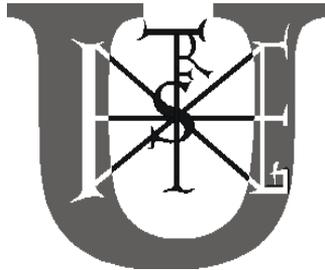


**SZENT ISTVÁN UNIVERSITY  
GÖDÖLLŐ  
PHD SCHOOL ON MANAGEMENT AND BUSINESS STUDIES**



**OPERATION MECHANISM AND ROLE OF  
EVENT MARKETING IN CORPORATE  
MARKETING COMMUNICATION ACTIVITY**

**THESES OF DOCTORAL (PHD) DISSERTATION**

**DÁVID HARSÁNYI**

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2012**

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# **1. PRECEDINGS OF THE WORK, GOALS OF THE RESEARCH**

## **1.1. Importance of the Topic**

Event marketing, as an improving tool of marketing communication has gained remarkable role among corporate marketing communication activities. More and more companies realize its potentials and use it to reach both exterior and interior communication goals. Consumer and technological changes drew attention to the importance of meeting the target audience face to face. Digital and online solutions started to come to spotlight, but in parallel, the role of personal contacts became significant as well. Different events give good opportunities for personal contacts.

More and more producers and traders realized that characteristic identity is vital to the company's long term success and continuing sales. The current image can be influenced by events: the company can form a positive image of itself and of its brands, which leads to the positive attitude and loyalty of consumers, trading and other business partners, and also employees.

The uncertainty of the topic and the size of the event industry (estimated billions of forints) makes necessary a deeper understanding of the topic. Combination of theoretical (mostly foreign) resources and practical knowledge as well as empirical research has great importance.

The actuality of the topic is based on the following statements:

- Though events are widely used for marketing purposes in Hungary, this field has not been elaborated theoretically and academically so far.
- In the event industry there is a demand for macro-analysis of the extension and structure of the market, but these features and the role of events (in marketing communication) has never been examined in such a complex way.
- There is a growing pressure on marketing professionals on measuring the effects of communication tools. This topic has come to spotlight even more since the crisis back in 2008. So analysing the effects of event marketing is a timely topic, but the problem is still not solved due to lack of adequate methodology.

## 1.2. Goals of the Dissertation

The overall aim of the dissertation is gap filling: the domestic elaboration of the theoretical background of event marketing as well as examination of its practical aspects. I have formulated three main objectives (C1, C2, C3), which lead to the research hypotheses and became the base of new scientific achievements.

- C1. Definition of the **concept of event marketing**, determination of its inner fields and relations to connecting fields of marketing communication; a model-favoured approach of the topic, creating and testing **concept models** of event marketing.
- C2. Investigation and description of the event marketing **industry**, quantifying its specialities, analysing the domestic use and expansion of this field, systematization of market dimensions, creating and testing a **market model** of event marketing.
- C3. Examination and evaluation of the **effects** of event marketing on the brand, creating and testing an **effect model** of event marketing.

It was not possible to create a universal model because of the complexity of the research field. But the different dimensions are well characterized by the individual models: the descriptive (concept and market) models help to map the relations of the segments of event marketing, and the effect model establishes the investigation of event goals and event elements. There is great demand for such knowledge among marketing professionals in Hungary, so my research results can help practical work besides theoretical concerns.

## 2. MATERIALS AND METHODS

The significance of the topic, its importance in marketing communications, and the incompleteness of both theoretical and practical knowledge makes empirical research necessary. I used different methods and approaches due to the complexity of event marketing, to give overall picture of the most important aspects of the topic (Figure 1).

<b>Review of the literature</b>
Concept of event marketing, characteristics of the field, examination of the effect mechanism
<b>Establishing empirical research</b>
<b>K1</b> Concept definition, market situation, testing of concept models (in-depth expert interviews)
<b>K2</b> Characteristics of the market, testing of the market model (expert discussion group)
<b>K3</b> Effects of company events on the brand (quantitative surveying of company partners)
<b>Empirical research on the market (macro level)</b>
<b>K4</b> Event marketing industry in Hungary (quantitative surveying of companies)
<b>Empirical research on the effect mechanism (micro level)</b>
<b>K5</b> Effects of brand appearance on a Festival, testing of the effect model (quantitative surveying of customers)

**Figure 1: The completed research connected to the theses**

Source: own compilation

All the research was made in 2011 using both qualitative and quantitative methods and personal, telephone and online interviews. There were seven surveys, which can be divided into small sample establishing surveys and large sample surveys. The pieces of research are mostly connected to specific research aims (concept, industry, effect) and form a defined logical structure. Data collecting techniques are fitted to the given research problem and target group. The research was made along with companies, research and event planning agencies, but I did the analysis individually.

I summarized the research aims and the connected methodology in a table for easier review (Table 1). I attached three main hypotheses and altogether 13 sub hypotheses to the research goals. The achievements were summarized in three new scientific achievements. I used mainly foreign resources to the formation of my models, but I paid attention to Hungarian aspects as well, because of the presumably different characteristics. In the case of the concept and market models there were no starting models available, but I could use parts of four foreign models (Close et al 2006, Mau et al 2006, Drengner et al 2008, Martensen et al 2007), to help formulating the final structure of my effect model.

**Table 1 The logical structure of the research methods**

Goals and research fields	Hypotheses	Connected models	Data collecting techniques	Analyzing methods	New and novel scientific achievements
<b>C1</b> concept definition	<b>H1</b> The concept of event marketing is used in practice in Hungary, but it is interpreted in different ways (H1.1, H1.2, H1.3, H1.4)	Concept models: the connecting fields to event marketing (Flower model) and the inner fields of event marketing (Pyramid model) -- own compilation	<b>K1</b> personal in-depth expert interview with interview guide	content analysis	<b>T1</b>
<b>C2</b> characteristics of the market	<b>H2</b> The event marketing industry is growing, and it plays significant role in companies' marketing communication activities (H2.1, H2.2, H2.3, H2.4)	Market model: fields of the event industry (Stairs model) – own compilation	<b>K1</b> personal in-depth expert interview with interview guide and <b>K2</b> expert discussion group with guide <b>K4</b> telephone interviews with companies with standard questionnaire	content analysis  single variable statistics, cross tabulation analysis, ANOVA (SPSS 19.0, Excel)	<b>T2</b>
<b>C3</b> effect of event marketing	<b>H3</b> Event marketing influences the target group's opinion on the brand in a positive way (H3.1, H3.2, H3.3, H3.4, H3.5)	Effect model: effects of brand participation – initial models: Close et al 2006, Mau et al 2006, Dregner et al 2008, Martensen et al 2007	<b>K3</b> two online survey of visitors with standard questionnaire  <b>K5</b> personal interviews of visitors with standard questionnaire, online survey of visitors with standard questionnaire	single variable statistics, main component analysis, (SPSS 19.0) single variable statistics, cluster analysis, correlation (SPSS 19.0, Excel)	<b>T3</b>

Source: own compilation

I used **in-depth expert interviews** in my first establishing research because of the theoretical and complex nature of the topic. My goal was to clear the **conceptual background** on one hand, and to explore the accessible information of the **market** on the other. Certain questions of the half structured in-depth interview were designed to deliver the spontaneous thoughts of the professionals, others introduced and tested the findings of the literature. Among the 16 interviewees were 7 clients (experts of companies that hold events) and 9 agencies (experts of companies that plan and organize events). I recorded the given information and used content analysis, which followed an individually developed logical thread.

The goal of the **expert discussion group** was to identify **market** characteristics in a more accurate way, and to clash the opinions. The methodology was necessarily more simple, I had to focus on some precisely defined questions. The seven directors were getting together with the help of the Association of the Hungarian Communication Agencies. I could not record

the conversation because of the confidential information mentioned, so I summarized the statements using my notes.

The third establishing research was **quantitative**: I examined the **effect** of two similar events of the same company. The questionnaire was designed together with the company and with its event organizer. The visitors were asked to fill it out in a greeting e-mail after the event. Questions were divided in three parts: the overall opinion on the event (including the presenters, technical background, location, catering), the opinion on the company and personal questions. The willingness to answer was very low, so I could work with a sample of 57 in case of the first event and 78 of the second. But results were very uniform, so this could enable certain conclusions. I analyzed the data with the SPSS 19.0 program. Besides frequencies, I used multivariable statistics, such as main component analysis concerning the brand related question set.

My first large sample **quantitative research** dealt with the event marketing industry. I could reach the sufficient sample number in case of the quantitative company survey with structured telephone interviews. (The questioning was made by the operators of Paradise Solution research agency.) The questioning method was an important aspect when forming the questionnaire. Detailed and exact instructions were elementary for the operators and interviewees. Small, medium and large companies had to be represented equally in the sample of 300 companies, because – after the previous expert interviews – significant divergence was expected in their answers. The telephoning system generated the callings randomly from the agency data base (stratified sampling). I used mainly the SPSS 19.0 program when analyzing the data, along with the Excel program in some cases. Even basic data on the market were very precious, because no previous data were available on this field. So besides frequencies, I used mainly cross tabulation analysis and ANOVA to compare the three subsamples (small, medium and large companies).

My second large-sample **quantitative research** examined the **effect** of brand activation on a sponsored event. I used a standardized questionnaire that I discussed with the company in advance. Its structure and language was tuned to the age and style of the interviewees, and also to the answering situation. Before the event the interviewees filled out the questionnaires, but it was self-assessed during the event (103 and 246 people). The questioning was online after the event among visitors and the potential target group (66 and 251 people). So together I could use a sample of 666. I use the SPSS 19.0 program to analyze data. Because of the complexity of the research (besides single variable methods), I applied cross tabulation; cluster analysis was used for the

segmentation of the visitors; and I applied bivariate and partial correlation for the testing of the model and for the analysis of the change in brand perception.

### 3. RESULTS

#### 3.1. Main Results of the Literature Review

The **concept of event marketing**, as many other phrase of the industry comes from English. Event organizers in Hungary use the original English phrase event marketing on a daily base, and they use “event” instead of the Hungarian word “esemény”. It is advisable to differentiate the expression “event *marketing*” from the expression “event”, because this distinction is usually present in the industry (even if it is not a conscious decision).

To understand the connecting areas of events, we have to overview the types of events first. According to the literature structuring principles can be: 1. goals, 2. owner of event, 3. visitors, 4. organizer 5. other characteristics. In case of the goals and owner of the event, the following categories can be formed: non-business events (private and non-profit events), business events (for-profit events and communication events). In our case for-profit events are the most important of course, and within these mostly proprietary communication events. Besides these, brand appearances on for-profit events also can be connected to event marketing.

According to Cornwell and Maignan (1998 5), event marketing means “marketing of events” on one hand, and “marketing with events” on the other. Sneath et al (2006) as well as Wohlfeil and Whelan (2005a) examined both proprietary and sponsored events. Gaur and Saggere (2001) connected fairs and exhibitions, festivals and holidays to event marketing. However, Drengner et al (2008) differentiate event sponsorship from event marketing. Since the Hungarian interpretation is diverse, I felt the importance of structuring and modeling the inner and connecting fields of event marketing upon the obtainable information.

It is worth mentioning the event marketing **definitions** of Gaur and Saggere (2001), Wohlfeil and Whelan (2006a, 2006b 646), and also Bíró (1997), Fazekas and Harsányi (2000) in Hungary. According to the literature the following definition was formed and tested: “event marketing is a unique and proprietary marketing event or an activation on another event, with the goals of giving brand experience, delivering (brand) messages, interacting with the

target audience, influencing their attitude in a positive way, and in many cases generating news value”.

It is important to emphasize, that different **goals** can be reached with various events – but the same event type, or even a single event can help to reach many goals. Appointing the adequate goal is a key success factor of event marketing. Goals show the planning direction, and determine measuring questions. Goals can be grouped in many ways (Table 2).

**Table 2. Grouping system of event goals and metrics**

aspect	categories		
object	event	brand	
target	invited guest	participant	the public
time of effect	before the event	on the event	after the event
time period	short term	long term	
focus	direct (quantitative, sales in focus)	indirect (qualitative, image in focus)	
effect	awareness (cognitive)	attitude (affective)	action (conative)

Source: own compilation

**Measuring practice and theory of event marketing** is very extensive, because many research solutions can be applied due to the complexity of the field (Table 3).

**Table 3. Typical areas of event measurement**

research range	subject of the research	approach	sample	researcher
macro (industry)	size of the event industry, using and measuring events, opinion on ROI	practical	expert	Promo, MPI / EMI / GPJ: EventView, EMF / IMI, ID, Jack Morton
macro (industry)	opinion on events, attitude towards events in general	practical	visitor	Jack Morton, Event Marketer, ID
micro (event)	developing event measuring techniques	practical / theoretical	visitor	SponsorMap Experiential, BATS
micro (event)	influence mechanism of events	theoretical	visitor	Academic researchers (e.g. Close, Wohlfeil)

Source: own compilation

It is reasonable to separate the measuring techniques into macro level research that deals with the whole industry, and micro level research that deals with events themselves.

The most important field of macro level research is the **size of the industry**. Research is made mainly in foreign countries, only Promo Direkt holds surveys in Hungary – but these are not very comprehensive (Promo Direkt 2006, 2007, 2008, 2009, 2010). I felt the need of building a market model because of the

complexity of the market, and because of the different meaning of event planning and event marketing. This makes it possible from the practical side to separate the different fields, and with this, to make measuring more accurate. It is essential to define market actors' attitude, the **overall opinion on events**. International surveys examine the attitude of event owners and event organizers, but besides these there are some surveys that concentrate on consumer opinion (Jack Morton 2006).

Managers are increasingly under pressure to measure the ROI of marketing activities (Hieggelke 2005), and it is even more important in the case of events. Despite this, many companies do not measure their **event effectiveness**, because it is not clear for them, how measuring can be made (Sneath et al 2005). The starting point is event type and goals when defining measuring aspects (Woods 2003). So when measuring methods are categorized, it is advisable to use the aspects mentioned earlier at event goals (Table 2). The most important grouping aspect is how the target group is effected: awareness (cognitive), attitude (affective), action (conative).

No concept or market models can be found in literature, but some **effect models** are published in foreign studies. These deal mostly with sponsored events, and in many cases slightly connected to the focus of this dissertation (Wohlfeil and Whelan 2006a, Sneath et al 2005, Esch et al 2006, Close et al 2009). But the following research projects could give me a good platform when building my effect model. Close et al (2006) point out, that the knowledge of the sponsor's products, sport activeness and sport enthusiasm make community involvement, that leads to positive brand opinion, and then purchase intentions of sponsor's product(s). According to Mau et al (2006) proprietary marketing events can cause attitude change themselves, but at event sponsorships communication activities on the event play greater role. Drengner et al (2008) point out, that events do not cause flow automatically, because active customer participation is needed. Event organizers should motivate customer interaction not only with the brand, but with other visitors as well, because it can stimulate word of mouth and can have a positive effect on sales. According to Martensen et al (2007) brand and event involvement and the fit between them influence positive and negative emotions, and these affect brand and event attitude. Brand and event emotions have influence on buying intention only in an indirect way, through brand and event attitude.

## 3.2 Results of the Establishing Research

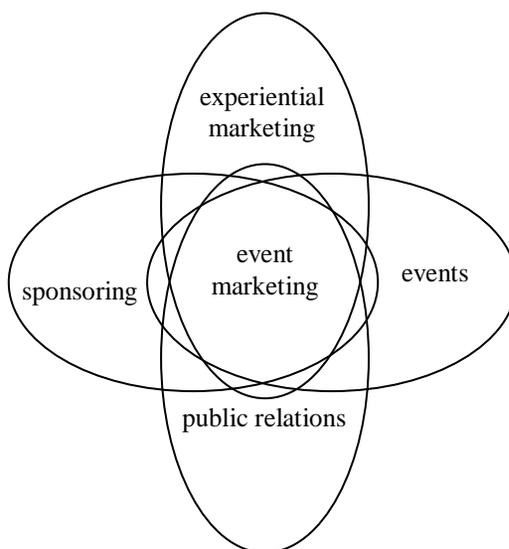
### 3.2.1. In-depth Expert Interviews: Concept Definition and Market

The **research goal** was to determine the concept of event marketing, identify its characteristics, inner and connecting fields (C1), to discover the market and its tendencies, and test the market model (C2). It also helped to establish the quantitative research.

The **concept of event marketing** was defined with similar phrases by the interviewees. According to the majority of the experts event marketing and events are not exactly the same. Many events are not part of event marketing, because their goal is not to deliver messages. At the same time event marketing can be regarded as a wider category, because it is more than just organizing the event: the connecting communication plays great role which is a part of the marketing communications strategy. The definition that had been formed upon secondary data had to be specified: “event marketing is a proprietary event or an activation on another event, with the goals of delivering (brand) message in an experiential, interactive and memorable way, and in many cases generating news value”.

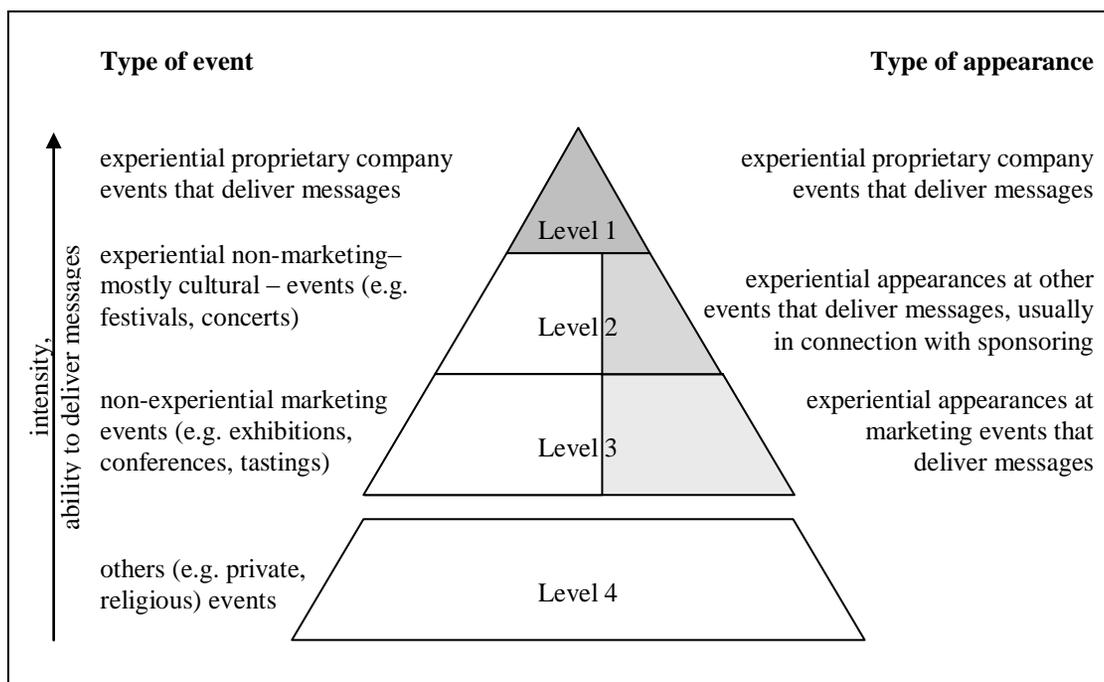
The **flower model** that had been designed earlier to **demonstrate the connecting fields of event marketing** (Figure 2) was appropriate to picture the relationships – according to the experts. However the majority of the interviewees did not know exactly what experiential marketing was.

It was more expressive to build a **pyramid model** to define **event marketing events** instead of the concentric circles that had been formed previously. With this new model levels can be seen more clearly, and host events can be separated from event marketing appearances (Figure 3). The majority of the interviewees considered the first two levels as event marketing on the pyramid model, but if the appearances are supplemented by experiential elements at the third level, these also can be regarded as event marketing.



**Figure 2 „Flower-model” – the most important adjacent fields of event marketing**

Source: own design (there are no similar models in literature)



**3. ábra: Piramis modell – az eseménymarketing területeinek szintjei**  
 Forrás: saját szerkesztés (a szakirodalomban hasonló modell nem található)

According to the majority of the interviewees the most important **market trend** that affects event marketing is the crisis started in 2008. The number and the budget of events dramatically decreased, but the positive side of the evolved situation is the increasing role of creativity. Technical development puts emphasis on event technology and visual elements and event owners have higher expectations. The experts believe in a (slow, but) positive change in the situation.

Interviewees agreed on the importance of **measuring event effectiveness**. According to some of them companies measure events frequently, because “everything can be measured”, other experts believe research is very rare, and we can only speak about measuring-trials.

The research confirmed my hypothesis on the diverse interpretation of event marketing (H1 affirmed), and showed unfavorable tendencies, the temporary decrease in the number of organized events (H2 questioned).

### 3.2.2. Expert Discussion Group: the Event Industry

The **research aim was the review of the market (C2) and estimation of its size** from an agency point of view. At the same time results gave relevant information on the applicability of the market model.

When defining the event marketing industry, private and non-profit events, non-company events (festivals, exhibitions etc.), and also simple promotions (e.g. tastings) had to be excluded. However, the total event industry is greater, because event organizing companies offer services in these cases as well, and receive revenue after these events. **The stairs model, the model of the event industry's areas** demonstrates this structure, as it was supported by the experts of the research.

Participants of the discussion group confirmed the overall opinion of the in-depth interviews, that trends of the event marketing industry are unfavorable (H2 questioned). Experts drew attention to many **measuring problems**, and it was proven that determining market size requires a set-up of a complex system. The many uncertainties make it difficult to estimate the size of the industry.

Non-business events		Business events	
Private events (birthday parties, weddings etc.)	Non-profit events (governmental, religious events)	Profit events (exhibitions, festivals, conferences etc.)	Communication events (consumer event, company event etc.)
organized in-house	organized in-house	organized in-house	organized in-house (non-experiential)
		direct order of services	direct order of services
direct order of services	direct order of services	organized by exhibitors direct order of services	organized in-house (experiential)
	organized by others	organized by sponsors direct order of services	direct order of services
organized by others	organized by agencies	organized by agencies	organized by others
organized by agencies			organized by agencies

Explanation: Direct order of services: e.g. renting location, catering, technics, staff etc.

Organized by others: the event is organized by one of the service providers, e.g. the location or the catering provider; Light: part of the event industry, Dark: also part of the event marketing industry

**Figure 4: „Stairs model” – Areas of the event industry**

Source: own compilation (there is no such model in literature)

When **estimating the market expenditures** from the agencies' point of view, it is reasonable to start with the incomes of the large agencies. Attendees valued their revenues connected to event marketing altogether 2,5 billion Hungarian Forints. They added the other missing, but also important agencies' estimated incomes, so the market of the leading agencies was defined approximately HUF 5 billion. After discussion they estimated other smaller agencies' incomes the same amount, which lead to a market of 10 billion. But the total event industry is much bigger, because many other areas can be added: proprietary organized events, directly ordered event services (catering, housing etc.), governmental and other non-profit events, moreover events set up by festival and exhibition organizers as well. So the size of the event industry is a multiple of the HUF 10 billion – but much of it does not belong to event marketing.

### ***3.2.3. Visitor survey: effect of company event***

I introduce the evaluation of two events from the same company in the following. The owner of the events is a leading chemical company, there are plastics, fine chemicals, and in great proportion agricultural products in its portfolio. (Its name does not appear in the dissertation at the request of the company.) The **goals of the research** were the evaluation of these company events, and **measuring the effect of the events on the brand** (C3). (Because of the low response rate and sample characteristics, results should be treated with care.)

The **first event** was the most important annual event of the company. Guests, mostly tradespeople selling the company's products, rated the event very positively in general and in detail as well (memorability, peculiarity, program elements etc.). The 23 statements on the company were agreed by the respondents, so they had a favorable attitude toward it, and they usually praised professionalism. In contrast to this, they did not find the company very friendly, and the opinion on co-operation divided the partners mostly, the standard deviation was the highest in this case.

The **second event** was organized on four consecutive days at different areas of the country, mostly for agricultural manufacturers. Respondents had a very good overall opinion on the event, they felt themselves very well, and they considered it very useful. In point of memorability and specialty they adjudicated the event good in total. Very auspicious results were born regarding **brand image**, respondents gave an average between 5,5 and 6 on a 7 point scale (where 7 was the best value). Forming 3 factors seemed most

practical in the factor analysis that examined brand statements. (Analysis was processed by more methods, which definitely strengthened the previous results.) The factor structure was characteristic at the end of the analysis, questions fitted well in the model.

I consider a result of the analysis that with developing question sets brand dimensions are differentiated from each other, showing the stronger and weaker points. The 2<sup>nd</sup> “company” factor got the highest rates, and the 3<sup>rd</sup> “team” factor also did well. At the same time the answers for the 1<sup>st</sup> “relation” question set lagged behind from these, showing the necessary direction of brand communication.

**Table 4 A vállalat megítéléséhez kapcsolódó kérdések faktorstruktúrája**  
Rotated component matrix and communalities

	Component			Communalities
	1	2	3	Extraction
The company has a steady background.	0,199	0,818	0,346	0,828
The company is innovative.	0,352	0,832	0,147	0,837
The company is authentic.	0,321	0,832	0,248	0,857
The company is purposeful, „knows what it wants”.	0,262	0,730	0,477	0,829
The company has a „human face”.	0,366	0,733	0,305	0,764
It is worth paying attention to the company, and what it does on the market.	0,270	0,775	0,233	0,727
The company has a good and well prepared team.	0,420	0,383	0,685	0,792
The company has keen employers.	0,213	0,363	0,848	0,896
The company co-operates with me, and takes my interests into consideration.	0,483	0,357	0,717	0,874
The company works with keen partners on the market.	0,734	0,342	0,435	0,845
Though indirectly, I am a member of the company’s team.	0,838	0,182	0,149	0,758
The company helps, I can count on it, it is worth to ask help from it.	0,831	0,210	0,305	0,828
The company supports me in my business and personal progress, and in reaching my goals.	0,849	0,269	0,283	0,873
The company thinks responsibly of its profession.	0,646	0,474	0,388	0,793
The company thinks responsibly of society.	0,826	0,377	0,118	0,839
I’m interested in the products of the company.	0,758	0,431	0,244	0,820

Source: own research, N=78, Main component analysis, Varimax rotation

The two pieces of research confirmed that company events have a very positive effect on company image (H3 affirmed). The practical (organizational) respects of the research was very important as well, because it gave feedback on choosing event elements (location, catering etc.), and pointed out the necessity to use incentives in the future when questioning partners for better willingness to answer.

### 3.3. Research of event owners: measuring the industry

The **research goal** was defining the domestic penetration and use of event marketing and bringing up **information on market** in general (C2).

Based on the statistics of 300 companies that organize events and 241 firms that answered the questions but do not organize events we can state that 75% of large companies, 60% of middle ones and 41% of small ones apply the tool of events. Most companies organize parties for employees, but many of them professional trainings as well. Further popular event types are team buildings, client parties, family days for employees and press conferences (Table 5).

**Table 5: The most frequent company events**

	small company %	middle company %	large company %	total (count)	total %
employee party	50	62	65	177	59
professional training for employees and for sales representatives	31	34	56	121	40
team buildings for employees	19	29	42	90	30
client parties	15	29	27	71	24
family day for employees	10	19	37	66	22
media events, press conference	2	17	40	59	20
total	100	100	100	300	100

Source: own research, N=300

It is also important to see, which company applies certain events and how many events it organizes in a year. At some large companies we see particularly high numbers, e.g. 230-250 professional trainings for employees and for the sales network, 50 professional trainings for partners.

The number of sponsored events is relatively small next to the quantity of own corporate events. Sponsoring sport events is obviously the most preferred sponsorship type among companies, but festivals and conferences are also popular. Regarding the theme of the dissertation the most important factor is how companies appear on events (installations, activities). One in three companies participates in fairs and exhibitions, and one in four in conferences. We can state that neither in the case of conferences, nor in the case of fairs and exhibitions is any correlation found between the size of the companies and the attendance ratio.

Regarding the market the most interesting question of the research is how much do companies spend on activities related to events. The sum of each partial result more or less corresponds, but it is lower than the entire budget estimated by the interviewees. (This can be a result of complex event portfolio, and also of the lower answering rate seen at partial questions.) If expenditures are corrected with the number of interviewees, the surveyed small companies spend a total HUF 230 million, middle companies HUF 650 million and large ones approximately HUF 1,75 billion on events (Table 6).

From the data and from the number of domestic companies we can draw conclusions regarding the size of the market. According to calculations total expenditures are over HUF 50 billion, 45% of which small companies are responsible for (unlike the approx. 20% of large companies). Over HUF 6 billion is spent through agencies, and HUF 7 billion on catering. These data does not correspond 100% with the results of the expert discussion group, this is due to the diversity of methodology.

**Table 6: Companies' expenditures connected to events (HUF)**

<b>expenditure type</b>	<b>small company</b>	<b>middle company</b>	<b>large company</b>	<b>total</b>
proprietary event	71 175 000	349 625 000	760 185 000	1 180 985 000
event sponsoring (monetary)	5 471 000	41 555 100	97 929 000	144 955 100
event sponsoring (non-monetary)	5 670 000	33 417 000	17 870 000	56 957 000
appearance on the spot	90 130 000	97 720 000	112 700 000	300 550 000
<b>total expenditures</b>	<b>172 446 000</b>	<b>522 317 100</b>	<b>988 684 000</b>	<b>1 683 447 100</b>
<b>total expenditures according to respondents</b>	<b>203 445 000</b>	<b>591 917 000</b>	<b>1 353 000 000</b>	<b>2 148 362 000</b>
respondents (count)	89	91	77	257
<b>revised total expenditures by the number of respondents</b>	<b>228 589 888</b>	<b>650 458 242</b>	<b>1 757 142 857</b>	<b>2 636 190 987</b>

Source: own research, N=300

Based on the research, companies spend 50% of their event budget on employees, 20-25% on business partners, 15-20% on sales representatives, 8-15% on customers – depending on company size.

Considering **marketing aspects** large companies integrate events in the other marketing/communication activities in greater proportion. However large companies still can only reach average mean values regarding integration (mean 3,45 on a 5-point scale, where 5 is the highest value). Besides this we can observe the high proportion of extreme answers: in most cases the minimum or the maximum values were indicated by the respondents (this is shown in the high values of standard deviation – between 1.7 and 1.8). More

than half of the companies never or usually do not determine **numeric goals** for events, which is an astonishing value. We got extreme answers at this question as well, and mean values were even lower (2.25, 2.62 and 2.84 depending on company size, and with a similarly high – between 1.7 and 1.8 – standard deviation). It is not surprising upon the previous results that concerning **measuring the effect** of events also got poor ratings or even worse (at a high standard deviation value as well). About 50% of the answering companies never measure the effectiveness of their events. and even lower mean values (and also high standard deviation).

After the poor results of the previous questions it was unexpected that respondents have a very positive opinion on **events**, and they believe that these influence or heavily **influence brand and company image**. At this question standard deviation values were low, and answers were less extreme (Table 7). ANOVA showed that company size has significantly influence the answers (significance level 0,0027).

**Table 7: Effect of events on brand and company image according to the companies**

	<b>small company</b>	<b>middle company</b>	<b>large company</b>
does not influence	2	4	4
influence only in a small extent	11	17	4
sometimes influences, sometimes not	24	20	15
mostly influences	30	21	32
influence very much	31	34	44
total	98	96	99
mean	3,79	3,67	4,09
standard deviation	1,077	1,245	1,060

Source: own research, N=300

According to the effectiveness of the different marketing communications activities variance in opinions was visible. Some areas were rated in the same way by the answering groups, but at other activities significant gaps were seen when computing ANOVA (Table 8).

In contrast with previous expectations events are not organized by marketing, communication, PR or HR departments. Very often at both small and medium enterprises there are no dedicated person or department to manage events (57 and 45 mentions), but this is the case at large companies many times (23 mentions). Altogether at most companies asked principally the marketing department organize events (15, 15 and 29 mentions depending on company size in ascending order), but the sales department was also mentioned frequently. Role of the HR department is important at large companies (36

mentions), but the PR (14) and the communication department (9) also got numerous mentions. Mostly the general manager deals with events at smaller enterprises, but the secretariat can take co-ordination from him or her at larger companies.

**Table 8: Rating of the marketing communications tools (mean)**  
(1-not effective at all, 5-very effective)

	small company	middle company	large company	total	significance
in store communication	3,57	3,75	3,98	<b>3,77</b>	,045
promotions, actions	3,56	3,65	3,62	<b>3,61</b>	,837
public relations	3,34	3,53	3,73	<b>3,53</b>	,025
media advertising	3,13	3,77	3,47	<b>3,46</b>	,000
company events	<b>3,10</b>	<b>3,43</b>	<b>3,59</b>	<b>3,38</b>	,008
online marketing	3,34	3,33	3,32	<b>3,33</b>	,990
participation on exhibitions and fairs	3,27	3,23	3,22	<b>3,24</b>	,955
direct marketing	3,24	3,29	3,05	<b>3,19</b>	,369
sponsoring	2,80	3,08	2,84	<b>2,91</b>	,135
total	<b>3,26</b>	<b>3,45</b>	<b>3,42</b>	<b>3,38</b>	

Source: own research, N=300, One way ANOVA

### 3.4. Consumer survey: the effect of sponsoring brand appearance

The **objective of the research** was the analysis of the **effect of sponsoring brand appearance** on an event (C3). The festival chosen for the research was Heineken Balaton Sound 2011, where I surveyed the appearance of Zwack Unicum besides other companies.

Interviewees were classified in four clusters based on their hobbies and free time activities (Table 9). Surprisingly, the biggest group was the one of the „passive people”, whose favorite free time activities are watching movies, going to cinema, listening to music, reading and social networking. The „active people” usually travel, hike and do sports, while the „multi-people” like to choose any of the above activities. Members of all three groups enjoy going to parties and meeting friends. However, „friend-lovers” only enjoy the last two things. Using this segmentation technique festival organizers and sponsors can understand young people better, making it possible to create more popular programs.

**Table 9: Festival-visitor clusters based on free time activities**

	Cluster			
	„friend-lovers”	„passive people”	„multi-people”	„active people”
<b>count (full sample, N=666)</b>	<b>145</b>	<b>193</b>	<b>165</b>	<b>163</b>
<b>percent (full sample, N=666)</b>	21,8%	29,0%	24,8%	24,5%
<b>count (visitors, N=415)</b>	<b>106</b>	<b>114</b>	<b>88</b>	<b>107</b>
<b>percent (visitors, N=415)</b>	25,5%	27,5%	21,2%	25,8%

Source: own research, N=666, N=415, K-Means cluster

In the aspect of the analyzed brand, it was essential to understand consumers of the product category. Based on the consumption of hard liquors, festival visitors can be classed in 4 clusters (Table 10). Most of the people prefer one single type, such as the „vodka-lovers”, „pálinka-drinkers” and „fake pálinka-drinkers” (i.e. who prefer pálinka-like liquors). However, „multi-drinkers” consume most of those liquors, but they do not prefer bitters either. This result shows the specific situation and the controversial character of bitters, and offers an important point of view when checking the effect model.

**Table 10: Final cluster centers of alcohol consumption**

	Cluster			
	1 „multi-drinkers”	2 „vodka-lovers”	3 „pálinka-drinkers”	4 „fake pálinka-drinkers”
count	63	146	103	103
%	15%	35%	25%	25%
gin	1	0	0	0
bitters	0	0	0	0
pálinka-like	0	0	1	0
pálinka	1	0	0	1
rum	1	0	0	0
tequila	0	0	0	0
vodka	1	1	0	0
whisky	1	0	0	0
other	0	0	0	0

Source: own research, N=415, K-Means cluster

The opinion on the product category is not too positive, but the research showed that among the bitters the awareness and trial ratio of Unicum can be considered fair, while Unicum Next is rather average (the most well-known bitter is without a doubt Jagermeister). Preference rates were in harmony with awareness rates, too. Regarding the attitude towards Unicum and Unicum Next, it is worth classifying the interviewees into clusters, for which procedure I used the K-Means method. Almost 40% of visitors dislike both Unicum and Unicum Next, one quarter accepts them (but does not particularly like them).

10% enjoy drinking both of them, the rest drinks either the one or the other (in the same proportion).

An important cause of brand appearance on a festival is that visitors can be approached in a very favorable situation – that is why it is worth examining whether this is the situation in the case of this festival. On the spot two-thirds of interviewees claimed that they are having a great time, what also favors the previous assumption. Small wonder that visitors on the spot said they really liked the festival (outstanding adjusted standardized residuum rate in case of answer no. 5) (Table 11). Among visitors that were interviewed after the festival we can observe declining enthusiasm, their answers can be considered average, and the lowest popularity rates were seen among non-visitors.

Transparency and adjudication at the event is essential for sponsors. Most interviewees mentioned spontaneously 4 sponsors (modus), the mean was 5,77. This can be considered a relatively high rate, however, surprisingly, visitors on the spot could enumerate less brands. Naturally, the main sponsor’s name was mentioned the most (95%), followed by T-Mobile (65%), Burn (52%), OTP (47%) and Durex (43%).

**Table 11: Adjudication of Balaton Sound in the subgroups of the sample**  
(1 – I do not like it at all, 5 – I like it very much)

		How much do you like Balaton Sound?					in total
		1	2	3	4	5	
answered on the spot	count	6	4	26	61	143	240
	%	2,5%	1,7%	10,8%	25,4%	59,6%	100,0%
	adjusted residuum	-5,3	-5,1	-6,7	1,9	<b>10,9</b>	
answered after the festival (visitor)	count	2	7	14	20	23	66
	%	3,0%	10,6%	21,2%	30,3%	34,8%	100,0%
	adjusted residuum	-2,1	,6	-,7	1,8	,1	
answered after the festival (non-visitor)	count	49	37	98	39	25	248
	%	19,8%	14,9%	39,5%	15,7%	10,1%	100,0%
	adjusted residuum	<b>6,6</b>	<b>4,7</b>	<b>7,2</b>	-3,1	-10,9	
in total	count	57	48	138	120	191	554
	%	10,3%	8,7%	24,9%	21,7%	34,5%	100,0%

Source: own research, N = 554, adjusted standardized residuum

Spontaneous data correspond to the aided awareness rates. Heineken came off the best, most of the interviewees met its appearance at least one time. Heineken was followed by Burn, T-Mobile, OTP bank and Coca-Cola. Data pointed out that most of the times visitors just saw the locations, the trial rate was high just in a few cases. Regarding the previous results it is not surprising to see the evaluation of appearances: most interviewees considered the more

familiar brands better (in order of preference: Heineken, T-Mobile, Burn, Durex, OTP). As for changes regarding brand adjudication Heineken reached the best result, followed by T-Mobile, Burn and Durex. For the above questions Unicum received average rates, but regarding the last aspect it reached the outstanding 5th place. Since Unicum was not among the biggest sponsors, its achievements can be considered positively.

Brands that did not sponsor the event were included in the survey to provide control, so usually they reached the lowest scores (Borsodi, Nike), but Red Bull – although being an obvious competitor of Burn energy drink and therefore definitely not present at the festival – showed the rates of a less strong brand (such as Magyar Villamos Művek). The results greatly point out the strength of the brand.

Meeting the brands has effect on the opinions on them. We can analyze coherence regarding the perception of the appearance, the evaluation of the appearance and the observed change in brand adjudication in the case of every brand. Correlation analysis showed significant correlation between all three features (mostly by the significance level of 0,000) of almost all brands – including Unicum. Strength of relations was at medium level. Research therefore pointed out that sponsorship transparency and adjudication depends on the joint effect of various factors: the number of appearances is important (sponsorship level, budget), as well as the quality of appearance and the basic strength of the brand (see the good results of Red Bull).

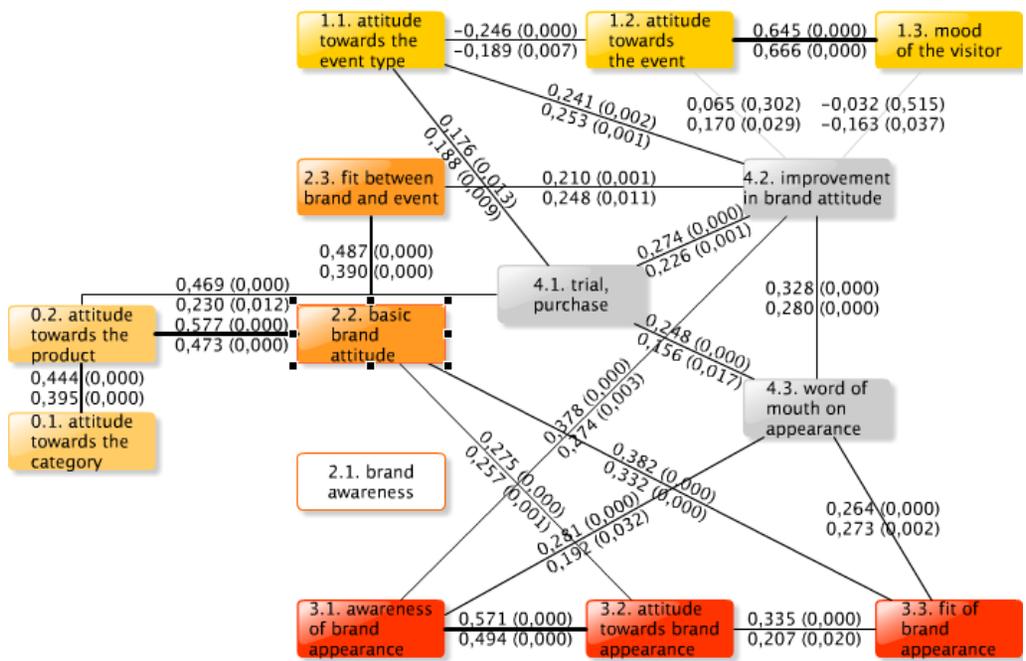
The most important task was **testing the effect model**, which analyzed the factors that influence the change in attitude, the trial/consumption and the creation of word of mouth regarding the appearance of a given brand. The model includes 4 variable sets, colored individually (Figure 5):

- 1 – yellow: variables regarding the event
- 2 – orange: variables regarding the brand (0: variables regarding the product)
- 3 – red: variables regarding the brand appearance
- 4 – grey: output variables

Because of the specific character of the brand I included questions regarding the product and the product type as well. In case of Unicum the relatively low score of popularity – that characterizes all bitters – was likely to influence the adjudication of the brand and to have an effect on the brand appearance as well. (The survey did not include questions regarding the brand's awareness because of the generally high awareness level of the brand.)

When analyzing I computed the Pearson correlation coefficient with a two-tailed trial. After the bivariate correlation analysis I also checked partial correlation as well, with the help of which I could filter out the effect of other variables. The basic model is widely complex, but can be divided into three parts: the effect of variables regarding events, brand and brand appearance are to be examined separately on result variables. This way, coherence of partial models can be tested more easily.

In the figure that presents the detailed relations of the effect model and also features the correlation values, the tighter connections are signed with thicker lines, and next to the correlation rate I indicated the significance level in parentheses. The data above show the result of the bivariate, while the ones below the result of the partial correlation calculations.



**Figure 5: Correlations of the effect model**

Source: own compilation with the use of models by Close et al 2006, Drengner et al 2008 and Martensen et al 2007

The model made visible various correlations. The most important one shows that the following variables effect the improvement of brand attitude: event attitude, fit between the brand and the event and awareness of brand appearance. Besides this, trial and word of mouth correlate with brand preference (H3 accepted).

The results of the research made it obvious that for sponsors it is essential to choose the right event, because this can give them the adequate target group. They also have to take into consideration the popularity of the product category and its convergence to the event. The popular categories that meet the needs of young party-people can expect better results (alcoholic beverages) than the products and services that can be barely related to the event. It is worth estimating the brand awareness and brand preference regarding the amount of investments. Larger investments usually result in higher awareness and preference, but not automatically!

### **3.5. New and novel scientific achievements**

**1. Based on the literature I defined the concept of event marketing, I created and tested the inner and outer concept model of event marketing (T1).** I reviewed the foreign and domestic literature related to the topic, then created the definition of event marketing. I compiled the aim structure of corporate events and systemized the applicable research methods. I demonstrated the inner system of the fields of event marketing with the pyramid model, and its relations to the connecting fields with the flower model. I also tested the concept and the penetration of event marketing with the help of primary research. In the related literature no such models are to be found, and previously no research was made in Hungary in this topic, that is why I consider the creation and testing of concepts and models a novel result.

**2. I provided complex information about the size and characteristics of the domestic corporate event industry and I created and tested a market model (T2).** I defined the characteristics and size of the domestic corporate event industry as well as the penetration of events. With the help of the research I examined event sponsorship and other event appearances besides the corporate events. I differentiated private and non-profit events, and I separated fields that can be related to event planning but not to event marketing. The base of the research was a so-called stairs model created by myself and tested by professionals, which includes the corporate event industry and demonstrates the structure of the whole event industry in a visual way. Besides information on the whole event industry I examined the adjudication of event marketing, as well as the practical issues of its application for marketing purposes. To the best of my knowledge, no one has attempted to make such an overall review before in Hungary, so this can be considered a novel scientific result as well.

**3. I set up and tested in practice the effect model of brands appearances concerning event marketing (T3).** I analyzed the effects and effectiveness of

brand appearances of festival sponsors with my survey. Based on the literature I examined the foreign effect models, and then I created my synthesizing effect model that provided the base of my research and can be used to describe and characterize the domestic situation. My model takes into consideration the event's, the brand's and the brand appearance's effects on visitors' answers. Because of its uniqueness in Hungary and its complex approach, the model itself and the observations of the research can be considered novel results.

## 4. CONCLUSIONS AND RECOMMENDATIONS

### 4.1. Recommendations and practical applicability

The primary objective of my dissertation was the overall, model-based examination of the domestic situation of event marketing. The results of my research proved the importance of this field, as well as its immaturity in Hungary. During the preparation of the dissertation it became clear that event marketing is to be approached with **greater consciousness** both from theoretical and practical point of view. Most of my interviewees showed a comprehensive way of thinking that takes into consideration theoretical aspects as well, which would be beneficial for all market actors. Although the interviewees believed in the importance of **measurements** theoretically, in fact event research barely comes into existence in practice. It would be necessary to elaborate a generally accepted, effectively applicable collective of methods, which could be adopted and used also by market actors. Besides the making of the research being a financial issue, in my opinion education could offer a great opportunity for the breakthrough.

The research on the **size and the characteristics** of the field of **event marketing** could definitely be a useful starting-point, but exact data could be gained just with **professional collaboration**. Because of the complexity of the topic, it is substantial to collect and confront the data from different sources and with different structures. These data could offer information for market actors that is accepted and supported by professionals. With joint financing larger sample and regular researches could be made, that could offer more punctual results. With the help of adequate support the whole BTL market would become measurable.

The **research on effect mechanism of event marketing** offers us further opportunities. On one hand, it would be essential to apply regular effect examinations at the practice of the firms; on the other hand we can advise this also to the organizers of mass events and festivals, given that the conviction

and the long-term partnership of the sponsors would be of greater certainty if they knew the effectiveness of sponsored appearances. That is why my research results could be interesting for practical professionals as well.

## 4.2. Future directions of the research

In my opinion, by setting up a **general research methodology elaborated especially for events** we could examine the events more profoundly and analyze its effects more accurately, which would lead to a more often application of the measurements. Based on the experiences gained in the field of event marketing it would worth defining the borderlines in case of all tools of marketing communications, on the base of which the market is being organized. These days this task seems more and more difficult, because of the increasing number of communication solutions, and the constant changing of professionals' way of thinking. When the new approach and the total rejection of previous structures succeeds, the understanding and analysis of mechanisms can become even more important.

The **research that regards the measures of the event industry** is only a snapshot, so it can be more useful for market actors if it's done on a regular basis, ideally once a **year**. It would be crucial to collect information that approaches the topic **from another point of view**, so the validity of the results could be checked.

To **test the effect-model**, it is worth performing further examinations on other events and brands, what can give us a guideline regarding the possibilities of generalization. Naturally, events are not to be analyzed only from the brand's point of view. It is a basic task **for the organizers** to spot the **most important event elements** that attract viewers, can grab their attention and fulfill them with permanent experiences. It is very exciting to find out, which factors (location, lineup, catering) influence the guests' opinions the most.

The most actual topic by all means is the relationship **between events and online communication** and its joint implementation with social media in particular. Events offer a unique opportunity because of the personal encounter and the 3D experience, so their future role is also beyond doubt. According to a very apposite statement, „events are the social media of the offline world”, so I consider the joint examinations useful, which can show us, how we can reach synergy between online solutions and event marketing.

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