



MODULE 2

Part 2: Event role players



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**Disclaimer:**

These notes are adapted from the University of Cape Town and GetSmarter's course notes for Module 1 of the Events Management elective offered as part of the blended version of the UCT Postgraduate Diploma in Management and Marketing.

Learning Outcomes:

LO3: Identify the differences between buyers and suppliers of an event.

LO4: Review the different classifications of events.

1. Introduction

With understanding the different functions of relationships between the roles players in the events industry, there also needs to be an understanding of classification of events. Each role player has a specific role within the event and it is important to understand each role in order to organise and oversee a successful event. Large events, for example, tend to have buyers, producers, suppliers, and partners as well as other intermediaries and sponsors, while small or private events tend to only have buyers, producers and suppliers.

2. The three-sector classification of events

Events are produced by organisations for a variety of reasons. Getz (1997, cited in Tassiopoulos, 2010: 69), proposed a three-sector classification of events that can be used to determine the motivations behind the event and the role players involved. These sectors include:

- Private, for-profit organisations;
- Non-profit-making or voluntary organisations; and
- Government agencies or public-private groups.

Each of the three sectors are outlined in more detail in the following sections.

2.1 For-profit organisations

These organisations produce events on an individual basis or under contract in order to realise a profit. This is a common motivation in the corporate sector, where companies create events for marketing and sales purposes. In the travel and tourism industry, hotels, resorts, and other facilities make use of events to attract visitors and enhance their public image. Examples of this type of event are product launches and events created with the goal of financial reward. For example, the organisation of a carnival where tickets are sold to make a profit would be categorised as a for-profit event. These types of events do not



necessarily have to indicate an actual profit, but they will all have the goal of increasing profits – whether it be through the exposure of a certain product, which may lead to increased sales at a later stage, or by increasing visitors, as would be the case with an event held at a hotel.

2.2 Non-profit making or voluntary

Charities and causes frequently organise events in order to attract revenue and support for their cause. These events are normally organised by community-based societies and volunteers (informal groups), and are normally held for the benefit of the whole community.

In this case, the goal of the event is not to generate revenue for the event host, but rather to use the event to generate revenue to support a cause or charity. However, not all role players at these types of events are volunteers; event agencies and suppliers still profit. However, the overall financial goal of the event is to raise money. Often, sponsors will provide the capital that is required to host the charity event. In other words, they will provide the money to pay the suppliers. The 1st for Women Sisters with Blisters walk with Jacaranda FM is an example of an event that is held to raise money for Women and Men Against Child Abuse and the Department of Social Development's White Door Centre of Hope.

Social events can also fall under this heading, as they are not profit driven; they are used to celebrate a life cycle or pay tribute. Therefore, events such as weddings, birthday parties and funerals can fall under this sector.

2.3 Government agencies or public-private groups

Leisure and social agencies frequently organise events to promote sports, health or social integration within a community. These events are often organised in conjunction with municipal or government partners. Agencies involved in economic development and tourism host events to help generate employment and income, and arts and cultural agencies stage events with the aim to foster appreciation and participation in the arts.

These types of events have a different purpose to most, in that they create awareness and foster appreciation for certain disciplines.

3. The buyers

Buyers are essentially companies, agencies, governments or individuals who employ the services of various agencies, event companies or event managers to stage their events.

There are generally four types of buyers:

1. Corporate
2. Association



3. Government
4. Social

These will be discussed in more detail in the following sections.

3.1 The corporate buyer

The corporate buyer (otherwise known as the business buyer) can be described as operating within the business market.

Corporate buyers are essentially event organisers who work for corporations that are tasked primarily with generating a financial return for their owners. These include manufacturing and service organisations and they are located in all sectors of industry (Tassiopoulos, 2010:71). They are companies or business organisations represented by their own internal event manager or an outsourced event manager acting on their behalf. The corporate buyer tends to host events such as seminars, conferences, meetings, gala dinners and team building functions.

Not many organisations have dedicated event management departments and many either outsource their events or delegate this task to employees for whom it is not part of their normal day-to-day job. Identifying the corporate buyer is therefore quite a difficult task for those wishing to market to them.

Staff involvement in organising events varies; they may be required to simply outsource and hire an external event manager, or they may be responsible for the whole event. Rogers (1998, cited in Tassiopoulos, 2010:71) estimates that up to 80% of corporate organisers have received little training in events planning. This is largely due to the fact that the event-planning role accounts for only a small percentage of their overall job description and responsibilities.

Companies that do have event management departments may downsize these departments first in times of economic recession, and sometimes re-employ these employees on a freelance basis when needed (Tassiopoulos, 2010:71).

Smart tip

Do not overlook the secretary or personal assistant role as a corporate buyer. They are often the ones tasked with organising the events for a company, and they potentially source the event manager, do all the hiring and liaise with the suppliers.

3.1.1 The three corporate event segments

According to Shock and Stefanelli (1992, cited in Tassiopoulos, 2010:71), the corporate event market can be divided into three segments:

1. **Shallow:** These are generally low-budget events with short lead times. For example, a morning seminar at a company requires a caterer to bring in a few tables and chairs, some tea and coffee, and deli platters. These clients tend to shop around for



the best prices; they have a limited budget but require good service and quality. A shallow client has the potential to become a mid- to deep-level client at a later stage.

2. **Mid-level:** These events are normally planned in advance, and pricing is an important factor to consider, although clients are unlikely to fight over small expenditures. An example of a mid-level event would be the launch of new office premises or a product launch where a fair number of guests are invited and a celebration is held. A venue will be sourced, catering ordered and décor brought in. It is important that these events are unique, but also consistent with the status of the company they represent. This segment can lead to a lot of repeat business as these types of events can be staged on a regular basis. Business executives are trained to shop around for best prices, but once they have experienced good service they can be very loyal.
3. **Deep:** This segment involves expensive, upmarket events, and cost is not a main consideration. Although some of these larger events may move around the country, the majority of them do take place at the same destination on a regular scheduled basis. These events are sometimes planned years in advance. For example, for the World Economic Forum on Africa, delegates from all over the world come together to discuss economic matters. This event is held annually in Cape Town or another African city.

Corporate events are generally held in hotels or unique venues. Very seldom are they held in civic venues, as these are too basic. In contrast to association events, the majority of corporate events also have a fairly short lead-time, with just a few weeks or months of planning (Tassiopoulos, 2010:72). Generally, attendance is small, up to 100 guests. The budget for a corporate event is usually higher than for an association event, as the corporate is paying for it and not the delegates themselves. Corporate events have traditionally been perceived as a break from the normal workday. However, due to the necessity of being able to measure the effectiveness of all corporate investments in activities, corporate events are becoming increasingly more business related (Tassiopoulos, 2010:72).

3.2 The association buyer

Association buyers represent a fairly wide range of organisations, including voluntary associations and societies, trade unions, religious organisations, professional and trade associations, political parties, and charities and civic groups (Tassiopoulos, 2010:72). Few association events are primarily profit driven; their main goal is to provide a service to their members or community. These events must still be run professionally, however, as they are often in the public eye and generate media exposure (Tassiopoulos, 2010:73).

The Old Mutual Two Oceans Marathon and the Pick 'n Pay Cape Argus Cycle Tour are two examples of events organised by associations. These events are funded mainly through large sponsorship deals with Old Mutual, in the case of the Two Oceans, and the Argus, in the case of the Cycle Tour. They are not big budget events and are fairly basic by nature and design, although both include corporate hospitality areas (which are generally managed by the main sponsor or an outsourced hospitality provider, and tend to be on a higher level than the rest



of the event). Association events always have to cover costs and make a small profit to subsidise their administration and running costs.

Common characteristics of association events:

- Delegates attend the events voluntarily.
- The accommodation range varies from bed and breakfast establishments to five-star hotels.
- Delegates often have to pay their own expenses due to the minimal event budgets.
- The number of attendees will most likely be higher than at corporate events.

(Tassiopolous, 2010:73)

A committee usually makes decisions regarding association events. An event manager is then chosen to do research into venues and associated costs. Destinations often produce detailed bid documents as they do with corporate events, outlining how they can help the event be more successful. The local tourism office of a destination may be required to make a formal presentation to the association in competition with other destinations that have been shortlisted (Tassiopoulos, 2010:73). Lead times for association events are generally much longer than for corporate events, and sometimes venues and host cities are booked years in advance.

Often, spouses will accompany the delegate, and spouse programmes are designed to entertain the spouse while an event is in progress. Tours and activities are organised for them. Venues are generally established large-scale public venues to accommodate the large numbers of attendees, and hotels are often booked at group rates. Taking all these considerations into account, large association events can have big budgets and they can be profitable from an event management standpoint.

3.2.1 The SMERF market

The association event market is also known in the industry as the SMERF market, which stands for “social, military, educational, religious and fraternal” (Tassiopoulos, 2010:72). The fraternal segment, which is made up of groups like the Round Table, is one of the larger segments. They meet regularly and generally in the same place. The military segment is large in areas near military bases, where there are parades, awards ceremonies and events for military families. This segment is far more prevalent abroad in countries like the USA; South Africa has a very small market for this segment.

The SMERF market is not as profitable as the corporate market, but it does fill the gaps that the corporate groups are not likely to (Tassiopoulos, 2010:73). Event managers and venues generally fill their off-peak calendar dates with SMERF events, scheduling them between more lucrative events. The SMERF market requires similar events to the corporate market, including meetings, educational functions and training sessions.

The SMERF market is generally very loyal; once they find a venue that suits their needs and their budget, they tend to stick to it. Therefore, many venue and event managers specifically



target the SMERF market as it is reliable and it focuses on building relationships, unlike the corporate market. The SMERF market is becoming increasingly diverse and expanding into the arenas of sports, special interest groups, ethnic and cultural groups, as well as talent organisations, among others.

3.3 The government buyer

The government buyer is similar to the association buyer and includes local authorities, central government departments, health agencies, and educational bodies. Government buyers are also non-profit making and are accountable for how they spend public funds. Delegates for government events are not usually expected to pay to attend these events, and these events are therefore, in general, run on tighter budgets and use less-expensive venues (Tassiopoulos, 2010:74). However, some government events have very large budgets and use extravagant venues, depending on the purpose of the event.

The government buyer is not trained in events and therefore requires a lot of guidance and support from an event manager. As an event manager, it can be rather tricky working with government buyers due to a lot of red tape and a delay in getting answers and payment. However, once a relationship has been established, they can be fairly loyal and lucrative clients.

3.4 Social buyer

Social buyers refer to individuals hosting private events. They could be life cycle events such as birthdays, weddings and funerals, or they could be celebrations or parties to recognise an individual. These buyers would bring in an event manager to manage the planning of the event from start to finish and would most likely want to be quite involved in the planning. The social buyer tends to be more emotionally invested in the success of the event than the other types of buyers, as the events that they host are personal.

4. Conclusion

It is important for the event manager to recognise the significance of each role player's contribution and to build good relationships with the various parties involved; this will ensure long and fruitful partnerships between the event manager and key role players within the industry.

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