34	5.00
		3	51	5.00
		4	54	5.00
		5	55	5.00 ^a
	Lowest	1	289	1.00
		2	286	1.00
		3	285	1.00
		4	282	1.00
		5	281	1.00 ^c
AoI3	Highest	1	14	5.00
		2	18	5.00
		3	51	5.00
		4	54	5.00
		5	55	5.00 ^a
	Lowest	1	286	1.00
		2	285	1.00
		3	215	1.00
		4	179	1.00
		5	167	1.00 ^c
AoI4	Highest	1	30	5.00
		2	41	5.00
		3	51	5.00
		4	55	5.00
		5	59	5.00 ^a
	Lowest	1	285	1.00
		2	167	1.00
		3	300	2.00
		4	299	2.00
		5	291	2.00 ^b
AoI5	Highest	1	45	5.00
		2	51	5.00
		3	55	5.00

		4	59	5.00
		5	84	5.00 ^a
	Lowest	1	167	1.00
		2	157	1.00
		3	132	1.00
		4	56	1.00
		5	31	1.00
AoI6	Highest	1	7	5.00
		2	8	5.00
		3	13	5.00
		4	16	5.00
		5	22	5.00 ^a
	Lowest	1	299	1.00
		2	290	1.00
		3	167	1.00
		4	32	1.00
		5	291	2.00 ^b
AoI7	Highest	1	9	5.00
		2	44	5.00
		3	45	5.00
		4	46	5.00
		5	51	5.00 ^a
	Lowest	1	299	1.00
		2	290	1.00
		3	282	1.00
		4	281	1.00
		5	158	1.00 ^c
AoI8	Highest	1	9	5.00
		2	29	5.00
		3	41	5.00
		4	57	5.00
		5	58	5.00 ^a
	Lowest	1	281	1.00
		2	279	1.00
		3	273	1.00
		4	272	1.00

		5	270	1.00 ^c
AoI9	Highest	1	24	5.00
		2	55	5.00
		3	56	5.00
		4	58	5.00
		5	59	5.00 ^a
	Lowest	1	298	1.00
		2	287	1.00
		3	281	1.00
		4	274	1.00
		5	179	1.00 ^c
AoI10	Highest	1	41	5.00
		2	55	5.00
		3	56	5.00
		4	57	5.00
		5	58	5.00 ^a
	Lowest	1	208	1.00
		2	180	1.00
		3	157	1.00
		4	119	1.00
		5	31	1.00 ^c
AoI11	Highest	1	7	5.00
		2	12	5.00
		3	41	5.00
		4	46	5.00
		5	48	5.00 ^a
	Lowest	1	157	1.00
		2	59	1.00
		3	42	1.00
		4	31	1.00
		5	29	1.00 ^c
GP1	Highest	1	3	5.00
		2	7	5.00
		3	12	5.00
		4	13	5.00
		5	17	5.00 ^a

	Lowest	1	281	1.00
		2	197	1.00
		3	171	1.00
		4	167	1.00
		5	157	1.00 ^c
GP2	Highest	1	3	5.00
		2	5	5.00
		3	7	5.00
		4	9	5.00
		5	12	5.00 ^a
	Lowest	1	211	1.00
		2	210	1.00
		3	209	1.00
		4	180	1.00
		5	167	1.00 ^c
GP3	Highest	1	3	5.00
		2	6	5.00
		3	12	5.00
		4	13	5.00
		5	28	5.00 ^a
	Lowest	1	157	1.00
		2	33	1.00
		3	291	2.00
		4	254	2.00
		5	249	2.00 ^b
GP4	Highest	1	6	5.00
		2	17	5.00
		3	18	5.00
		4	19	5.00
		5	20	5.00 ^a
	Lowest	1	161	1.00
		2	134	1.00
		3	133	1.00
		4	132	1.00
		5	70	1.00 ^c
GP5	Highest	1	4	5.00

		2	22	5.00
		3	30	5.00
		4	44	5.00
		5	48	5.00 ^a
	Lowest	1	33	1.00
		2	13	1.00
		3	1	1.00
		4	299	2.00
		5	282	2.00 ^b
GP6	Highest	1	2	5.00
		2	3	5.00
		3	6	5.00
		4	13	5.00
		5	22	5.00 ^a
	Lowest	1	156	1.00
		2	155	1.00
		3	154	1.00
		4	153	1.00
		5	122	1.00

APPENDIX FIVE

Correlation Measures among the Independent Variables

Correlations

		IR	EB	SS	BPS	BPC	AOI	GP
IR	Pearson Correlation	1	.389**	.314**	.209**	.371**	.189**	.185**
	Sig. (2-tailed)		.000	.000	.001	.000	.004	.005
	N	231	231	231	231	231	231	231
EB	Pearson Correlation	.389**	1	.322**	.454**	.431**	.340**	.263**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	231	231	231	231	231	231	231
SS	Pearson Correlation	.314**	.322**	1	.403**	.333**	.344**	.192**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.003
	N	231	231	231	231	231	231	231

BPS	Pearson Correlation	.209**	.454**	.403**	1	.532**	.425**	.312**
	Sig. (2-tailed)	.001	.000	.000		.000	.000	.000
	N	231	231	231	231	231	231	231
BPC	Pearson Correlation	.371**	.431**	.333**	.532**	1	.473**	.374**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	231	231	231	231	231	231	231
AOI	Pearson Correlation	.189**	.340**	.344**	.425**	.473**	1	.498**
	Sig. (2-tailed)	.004	.000	.000	.000	.000		.000
	N	231	231	231	231	231	231	231
GP	Pearson Correlation	.185**	.263**	.192**	.312**	.374**	.498**	1
	Sig. (2-tailed)	.005	.000	.003	.000	.000	.000	
	N	231	231	231	231	231	231	231

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

APPENDIX SIX

Modification Indices of CFA

A. For Industry Rivalry (IR)

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e4 <--> e5	5.444	.117
e1 <--> e5	8.166	-.150

B. For Entry Barriers (EB)

Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e4 <--> e7	8.942	-.197
e4 <--> e6	12.281	.255
e2 <--> e4	4.746	-.141
e1 <--> e4	5.672	-.154
e1 <--> e2	6.000	.137

C. For Substitute Services (SS)

Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e3 <--> e4	11.479	.175
e1 <--> e4	4.471	-.100

D. For Bargaining Power of Suppliers (BPS)

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e5 <--> e6	28.126	.358
e3 <--> e6	5.575	-.117
e3 <--> e4	10.185	.137

E. For Bargaining Power of Customers (BPC)

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e5 <--> e6	27.634	.368
e3 <--> e6	5.161	-.120
e3 <--> e5	7.758	-.132
e3 <--> e4	10.272	.145
e1 <--> e6	10.084	-.218
e1 <--> e3	5.604	.110
e1 <--> e2	10.779	.183

F. For Attractiveness of Event Management Service Industry of Bangladesh (AOI)

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e10 <--> e11	13.298	.166
e8 <--> e9	18.092	.265
e6 <--> e9	6.560	-.126
e5 <--> e10	6.321	-.095
e5 <--> e7	10.216	.132
e2 <--> e7	15.162	-.217

	M.I.	Par Change
e1 <--> e11	5.007	.104

G. For Growth Potential (GP)

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e2 <--> e5	7.645	-.088
e1 <--> e6	6.079	-.100

APPENDIX SEVEN

Modification Indices (Initial Model, First Run)

Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e24 <--> e25	6.225	.078
e20 <--> BPS	4.224	-.101
e20 <--> e25	4.990	-.089
e20 <--> e21	14.422	.174
e19 <--> BPS	6.375	.102
e19 <--> EB	5.642	-.045
e19 <--> e20	4.106	-.077
e18 <--> BPS	7.964	.128
e18 <--> EB	4.200	-.043
e17 <--> IR	5.289	-.071
e17 <--> e24	4.592	-.086
e16 <--> e21	4.168	-.103
e16 <--> e17	5.282	.128
e13 <--> e24	5.025	-.091
e13 <--> e22	6.375	.124
e13 <--> e16	6.531	-.145
e11 <--> e23	5.479	-.093
e11 <--> e20	4.140	-.102
e11 <--> e19	4.544	.088
e11 <--> e17	4.975	-.122
e10 <--> BPS	7.435	.142
e10 <--> e22	4.270	-.098
e10 <--> e11	5.097	.120
e9 <--> e11	5.245	-.100

	M.I.	Par Change
e8 <--> e16	7.612	.139
e8 <--> e10	4.126	-.096
e7 <--> e21	5.002	.103
e7 <--> e18	6.658	-.111
e7 <--> e9	4.303	-.084
e7 <--> e8	4.609	.098
e6 <--> SS	4.389	.108
e6 <--> e22	4.410	-.118
e6 <--> e20	6.514	-.150
e6 <--> e16	16.280	.262
e6 <--> e13	6.392	-.163
e5 <--> e25	8.012	.125
e5 <--> e16	12.347	-.201
e5 <--> e15	6.973	.132
e4 <--> e10	9.091	.156
e3 <--> e21	6.383	-.119
e3 <--> e4	5.734	.119
e2 <--> e26	16.900	.201
e2 <--> e21	15.307	.194
e2 <--> e20	7.745	.140
e2 <--> e8	7.868	-.138
e1 <--> e26	10.202	-.155
e1 <--> e19	7.539	-.112
e1 <--> e14	4.126	.102
e1 <--> e4	8.075	-.147

Effective

e24 <--> e25	6.225	.078
e20 <--> e21	14.422	.174
e19 <--> e20	4.106	-.077
e16 <--> e21	4.168	-.103
e16 <--> e17	5.282	.128
e3 <--> e4	5.734	.119
e1 <--> e4	8.075	-.147

Estimates (Revised Model, First Run)

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates**Regression Weights: (Group number 1 - Default model)**

	Estimate	S.E.	C.R.	P Label
AOI <--- IR	-.269	.310	-.867	.386
AOI <--- EB	.495	.448	1.104	.269
AOI <--- SS	.289	.128	2.264	.024
AOI <--- BPS	.301	.139	2.167	.030
AOI <--- BPC	.301	.201	1.495	.135
GP <--- AOI	.509	.099	5.119	***
GP <--- IR	.238	.250	.955	.340
GP <--- EB	-.320	.360	-.888	.375
GP <--- SS	-.037	.104	-.357	.721
GP <--- BPS	-.219	.112	-1.948	.051
GP <--- BPC	.380	.173	2.196	.028

APPENDIX EIGHT**Modification Indices (Initial Model, Second Run)**

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e19 <--> BPS	4.290	-.103
e19 <--> e20	14.358	.173
e18 <--> BPS	6.586	.105
e18 <--> EB	6.432	-.073
e18 <--> e19	4.129	-.078
e17 <--> BPS	7.903	.129
e16 <--> IR	5.351	-.072
e16 <--> e23	4.686	-.088
e15 <--> EB	6.034	.095
e15 <--> e20	4.403	-.106
e15 <--> e16	5.040	.125
e12 <--> e23	4.645	-.088
e12 <--> e21	5.865	.119
e12 <--> e15	6.759	-.147
e10 <--> e22	4.387	-.083
e10 <--> e19	4.127	-.102
e10 <--> e18	4.601	.088
e10 <--> e16	5.029	-.122
e9 <--> BPS	7.489	.144

e9 <--> e21	4.316	-.099
e9 <--> e10	4.925	.118
e8 <--> e10	5.245	-.100
e7 <--> e15	7.550	.138
e7 <--> e9	4.501	-.100
e6 <--> e20	5.410	.109
e6 <--> e17	6.552	-.113
e6 <--> e14	4.788	.102
e6 <--> e8	6.793	-.108
e5 <--> e19	7.116	-.154
e5 <--> e15	14.045	.239
e5 <--> e12	6.389	-.161
e4 <--> e9	9.279	.158
e3 <--> e20	6.555	-.120
e3 <--> e4	5.674	.118
e2 <--> e24	16.982	.202
e2 <--> e20	15.278	.194
e2 <--> e19	7.750	.141
e2 <--> e7	7.673	-.137
e1 <--> e24	9.795	-.151
e1 <--> e18	7.574	-.112
e1 <--> e13	4.112	.102
e1 <--> e4	8.232	-.149

Effective

e19 <--> e20	14.358	.173
e18 <--> e19	4.129	-.078
e15 <--> e20	4.403	-.106
e15 <--> e16	5.040	.125
e7 <--> e9	4.501	-.100
e3 <--> e4	5.674	.118
e1 <--> e4	8.232	-.149

(Revised Model, Second Run)

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P Label
AOI <--- IR	-.219	.272	-.804	.421
AOI <--- EB	.212	.279	.757	.449
AOI <--- SS	.161	.082	1.964	.050
AOI <--- BPS	.324	.128	2.534	.011
AOI <--- BPC	.340	.193	1.757	.079
GP <--- AOI	.532	.100	5.338	***
GP <--- IR	.327	.238	1.376	.169
GP <--- EB	-.309	.244	-1.263	.207
GP <--- SS	-.065	.063	-1.030	.303
GP <--- BPS	-.187	.105	-1.774	.076
GP <--- BPC	.360	.168	2.144	.032

APPENDIX NINE

Modification Indices (Initial Model, Third Run)

Default model)

Covariances: (Group number 1 - Default model)

	M.I.	Par Change
e18 <--> BPC	5.272	.088
e17 <--> BPS	5.408	.095
e17 <--> EB	7.101	-.075
e16 <--> BPS	6.583	.118
e15 <--> IR	4.296	-.061
e15 <--> e21	4.095	-.082
e14 <--> EB	6.005	.094
e14 <--> e15	5.559	.132
e13 <--> e18	4.984	.102
e11 <--> e21	4.592	-.088
e11 <--> e19	5.971	.120
e11 <--> e14	6.194	-.141
e9 <--> e20	4.372	-.082
e9 <--> e15	5.999	-.133
e8 <--> BPS	6.878	.140
e8 <--> e19	4.023	-.096
e8 <--> e13	4.495	.104
e8 <--> e9	4.607	.114
e7 <--> e9	5.297	-.100
e6 <--> e14	7.556	.138

	M.I.	Par Change
e6 <--> e8	4.654	-.102
e5 <--> e18	8.817	.141
e5 <--> e16	5.823	-.106
e5 <--> e13	6.384	.119
e5 <--> e7	6.152	-.103
e4 <--> e14	11.358	.215
e4 <--> e13	4.914	-.126
e4 <--> e11	6.673	-.164
e3 <--> e8	11.441	.177
e2 <--> e4	5.289	-.133
e1 <--> e22	4.267	-.097
e1 <--> e17	7.458	-.112
e1 <--> e12	5.875	.124
e1 <--> e3	6.083	-.130

Effective

e14 <--> e15	5.559	.132
e13 <--> e18	4.984	.102
e6 <--> e8	4.654	-.102
e1 <--> e3	6.083	-.130

(Revised Model, Third Run)

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
AOI <--- IR	-.427	.279	-1.530	.126	
AOI <--- EB	.265	.271	.978	.328	
AOI <--- SS	.158	.077	2.059	.039	
AOI <--- BPS	.346	.124	2.780	.005	
AOI <--- BPC	.296	.174	1.700	.089	
GP <--- AOI	.620	.124	5.020	***	
GP <--- IR	.435	.268	1.621	.105	
GP <--- EB	-.343	.256	-1.341	.180	
GP <--- SS	-.076	.063	-1.206	.228	

			Estimate	S.E.	C.R.	P	Label
GP	<---	BPS	-.234	.111	-2.109	.035	
GP	<---	BPC	.390	.164	2.372	.018	

APPENDIX TEN

Modification Indices Initial Model (Final Run)

Covariances: (Group number 1 - Default model)

		M.I.	Par Change	
e17	<-->	EB	6.565	-.075
e16	<-->	BPS	4.927	.102
e15	<-->	IR	4.181	-.061
e14	<-->	EB	8.167	.114
e14	<-->	e15	4.274	.114
e13	<-->	BPS	4.396	-.107
e11	<-->	e20	4.575	-.088
e11	<-->	e18	5.725	.118
e11	<-->	e14	5.627	-.133
e11	<-->	e13	4.193	.106
e10	<-->	BPC	4.050	.074
e10	<-->	e14	4.333	-.101
e9	<-->	e19	4.310	-.081
e9	<-->	e15	7.127	-.145
e8	<-->	BPS	7.160	.143
e8	<-->	e17	4.155	.082
e8	<-->	e13	4.892	.111
e8	<-->	e9	4.606	.113
e7	<-->	e9	5.086	-.098
e6	<-->	e14	6.906	.131
e6	<-->	e8	4.836	-.104
e5	<-->	e16	4.359	-.092
e5	<-->	e13	9.436	.150
e5	<-->	e7	6.274	-.105
e4	<-->	e14	10.658	.206
e4	<-->	e13	5.275	-.134
e4	<-->	e11	6.849	-.165
e3	<-->	e8	11.426	.177
e2	<-->	e4	5.421	-.135
e1	<-->	e21	4.213	-.094
e1	<-->	e17	7.307	-.110
e1	<-->	e12	5.710	.123

	M.I.	Par Change
e1 <--> e3	6.457	-.134

Effective

e14 <--> e15	4.274	.114
e6 <--> e8	4.836	-.104
e1 <--> e3	6.457	-.134

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
AOI <--- IR	-.593	.443	-1.340	.180	
AOI <--- EB	.355	.344	1.032	.302	
AOI <--- SS	.281	.116	2.417	.016	
AOI <--- BPS	.310	.147	2.106	.035	
AOI <--- BPC	.243	.180	1.345	.179	
GP <--- IR	.732	.468	1.564	.118	
GP <--- EB	-.492	.362	-1.360	.174	
GP <--- SS	-.069	.113	-.614	.539	
GP <--- BPS	-.201	.133	-1.515	.130	
GP <--- BPC	.393	.178	2.212	.027	
GP <--- AOI	.595	.134	4.431	***	

Revised Model (Final Run)

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
AOI <--- IR	-.405	.270	-1.501	.133	
AOI <--- EB	.232	.264	.877	.380	
AOI <--- SS	.161	.077	2.103	.035	
AOI <--- BPS	.362	.125	2.903	.004	
AOI <--- BPC	.268	.172	1.562	.118	
GP <--- IR	.406	.257	1.577	.115	
GP <--- EB	-.316	.247	-1.278	.201	

			Estimate	S.E.	C.R.	P	Label
GP	<---	SS	-.075	.062	-1.196	.232	
GP	<---	BPS	-.240	.112	-2.132	.033	
GP	<---	BPC	.414	.165	2.514	.012	
GP	<---	AOI	.606	.122	4.973	***	