

# EVENT MARKETING: HOW SOCIAL MEDIA START-UP SEETIES APP ACQUIRES USERS IN INDONESIA

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## Abstract

*This study explores the event marketing as apart of marketing mix practiced by Seeties App, a social media start-up, to acquire users in Indonesia. Event marketing is a part of marketing strategy taken by Seeties App to acquire potential users in Indonesia. This is a case study research and exploratory qualitative research. We use primary and secondary data. The primary data is gathered by; interview the Seeties's management in Indonesia and observation the process as participatory observation. The, secondary data is acquired through company's data, and third parties. The result of this study shows that the event marketing strategies used by Seeties shows that they do not have competitive advantage. By the VRIO analysis, we can conclude that the strategy has competitive parity. The strategy is valuable but not rare and inimitable. The failure to exploit the strategies, possibly lead the company to competitive disadvantage. Even though this marketing strategy gain no competitive advantage. However, this event marketing is very efficient related to company weakness and lack of strength as in startup phase. The analysis by using TOWS matric, the company shows that they are capable to minimize the threat and weakness even though the company is struggling exploit opportunity. The company seeks the higher chances of marketing tools give exact number of new user rather than using tools that may highly cost but less of impact to the company.*

**Key words:** *Event Marketing, Social Media Start-up, TOWS analysis, VRIO analysis.*

## Introduction

Business platform has been shifted from traditional model to digital based technology (Westerman and Bonnet, 2015). Software developer realized that smartphones has replaced many core functions of personal computers, such as e-mailing, instant messaging, web browsing, and even gaming (Rakestraw, 2012).

Microblog is short version of blog with limited amount of data uploaded. This platform developed from email and IM (instant Massaging) as the technology development in knowledge and information sharing (Yanto, 2011). The microblog web and app is currently growing very fast. Facebook and Twitter were launched in 2006. In 2010, Facebook has

grown up from 129 million to 1,385 billion users and Twitter's have grown up from and 30 million to 307 million. There are 2.317 billion active users around the world and in Southeast Asia. Techinasia.com shows that currently there are more than 232.9 million social media users and 192.7 million active in mobile social media. In Indonesia, data released from the same source confided that the monthly active users in Indonesia are 72 million people. Statista.com predicted that this amount will increase to be 109.8 million in 2018. By this opportunity and success story of Facebook following Twitter, currently appear some of microblogging app and web startup that offer many differentiations in hope they can gain new user. One of that microblogging startup developed in ASEAN is Seeties.

Seeties is microblogging app and web, which is providing a combination between, socialize and business proposes. The users are able to post activities as well as promote the place (location), product, event or other activities. In the Seeties app, the users are able to find the location in the post. Founded by David Lim and Elbert Lai, the mission of the Seeties app is making city life happy and meaningful. This app has been spread in Indonesia, Malaysia, Thailand, Singapore, Taiwan and Philippine. However, being a startup company is not an easy way to deal with. The company has to struggle to think a better way to gain users effectively and efficiently. In addition, the company tried to find the solution of how to find the high chances of acquiring user while the competition is very big. Answering these issues, Seeties come up with event marketing as their main marketing strategy uses in Indonesia.

Seeties found the opportunity of digital app in line with the increment of Internet, and mobile app's user around ASEAN especially in Indonesia. Even though it looks like it promises a huge of success, however this type of business need the proper strategy to gain the user intention. This is affected by challenge of acquiring user while the competition in the social media is very huge. Besides, Seeties is a startup company, which more likely hard to find the new user as it has disadvantage of limited resources.

The strategy is the headline issue. The strategy should be able to adapt the company situation, competitiveness and user behavior. User is the most important part of the business model. If the active users are growing, the business is able to run. Otherwise, if the company unable to acquire new active users, that will directly impact the activities of the business.

## **Literature Review**

### *Event Marketing*

Event marketing is an attempt to coordinate communication around an self- created or sponsored event. The event is an activity that gathers the target group in time and room, a meeting where a message is communicated and a happening is created (Bahrer and Larsson, 1998). In the other hand event marketing defined as a tool for experiential marketing that focuses on consumer experiences, and treats emotionally and rationally driven consumption as a holistic experience (Schmitt, 1999). The definition supported by Shimp (1993 ) as practice of promoting the interests of an organization and its brands by associating the organization with a specific activity" (Shimp, 1993, p. 8; Van Heer- den, 2001).

Usually, the main purpose of an event is to create, enforce or sustain the corporate image of the organization (Eckerstein, 2002). In other word, event marketing is used by the marketers to communicate the products. The communication uses the "pull" marketing as it aims to get closer to the consumer and stick to their feeling and emotion not by "push" their product.

However, the main idea behind and event marketing is to give experience to the costumers. The costumers are able to touch directly the product. Thus, this experience can

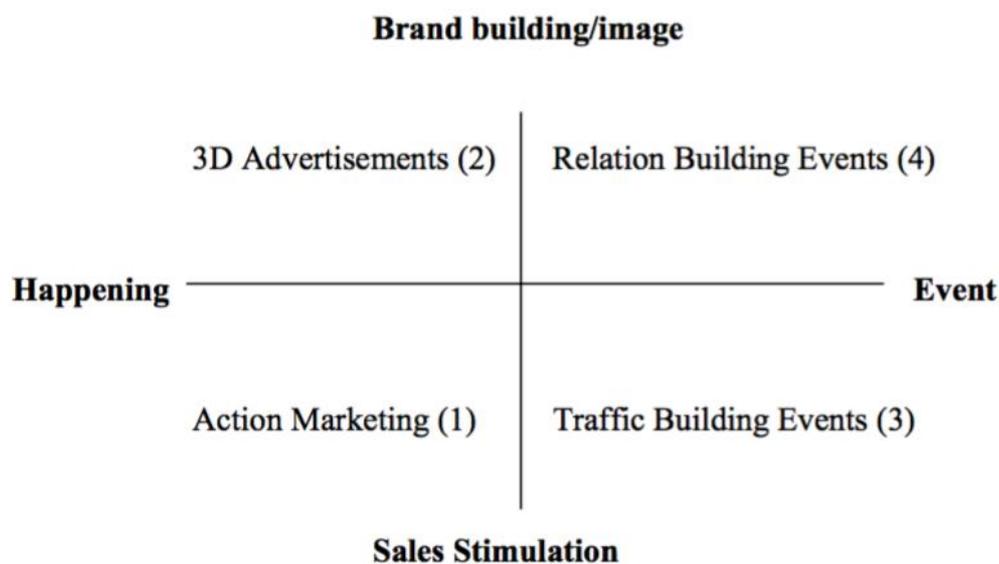
build brand awareness of a product. Firms use event marketing to accomplish a variety of goals. Brand awareness, sales, and image enhancement are the common reasons for participating in event marketing (Gardner and Schuman, 1987; Gross, Traylor, and Shuman, 1987; Sneath, Finney, and Close, 2005).

In the marketing mix, the event marketing shows as the essential part of marketing promotion. Other marketing tools that go under that section are advertising, sales promotion, personal sales, direct sales, public relations, and sponsoring (Eckerstein, 2002).

According to Bharer and Larson, there are two characteristics that create differences in event marketing. First, the even is pre-communicated or in the other word the team is able to control who attends or seconds, the event just happens.

Based on brand building and sales stimulation related to happening and Event, there are several type of event marketing including 3D advertisement, relation building, action marketing and traffic building events. Each type represents the condition and differences of event marketing related to the audiences, places and tools used.

Figure 1  
Event Marketing Based On Brand Building And Sales Stimulation



Source: Eckerstein, Anna, 2002 modified by Bahrer and Larson

The 3D advertisement is not event marketing by definition. It is an unexpected happening in a situation. For example, a product display is considered as 3D advertisement. The products often being expose by the media and further more get the advantage of free publicity. However, this advertisement built gains plenty of attention, which is only similarity of event marketing. Besides, 3d advertisement required more active consumer.

Action marketing is defined as an event that creates direct sales. This marketing invented by Swedish commercial industry in order to differentiate happening oriented sales promotion and traditional sales promotion (Behrer and Larsson, 1998). The difference between action marketing and sales promotion is that action focusing to gather all the activities in order to create sales. However, traditional sales promotion is focusing on discount coupon.

(Eckerstein, 2002). This marketing usually is the last step to create a decision whether the consumer will buy the product or not.

Traffic Building Events are *events have the objective to gather the target group in time and room, and should try to create a meeting between attendees and organization* (Eckerstein, 2002). One of the examples of traffic building event is exhibition in big malls. In order to increase the traffic, the company may add band concert or any other performances. The events may contain more than one companies or organization join in the same event. In addition, the consumer's aim not only sees and experience but also buy the product.

Relation building event is an event that creates long term and cost effective link among consumers, and relationship between company and consumer. The difference between relationship event and other event is that the relationship event conducted focus on emotional involvement in specific ways. For example is multicultural activities or high quality concert. In the other hand, some of people disagree about this opinion. They believe that relationship marketing is only a way mass communication without build relationship. in order to build relationship, the company should find out how the consumer wants to be communicated (Beertema, 1999). However, some people also believe that the collecting information is part of the process. (Malin Andersson & Anders Wesslau, 2000)

### *Micro-blogging*

Mobile application is classified by two, Native apps and mobile apps. Native apps is refers to all the application integrate directly with the mobile device's operating system and able to interact with its hardware much like the software on a personal computer. However, Mobile app is Mobile Web applications which run directly from an online interface such as a website. These applications typically cannot manipulate a device's hardware and are limited to the web application's APIs rather than the programming packages found on the phone (Rakestraw, 2012).

These mobile phone apps, developed and marketed at different places according to operation system. Currently there are two dominant operating system Google's Linux-based open source Android Operating System and Apple iPhone Operating System (iOS) (Rakestraw, 2012). Android put the apps in Google Play while Apple put it on App store.

Microblog is part of social media which is defined by Kaplan & Haenlein (2010, p. 61) as *"a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content"*. Social media is digital platform that become the media where user is able to interactively socialize. Mostly sharing opinion and knowledge. From general, social media characteristic that has not had limitation before is shrinking as developer try to innovate the social media with limited amount of text, defined as microblog.

Microblogging is a new form of communication in which users can describe their current status in short posts distributed by instant messages, mobile phones, email or the Web. (Akhsay, 2007). As the term "Microblogging", it is a social media working as a blog in the short. Compare to regular blogging, the microblog designed to be faster communication platform, in real time condition. There are several traits defined microblogging (Yanto, 2011) including:

1. *Distributed*<sup>[SEP]</sup> information spread and sort based on respondent need. User will select the information needed.<sup>[SEP]</sup>
2. *Inclusive*<sup>[SEP]</sup> system works as web- based with low bandwidth consumptions in order to ease the user with the internet.

3. *Intuitive* - the system is user friendly with short leaning curves.
4. *Holistic* - integrated between information or other communication needs.
5. *Good Enough* - system provides notifications and guideline to operate the system.
6. *Self Sufficient* - system needs minimum technical support as it operates as web-based.
7. *Subservient* - all users abides the system terms and conditions as the platform is identical.
8. *Vibrant* - very easy to be updated and developed, do not need one by one installation for each user. □
9. *Customizable* - very easy to set. As it needs setting facility provides by system.
10. *Contagious* - tends to have “*utilization snowball*”, the user progressively excited along with the frequency of using.

### *Start-up Company*

Ries (2011, p. 27) defines a startup as “*a human institution designed to deliver a new product or service under conditions of extreme uncertainty*”. That definition doesn't mention about size of the company. A startup company can be a large company or small company.

The limitation of source, create some risks (Andy Saputra, 2015) including:

1. Model Business risk: due to the startup company trial and error implementing their idea.
2. Technology risk: the risks that appear while the company using the new technology that they never use before.
3. Business execution risk: the risk that appears because of the limited experience while execute the business such as marketing, selling and any other operation.
4. Market risk: the risk of the limited knowledge whether or not new product will be accepted well in the market

In Indonesia, startup companies have grown very fast in line with the enthusiastic of entrepreneur in this digital industry (Saputra, 2015). However, a lot of startup companies in Indonesia have fallen since 2011. It caused by limited investor due to natural characteristic that challenge the company.

Damodaran (2009) in an academic journal article explained characteristic of startup and young company:

1. No History: they are having very limited source of history. Some of the company has only one or two year data available on operation and financing.
2. Small or no revenues, operating Losses: the revenue generated from the young companies is very limited, small, or even non-existent. The company focus on establishes business rather than generating revenue. Thus, they may suffer significant operating lost.
3. Dependent on private equity: at the beginning, most of the company equity is belong to the founders (family or friend). As the future is promising, while the company need more capital, venture capitalist become source of equity capital.

Many don't survive: most of startup is very hard to survive. It caused by the limited resource while compete with other startup, or big companies

### **Methodology**

This research is an exploratory qualitative research. In this research we tried to understand how the startup digital company implements event marketing to grabs Indonesian market. According to Marshall and Rossman (1999) exploratory research is used to investigate little understood phenomena.

The data is taken from primary data and secondary data. The primary data is taken through two sources; interview directly Seeties management in Indonesia and observation the process

as participatory observation. However, secondary data is acquired through company’s data, and other related research.

**Research Finding & Discussion**

*TOWS*

This is one of the strategies in event marketing, which analyzed by TOWS analysis given below:

Table 1  
TOWS Analysis

	Strengths	Weakness
	<ul style="list-style-type: none"> <li>• Focused platform by sharing place destination.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited fund and human resources.</li> <li>• Lack of history.</li> <li>• Small and no revenues yet</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Big social media user.</li> <li>• A lot of travel destination.</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives to push trial user.</li> <li>• Free Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Using volunteer/ intern to introduce the products</li> <li>• Payment Based Project.</li> </ul>
<b>Threats</b> <ul style="list-style-type: none"> <li>• Some of the society may not aware of technology.</li> <li>• Big competition among microblogging apps.</li> <li>• Unenthusiastic of microblogging.</li> <li>• Alternative apps</li> </ul>	<ul style="list-style-type: none"> <li>• Focusing introduce platform to young traveler, high school or collage students.</li> </ul>	<ul style="list-style-type: none"> <li>• Require exact number of new user for each volunteer.</li> </ul>

The analysis given shows the strategies of Seeties related with each relation of strength, weakness, opportunities and threats. As startup business that suffers, the strength of Seeties is very limited. We found that the only Seeties Strength is from its unique differentiation. This is also the strategy used by Seeties to differentiate itself from regular microblogging. In the other hand there are some crucial limits in the company such as human resources, fund, and lack of history. This is very crucial problem for Seeties to be highlighted.

Based on the analysis above it is suitable for Seeties to use event marketing considering weakness and strength they produce while at the same time should maximize opportunity and avoid threat.

In order to exploit strength to the opportunities, the first thing done is creating free platform. From the very first time the app is downloaded until the app is used, there is no any payment needed. This may take out the possibility to generate one of revenue sources. However, it is a best strategy as early startup to grab any user. The focus of Seeties as it should is grab users as much as possible.

Furthermore, Seeties collaborated with sponsored event producing a lot of discounts and incentives in order to make the potential user use sign the app. In the other hand, to manage threat through its strength, the company focuses on introducing the platform to more potential consumer such as High school and collage student as well as traveler who has better chance to join the app.

To overcome its weakness to exploit the opportunity, the strategies given is using paid volunteer to manage limited human resources within its first year of its operation. The volunteers, to minimize cost however only paid based on the event. They usually get paid Rp.150.000 per event, which usually conducted about three hours.

The we found the threats of the company. First, some of the society may not aware the use social media. It found directly while we participatory observed the event marketing. There were some of people not used to in using social media. Usually, this kind of non-potential users are having less experiences in smartphone and has no any email addresses or any social media account. Second, we found that this micro-blogging has a big competition. Society, however are familiar and used to in using Zomato, Twitter or Facebook. This can possibly creates barrier to Seeties to gain active user due to their convenience. Third is unenthusiastic potential user. As event marketing strategy is to introduce when at the same time generates deal, the team very often found this kind of potential user. It is a big deal for Seeties to transform the unenthusiastic potential users to be potential active users.

In order to avoid the threat by using the strength, Seeties only introduce the app only by selected event, which offer selected potential user. The selection of the event is focusing on the traveler activity or young community. Seeties sees this as the opportunity to maximize very potential consumer (both traveler and young people) to be active users.

However, due to its weakness and threat, the volunteers in the event are given new account target per event. For example, each event consists of twenty people. By the time the event ended, each person should be able to bring back forty accounts in Seeties. It can be calculated that each event can bring up to eight hundred new accounts. By doing these strategies, Seeties is able to manage the unnecessary marketing cash out for uncertainty marketing tools.

### *VRIO*

Using the VRIO analysis, we try to find whether event marketing use by Seeties is competitive advantage or not.

#### a. Question of Value

First is to answer the question of value. Is the strategy use the resources and capabilities enable the company to exploit the external opportunity and neutralize the threat? The answer of this question is yes. By using the limited resources such as cost and human resource, the company is able to acquire targeted user. It also maximizes the use the

sponsor event that usually use as a branding to actively grab user at the same time. It is come out with a thought that this event marketing strategy is valuable for such a startup company. This strategy does not directly affect the revenues. However, this can be an alternative to minimize the cost

### b. Question of Rarity

Answering the next question, which is the rarity of the strategy used by other company, it supposed to answer whether the other competition firm that used this strategy? It seems like this event strategy is commonly used by other startup or even big company. Seeties however adapt this strategy from other companies. That infers that the company has no competitive advantage on rarity question. That Instead of only generated sales, some of companies use this type of marketing as the branding (Bahrer and Larson, 1998).

### c. Question of Imitability

Do firms without resources or capabilities face a cost disadvantages to obtain or develop the strategy? The answer is not. The event marketing strategy does not answer this question. There are no any distinct tools that prevent companies to imitate the strategy including unique historical condition, causal ambiguity and social complexity. That means that the strategy used is not matching the question of imitability.

### d. Question of Organization

This marketing strategy is valuable even though they are not rare and inimitable. However, the we found out that the strategy until the last process of event marketing done by Seeties was not well organized. From the screening of an event, Seeties already planed the target consumer, budget estimated, and the minimum exact user they gained. However there is no such standard procedure to organize all the activities.

Based on the analysis above we can infer that the event marketing strategy used by Seeties is competitive parity. It means that exploit the strategies will not give competitive advantage. The failure to exploit them may put the company to competitive disadvantage. This competitive parity is considered as strength without distinctive and sustainable competence. This competitive parity caused by the condition and character of startup company which more likely has limited revenue, resources, and company history. It needs more time for startup to create well-organized company while at the same time they struggle and try not to collapse.

## Conclusion

The big opportunities in Indonesia however creates dilemma for Seeties as Startup Company to acquire user. Limitation of resources and lack of history make the company have to find out the most efficient way to market their product. Analyzing the weaknesses, strength, opportunities, and threat, the management choose event marketing strategy as the main marketing strategy to grab new user in Indonesia.

The aim strategy is based on historical marketing that mostly Indonesia user is very hard to be interested on online marketing such as advertisement and mail marketing. Besides, some tools may require high cost and do not give significant impact to users acquirement. Event marketing strategy uses interaction and incentives to push the potential consumer try

the platform. By this strategy, the marketer can directly select potential user that may join through potential sponsored event.

The event marketing strategies used by Seeties shows that they do not have competitive advantage. By the VRIO analysis, we can conclude that the strategy has competitive parity. The strategy is valuable but not rare and inimitable. The failure of exploit the strategies possibly lead the company to competitive disadvantage.

Even though this marketing strategy gain no competitive advantage. However, this event marketing is very efficient related to company weakness and lack of strength as in startup phase. The analysis by using TOWS matrix, the company shows that they are capable to minimize the threat and weakness even though the company is struggling exploit opportunity. The company seeks the higher chances of marketing tools give exact number of new user rather than using tools that may highly cost but less of impact to the company.

It seems that the company only try to reach the target user in short term without considering on long-term users. For further strategies, it is recommended that Seeties should able to organize the marketing strategies and solved the problem of rarity, imitability and organization.

It is important for Seeties to not only acquire new accounts but also active users. The we recommends Seeties to:

1. Use Viral Marketing

Viral marketing is a technique where the company put a content that is designed to be easily shared by many people. For using creative video content for example, a startup company like Settees can advantage this viral effect to promote the app. When many people share the content, automatically it enhances brand awareness that can gain new users.

2. Pitch people or web to review the app.

As the digital app that offers experiences, it is important that the potential consumer to learn the app. This can be done through app review, whether it is personal review or website review. Sometimes, this can be done through other social media as well such as Instagram, or twitter. It is important that Seeties should assure that the reviewer has big influence to its followers.

3. Create blogger ambassador

To make this app popular, Seeties could try to create ambassadors that consist of popular people. This can be use to promote Seeties to the society. However, it may take more cost to signed contract with ambassadors.

4. Create award for consumer

The award for consumers, such a free ticket, tour or voucher can create a consumer engagement as well as attract new consumer to try as it very attractive incentives. Because it is costly, it does not have to be massive. Seeties can alternate to award a few of influence blogger, so that they can promote through their blog or social media.

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