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### **EXAMINING PESTEL ANALYSIS OF EVENT BUSINESSES IN MALAYSIA**

<sup>1</sup>Asmahany Ramely, <sup>2</sup>Mohd Fadzilillah Ab Talib, <sup>3</sup>Rozila Ahmad  
& <sup>4</sup>Noor Amalina Mat Yusof

<sup>1,3,4</sup>School of Tourism, Hospitality & Event Management, Universiti Utara Malaysia, Malaysia

<sup>2</sup>Boffin Event Management, Jitra, Kedah, Malaysia

<sup>1</sup>Corresponding author: [asmahany@uum.edu.my](mailto:asmahany@uum.edu.my)

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### **ABSTRACT**

This study aims to examine the impact of Political, Economic, Social, Technological, Environmental, and Legal (PESTEL) factors on event businesses in Malaysia. Using qualitative interpretive methods and data from in-depth interviews with 15 event managers, the study identified several external factors affecting event operations. The results show that political factors such as government policies, small business funding grants, and global trade agreements or restrictions can significantly impact event businesses. Economic factors such as exchange rates, labor costs, globalization, and economic growth or decline can also affect operations, while social factors such as consumer trends, tastes, buying habits, lifestyle factors, and population demographics can also play a role. Technological factors, including tools and technological advancements, incentives, and the widespread use of social media, are also identified as important. Moreover, environmental factors such as supply chain management, procurement, future pandemics, ethical sourcing, sustainable resources, weather and climate, risk assessment, multiracial sensitivity, and geographical location are found to impact event businesses as well. Finally, legal factors such as health and safety regulations, employment laws, common laws, and consumer protection laws can also affect event operations. Overall, this study highlights the importance of conducting PESTEL analysis to gain a comprehensive understanding of external factors that can impact event businesses. By using this analysis, event managers can develop strategies to mitigate risks and adapt to the changing market conditions. The findings suggest that event managers must remain vigilant in monitoring and responding to political, economic, social, technological, environmental, and legal factors to ensure the success of their operations.

**Keywords:** Event Businesses, PESTEL Analysis, Malaysia

## INTRODUCTION

The event sector is a people-oriented business. Event organizers work hard to fulfill people's needs and demands, which can vary and change over time. Therefore, event organizers put extra effort into delivering the best experiences, enjoyment, and excitement (3Es) to all event attendees. Maintaining the 3Es helps sustain event businesses and keep them relevant in the market. Staying relevant requires endless commitment and passion, and involves the collaboration of many players, including hotels, airlines, buses, travel and tour operators, production houses, venue owners, caterers, entertainers, booth suppliers and designers, and more (The Malaysia Convention and Exhibition Bureau (MyCEB), 2022). In addition to strong collaboration with other players, event providers must also strive to continuously improve their performance. This can be achieved through ongoing assessments and analyses. In addition to economic contributions, a detailed analysis is required for event sustainability (Wang et al., 2022). It is worth the effort to ensure the sustainability of this sector, as it is projected that by 2030, business events will attract 5.9 million delegates and contribute RM42.12 billion to the country, creating 25,833 job opportunities (MyCEB, 2022).

Furthermore, in 2019, Malaysia secured 1025 business events, which contributed to over 540,000 international business travelers to the country. In monetary terms, it is worth RM3.9 billion in direct expenditure, which generates RM9.2 billion in economic impact (Wong, 2020). Together with other sectors, events have been identified as an important contributor to Malaysia's national gross domestic product (GDP). Thus, to maintain and expand this contribution, a thorough analysis of event business performances should be regularly carried out. For this reason, the PESTEL analysis has been employed by many event operators (for example, Gregoric, 2014; Supery, 2021).

PESTEL is the acronym for political, economic, social, technological, environmental, and legal factors (Williams & Santos, 2021). PESTEL is also known as PESTLE, PESTEL, PESTLE, STEEPLE, SLEPT, and LONGPESTLE. The choice of acronym used depends on the situation, as all acronyms analyze the same six factors: Political, Economic, Sociocultural, Technological, Legal, and Environmental. PESTEL analysis helps event managers improve their business performance by providing an in-depth analysis of how events are affected by these six external factors. It is a tool for analyzing external businesses and determining how potential future trends may impact businesses within an industry (Vidani, 2015; Williams & Santos, 2021). Several studies have been conducted to examine the diverse analysis of external business factors as follows:

**Table 1**

*Types of analysis related to PEST*

Types of domains	Sector	Sources
PEST	E-commerce in China	Guan (2022)
PESTEL	Museums	Wright (2022)
	MICE	Gregoric (2014)
	Virtual events	Supery (2021)
	Tourism destinations	Vidani (2015)
SWOT-PEST Model	Large-scale sports events	Wang et al. (2022)

This research is unique because it presents a PESTEL analysis of 15 event companies. The insights gathered from the responses of 15 event managers can serve as a guideline and indicator by showing that different organizations (represented by the event managers) have varying perceptions of how political, economic, social, technological, environmental, and legal factors affect their business operations. While similar analyses have been conducted from the perspectives of a few different organizations (for example, He-Kiis, 2022), this study is the first of its kind to focus specifically on PESTEL analysis. Furthermore, there is a need for consistent examination of PESTEL factors that can affect event business operations, as this sector is fragile and easily affected by external factors (Zakaria et al., 2022). In the context of event businesses, there are limited studies that have employed the PESTEL analysis. Although their studies evaluated the same elements, some did not declare this effort as part of a PESTEL analysis for unknown reasons. Nevertheless, for any organization, especially event companies, the PESTEL analysis is a valuable tool that can assist in making strategic decisions across various scenarios (The Chartered Institute of Personnel and Development [CIPD], 2021).

## **LITERATURE REVIEW**

PESTEL analysis is one of the popular techniques used by managers for environmental scanning. It is designed to help event managers understand the influence of multiple factors that affect their business performances (Wang et al., 2022). An accurate PESTEL analysis can assist event managers in grasping the current situation, identifying potential threats to their event businesses (Wang et al., 2022), defining their business goals and scope of activities (Sukiennik & Kowal, 2022), and laying a foundation for future development plans (Abdullah et al., 2022; Nicula & Spânu, 2019) that can meet market demand (Gregoric, 2014).

In addition to the benefits mentioned above, PESTEL analysis is also a useful tool for analyzing and understanding problems that arise in the market. This allows companies to facilitate the process of problem-solving (Supery, 2021). Indeed, the PESTEL model is a macroeconomic tool or indicator to measure business performance whilst identifying a problem and its components (Williams & Santos, 2021). Furthermore, PESTEL can help companies discover new potential. For instance, in Kerala, India, a PESTEL analysis in the region revealed new potential in tourism businesses. As a result, a new tourism company was established to cater to tourists who love to visit Kerala's natural beauty (Vidani, 2015).

### **PESTEL Analysis for Event Businesses**

The objective of this study is to understand how political, economic, social, technological, environmental, and legal factors affect event businesses. Political stability, where there are no bombings and cases of terrorism, has become one of the main factors for the growth of event businesses in Malaysia. As highlighted in a press release by The Malaysia Convention and Exhibition Bureau (MyCEB), as events are recognized as a miscellaneous and multifaceted sector that is easily affected and fragile, political stability is crucial. Furthermore, even businesses that suffered due to the global economic downturn in 2019 are now picking up pace again, and this sector offers lucrative and potential growth for the development of our country (MyCEB, 2022). In the PESTEL analysis,

political factors refer to the extent to which a government can affect business development, in terms of government policies, political stability, as well as trade and tax policies. In other words, a political analysis helps event managers understand the degree to which government intervention affects their business development (Wang et al., 2022).

Another component of the PESTEL analysis is the economic factor, which helps companies analyze how economic conditions affect supply and demand, which directly impacts a company's performance, including its financial growth or decline. Changes in interest and inflation rates are also important determinants for economic analysis (Wang et al., 2022). In the PESTEL analysis, the social analysis focuses on changes in the social and cultural market environment, which can indicate what customers want, such as emerging trends and population growth. Professional attitudes and demographic factors, such as age and beliefs, are also considered social factors (Wang et al., 2022).

Technological factors refer to technology-related factors that help event businesses develop and advance, such as technology packages, technical research and development, technology awareness and adoption rates, as well as new services or products. Technological innovation is also a factor that falls under the technological factor category and can affect event business development. On the other hand, environmental factors focus on ecological and environmental factors that impact a business's operations or customer demand, such as access to renewable resources, weather or climate changes, and corporate responsibility initiatives. Legal factors refer to legal restrictions or mandates in the nations or regions where a corporation conducts business. This includes health and safety regulations, labor laws, and consumer protection legislation. In summary, legal factors refer to all factors related to the legislative domain (Martínez-Vázquez et al., 2022) that correspond to event business operations. Table 2 illustrates the components of PESTEL and their external factors according to various sources.

**Table 2**

*Components of PESTEL and Their External Factors According to Various Sources*

Component	External factors to consider	Sources
Political	Government	
	Political/governmental stability	
	International relations	
	Tax policy	
	Industry regulations	
	Global trade agreements or restrictions	
	Level of bureaucracy	
	Foreign trade policy/ regulations	
	Small business funding grants	CIPD (2020) Gregoric (2014)
	Policy development	Martínez-Vázquez et al. (2022)
Economic	Welfare of community	Nicula & Spânu (2019)
	Exchange rates	
	Globalization	
	Economic growth/ decline	
	Inflation and interest rates	
	Cost of living	

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Social	Labour costs Consumer spending habits Business cycle Stock market performance Consumer confidence Unemployment trends Consumer trends/ tastes Fashions Consumer buying habits Purchasing power Lifestyle factors Career attitudes Work-life balance Population demographics Health consciousness Education level Emphasis on safety, religion, and beliefs	
Technological	Automation Innovation Disruptive technologies Social networking upgrades Robotics Artificial intelligence Security Technology Incentives Technology lifecycle Rate of technological change Role of the Internet State of technology	CIPD (2020) Gregoric (2014) Martínez-Vázquez et al. (2022) Nicula & Spânu (2019)
Environmental	Environmental restrictions imposed by in-country governments Sustainable resources CSR (Corporate social responsibility) Ethical sourcing Transportation Procurement Supply chain management Future pandemics Geographical location Weather, climate, and climate change Pollution, and waste management Attitudes towards “green” or ecological products and renewable energy/sustainability	
Legal	Employment law Common law	

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Legal	Local labour law Health and safety regulations Discrimination law Anti-trust law Intellectual property law Consumer protection law Health and safety law Tax regulations Advertising standards Product regulations Healthcare laws Retirement laws	CIPD (2020) Gregoric (2014) Martínez-Vázquez et al. (2022) Nicula & Spânu (2019)
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## METHODOLOGY

To gain a deeper understanding of how political, economic, social, technological, environmental, and legal factors affect event businesses, the researchers in this study employed a qualitative approach using in-depth interviews. The in-depth interviews allowed the researchers to explore the experiences, perceptions, and perspectives of the event managers regarding the influence of political, economic, social, technological, environmental, and legal aspects on their industry. The qualitative nature of the study was appropriate as it aimed at describing and interpreting the complex issues and phenomena surrounding event businesses as seen through the eyes of the participants.

To gather relevant data, the researchers targeted event managers with experience in managing events, including during the challenging period of the COVID-19 pandemic. The purposive sampling method was used to carefully select participants who could provide valuable insights into the impact of various external factors on event businesses. After conducting the interviews, the researchers performed thematic analysis to identify recurring patterns, themes, and concepts in the interview responses. They carefully analyzed and coded the data, extracting meaningful insights related to the impact of each external factor on event businesses. The thematic analysis process helped to uncover nuance details and diverse perspectives expressed by the event managers, providing a comprehensive understanding of the multifaceted influence of these external factors on the industry.

Based on the thematic analysis, the researchers categorized the interview responses according to the six broad categories namely political, economic, social, technological, environmental, and legal factors that affect event businesses. This categorization allowed the researchers to organize and present the findings systematically, highlighting the interconnectedness and interplay of these factors in shaping the event industry's landscape. By utilizing thematic analysis, the study contributes to the existing body of knowledge by presenting a rich and nuanced portrayal of how political, economic, social, technological, environmental, and legal aspects collectively impact event businesses. The findings of this research could lead to the development of new concepts and theories that enhance our understanding of the challenges and opportunities faced by the events industry in the face of external influences.

## RESULTS AND DISCUSSION

The interviews were conducted from Feb 2021 until Feb 2022. Within this period, we managed to gather responses from event managers struggling to sustain their business before, during, and after COVID-19. One important key fact that emerged was that COVID-19 changed the landscape of event business, and for some companies, surviving the pandemic necessitated them changing their business model. Before discussing the findings in detail, Table 3 presents the location, position, age, and gender of the event managers and the nature of their business. All their companies were event-based but served a specific market segment based on event types such as a workshop, training, weddings, dinners, entertainment, birthday parties, surprises, and personal celebrations. In addition, two managers were employed in both event and hotel operations. Most managers are experienced in both physical and virtual events.

### Demographic Profile

The demographic profile of the study informants is presented in Table 3. A total of 15 participants were recruited for the study, all of whom are event managers with experience in managing events before, during, and after the COVID-19 pandemic. The age of the participants ranged from 25 to 43 years old. Seven of the participants were female, and eight were male. The demographic profile of the informants in this study also revealed that nine participants operated their businesses from northern Malaysia; four are located in the Klang Valley, one on the east coast of Malaysia, and one from Sarawak. The companies they worked for are involved in various events, including workshops, training, weddings, dinners, entertainment, birthdays, surprises, and personal celebrations. Two of the participants are also involved in both event and hotel operations. Overall, the informants in this study are experienced and knowledgeable event managers from diverse backgrounds, providing valuable insights into how COVID-19 Malaysia affected Malaysia's event industry.

**Table 3**

#### *Demographic Profile of Informants*

Informants	Location	Position	Age	Gender	Nature of business
R1	Penang	Event Manager	25	Male	Privately owned event and communications agency
R2	Sarawak	Event Director	43	Male	Weddings, company annual dinners, parties, and more.
R3	Selangor	CEO	No info	Female	Event planning and project management services. Outdoor and virtual events
R4	Selangor	Event Manager	No info	Male	Events and exhibitions, virtual and hybrid, in-house production, and equipment rental.
R5	Kuala	Execution	29	Male	The launch event, roadshow,

	Lumpur	Director			grand opening, corporate dinner, virtual event, video production
R6	Kedah	Event Manager	38	Male	Webinar, workshop, and training provider – physical and virtual
R7	Selangor	Event Specialist/ Event Manager	29	Male	Accommodation providers, meeting and wedding service providers
R8	Kedah	Event Management and Consultant	41	Male	Event consultant emcee, deejay, photographer
R9	Penang	Event Executive	25	Female	Event infrastructure and equipment services, entertainment and talent services, creative concept and design services, custom-built structure and props making as well as advertising and promotional solution services
R10	Pahang	Owner, event planner	27	Female	Wedding planner and caterer
R11	Kedah	Event manager		Male	Hotel rooms, apartments, event space, wedding, restaurant, and food delivery
R12	Penang	Event Manager	30	Female	Corporate, social, and promotional gatherings
R13	Kedah	Sales Manager	No info	Female	Function room and grand ballroom catering, coffee service, audio & and visual equipment
R14	Kedah	Event Manager	27	Female	Catering and event planner
R15	Perak	Event Planner	27	Female	Fairy surprise party and event planner

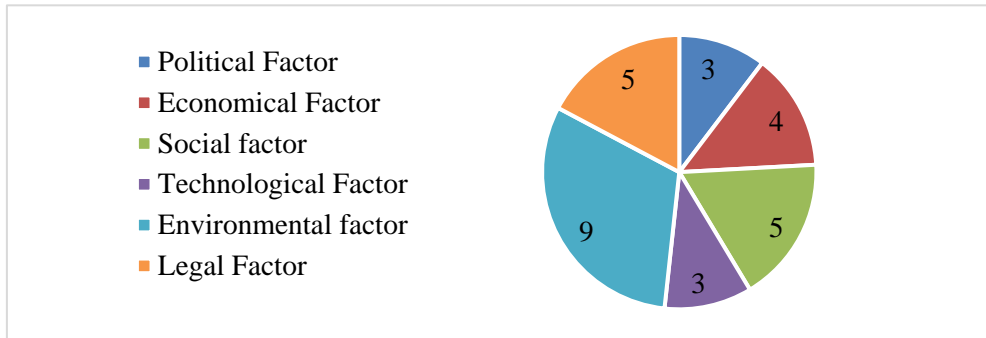
### **PESTEL Analysis According to Managers' Responses**

Figure 1 presents the dominant factors that influence event business operations. The analysis revealed four political, five economic, five social, three technological, nine environmental, and five legal factors.



**Figure 1**

*Summary of Factors According to PESTEL Analysis*



**Political Factors Affecting Event Businesses**

Table 4 summarizes the political factors, along with the related responses and the informants who mentioned them. The response summary provides a detailed picture of the effect of each factor. Overall, it can be observed that political factors have the least impact on event business operations. Taking into consideration the feedback provided by multiple event managers, three political factors were recognized, which were highlighted by Informants 1, 7, and 8. Informant 1 specifically noted that the prohibition of large gatherings due to the COVID-19 pandemic resulted in significant financial losses for the business. To recover from the loss, right after the movement control order (MCO) was lifted, the event manager expected the government to quickly produce a proper policy and guidelines for hosting of events post-COVID-19. Other than policy, financial aid and assistance during the crisis were significant for event managers to sustain their business (Razali et al., 2023). Other than business sustainability, government aid is also crucial to rejuvenate businesses after the crisis. However, it should also be noted that the number of virtual events increased due to the ban on events that involved mass gatherings (Zakirai@Zakaria et al., 2022).

**Table 4**

*Political Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Government policy	R1	The delay in producing or permitting guidelines further undermined the event sector's ability to operate their businesses, as event managers were left wondering about the proper procedures and safety implementation needed for their

		events. Therefore, governments need to provide clear and timely guidance to event managers, especially during times of crisis, to enable them to adapt and sustain their businesses.
Small business funding grants		Event managers acknowledged that the post-pandemic period had been a stressful time to recoup their business losses. They expressed gratitude towards the government for providing financial aid and assistance during this period.
Global trade agreements or restrictions	R7	The government's implementation of a mandatory lockdown did not stop this event manager from continuing their business operations. Rather than closing down, they seized the opportunity to offer quarantine packages.
	R8	The ban on mass gatherings compelled managers to shift their business from physical to virtual event platforms

### **Economic Factors Affecting Event Businesses**

The direct economic impact of the event industry, such as job generation and driver for economic growth, substantiates the need to protect and sustain this industry. In 2019, before the COVID-19 crisis, MyCEB managed to host 2651 events, worth RM16.7 billion; and for the year 2030, MyCEB plans to bring in events worth RM42.12 billion (MyCEB, 2022). Based on the interviews, event managers agreed that four economic factors affected their businesses: exchange rates, labor costs, globalization, and economic growth or decline. These factors helped managers analyze how economic conditions shift supply and directly affect their company's performance. Table 5 presents a summary of these economic factors, along with a summary of responses and who mentioned them. The response summary provides details on the situations created by each factor.

**Table 5**

*Economic Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Exchange rates	R2	The operational/organizational cost of some events increased due to the need to buy special equipment that had to be imported from overseas.
Labour costs	R2	After the lifting of the MCO, some attendees expressed a desire to attend physical events. However, hosting physical events requires hiring additional staff, which can increase the overall operational cost.
Globalization	R6	The transition from physical to virtual event platforms has compelled event companies to allocate budgets for purchasing software subscriptions, such as Zoom and Webex.
Economic growth/	R6	The ban on mass gatherings forced the company to switch from physical to virtual event platforms.

decline		However, this transition has proven to be beneficial as it eliminated the need to rent event spaces, cater food, and incur other expenses associated with physical events.
	R2	The challenge of securing sponsorships for events became harder, as many corporate entities were unwilling to invest in sponsorships.
	R10	Event managers need to plan and budget carefully as clients may have high expectations for their events but may allocate limited funds. For instance, in weddings, where clients may desire a trendy and luxurious ceremony, event planners must brainstorm creative solutions to meet their client's needs and requirements while staying within budgetary constraints.
	R11	Event managers ought to create a spreadsheet that outlines the total budget and estimated costs for an event.
Economic growth/ decline		It is crucial to discuss the budget with the team before finalizing it to ensure that everyone is on the same page.
	R12	The recent trend in event planning is to reuse equipment for events with similar themes. Event managers can also opt to create event decorations themselves to reduce costs, such as using inexpensive textiles for ceiling decorations and using table and chair covers made from affordable materials.
	R15	Proper budgeting is crucial when producing a quotation for clients as they may not be willing to pay extra charges in case cost increases. Event decorations, for example, can be costly, and there is always the possibility of quoted items being out of stock, which can increase costs and minimize profits. As the best practice, event planners should consider adding an extra 20% to the quotation price of decorations to ensure that unexpected costs are covered.

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### **Social Factors Affecting Event Business**

Social analysis involves examining how elements of social and cultural market environments, such as emerging trends, population analytics, and demographics, impact event business operations. Based on the interviews, 87% of the event managers agreed that social factors have the most significant impact on their business. These social factors include a shortage of labor, fluctuating consumer trends and tastes, buying habits, lifestyle factors, and population demographics. Table 6 presents these social factors, based on the interview responses, and elaborates on each factor in detail.

**Table 6**

*Social Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Shortage of manpower	R1	When the pandemic hit, the manager had to let go of some staff members. When operations resumed, there was a shortage of manpower available to work on events.
	R13	The lack of staff is also a common challenge faced by event managers.
	R14	The nature of events as project-based makes it challenging for event managers to hire permanent workers, and they often rely on part-timers to work during events.
Consumer trends/ tastes	R2	Due to COVID-19, attendees were sceptical about attending physical events, and many continued to refuse to do so.
	R6	Many clients prefer virtual events due to their flexibility and cost savings.
	R9	When attendees request the repackaging of food during events, it causes additional costs for the manager, who must provide the necessary packaging materials.
	R11	Some attendees were dissatisfied with the event theme due to communication issue.
	R15	Some customers have exceptionally high expectations and want outstanding and unique results, especially for events like a kid's birthday party.
Consumer buying habits	R1	As an event planner, it is crucial to politely decline minor requests made by clients during the event. Even the smallest oversight can lead to the failure of the entire event, so it is essential to manage client expectations and prioritize the smooth running of the event.
	R3	Clients with limited budget often have high expectations for their events, making it challenging for event managers to deliver a successful event within budget constraints.
	R4	When a customer makes a last-minute request that is impossible to fulfil, it can disrupt the entire event planned and cause stress and frustration for the event management team. Thus, event planners need to communicate clearly with their clients and set expectations earlier on to avoid last-minute changes that could affect the success of the event.
Consumer	R10	A potential issue during event planning is when a

buying habits		customer fails to arrive on time. Proper time management is crucial in event planning, and delays caused by late customers can disrupt the entire schedule.
	R11	Crowd management is crucial in event planning as crowds can present a variety of challenging situations and behaviors.
	R15	Customers who request changes to the menu at the last minute can create challenges in controlling the amount and type of food being prepared for the event. It is important to strike a balance between having enough food for the guests without going overboard and ensuring the buffet looks presentable throughout the event.
Lifestyle factors	R5	After the pandemic, people all over the world have adopted new lifestyles and social norms. As a result, event managers must stay up-to-date with current and future event trends to remain marketable to potential clients.
Population demographics	R7	Event managers must continually update their knowledge and expertise, particularly in protocol and VIP handling, seating arrangements, and the appropriate use of red carpets when receiving distinguished clients.

### **Technological Factors Affecting Event Businesses**

Technological factors are technology-related factors that help event businesses to grow and advance. Based on the interview responses, most event managers regarded innovation, technology incentives, and social networking upgrades as technological factors affecting their business performances. Table 7 presents a summary of technological factors, along with a summary of responses and who mentioned them.

**Table 7**

*Technological Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Innovation - Tools and technological advancements	R2	Facilities and equipment for events need to be carefully considered to ensure smooth and successful execution of the event.
	R6	Event managers need to stay updated with the latest software and technology used for webinars and training sessions.
	R12	Events can be complex, but event managers can

Technology incentives	R8	use project management software to help ease the workload. Platforms like Trello provide event planning templates to help managers start on the right foot and ensure that all aspects of the event are properly managed. When transitioning from physical events to virtual events, event managers need to be equipped with the right expertise and skills to host virtual events. This may include understanding the technology and platforms used for virtual events, knowing how to engage attendees virtually, and ensuring a smooth and seamless experience for all participants. Event managers may also need to adjust their event planning and management strategies to account for the unique challenges and opportunities presented by virtual events.
Upgrades — Widespread use of social media	R1	This event management company advertises part-time job openings on various social media platforms, including its official website and Facebook page.
	R15	Event managers can leverage social media marketing to promote their events and create brand awareness. By posting engaging videos and images related to their past events, they can showcase their expertise and attract potential clients. They can also create a unique brand identity by developing a distinctive logo and using it consistently across all their social media platforms. This can help strengthen brand recognition and make it easier for people to associate their events with their company.

### **Environmental Factors Affecting Event Businesses**

Environmental factors refer to ecological and environmental factors that impact a business's operations or customer demand. These may include access to renewable resources, weather or climate changes, and corporate responsibility initiatives. According to the interviews, 67% of the managers agreed that environmental factors such as supply chain management, procurement, future pandemics, ethical sourcing, sustainable resources, weather and climate, risk assessment, multiracial sensitivity, and geographical location present external impacts on their business operations. Table 8 provides a summary of the environmental factors, along with a summary of responses.

**Table 8**

*Environmental Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Supply chain management	R3	The success of an event is reliant on various parties, and if a partner or vendor offers poor

	<p>service, it can tarnish the overall reputation of the event company.</p> <p>This also reflects the event manager's inexpertise in coordinating an event effectively.</p>
R9	<p>It is important to handle event equipment with care, especially when dealing with items used in decorations that are made from fragile materials such as glass and cardboard, as they often require special attention and maintenance.</p>
R10	<p>The DJ scheduled for a wedding event who arrived late or failed to show up can tarnish the image of the event company.</p>
R11	<p>The performers or guests who were expected to attend the event did not show up.</p>
R5	<p>To prevent miscommunication, event managers need to use an inquiry form.</p>
R7	<p>Due to miscommunication, the vendor used the main entrance for loading their items at an event, instead of the designated loading bay. This confusion gave a negative impression to the guests arriving through the main entrance, which was intended for their use.</p>
R8	<p>Effective communication is crucial in planning an event to ensure smooth coordination among all stakeholders, including attendees, vendors, and emergency services. Miscommunication or lack of communication can lead to confusion, delays, and even safety hazards. Event managers should establish clear lines of communication and ensure that everyone involved is aware of the communication channels and protocols. This can include regular meetings, written instructions, and training sessions for all parties involved. By prioritizing clear communication, event managers can help ensure a successful and safe event for all.</p>
R12	<p>Misunderstandings can occur when staff members do not fully understand the instructions given to them. This may happen if the instructions are unclear or if the staff members are unfamiliar with the terminology.</p>
R15	<p>To prevent misunderstandings, event managers should provide clear explanations about the materials being used and present design plans for the party decorations to the customers. This must be confirmed with the customers if they agree, and only after receiving approval will they proceed with the interior decoration.</p>

Supply chain management

Procurement	R8	Event managers need to conduct background checks on food vendors to ensure the quality, taste, and cleanliness of the food provided to the attendees. This can be done by checking their reputation in the market, reading reviews from previous customers, visiting their kitchen, and tasting their food samples. By ensuring the quality of the food, event managers can avoid any potential issues related to food poisoning, allergies, or dissatisfied attendees, which can greatly affect the success of the event.
	R9	The event manager is responsible for ensuring that the venue is kept clean and hygienic. Additionally, they must ensure that the food is stored and served properly including keeping it at appropriate temperature or following specific handling instructions to ensure that it remains fresh and appealing to customers.
	R12	When hiring staff or a technical team for an event, it is crucial to conduct background checks on their experience and attitude in previous events. The punctuality of staff and their ability to manage technical issues such as sound systems can greatly impact the success of the event.
Future pandemics	R4	A potential way for event managers to address the impact of future pandemics is to continuously enhance their creativity and innovation to stay ahead of the competition. This could involve exploring new event formats, such as hybrid or virtual events, and implementing new safety measures to ensure the safety and well-being of attendees. By staying up-to-date on industry trends and leveraging technology, event managers can adapt to the ever-changing landscape of events and continue to provide unique and memorable experiences for their clients.
Ethical sourcing	R7	Instead of rejecting the tender due to the lack of an Indian cook, the event manager could consider hiring or borrowing a chef from another hotel capable of cooking Indian cuisine. This would allow them to still provide the desired food for the event without rejecting the tender. A competent event manager must be prepared for any situation and be willing to take risks to ensure that their clients' dreams come true.
	R15	In the current landscape of heightened business



		competition, event managers need to be well-equipped to navigate it successfully through effective marketing and branding strategies.
	R8	Thorough planning allows for meticulous preparation, which can result in customer satisfaction at events.
Sustainable resources	R9	Creativity plays a vital role in an event manager's ability to enhance the experience of new customers, which in turn can contribute to the sustainability of their business.
	R8	The pandemic has necessitated a shift in business models for event planners, requiring adapting to the new reality of virtual and hybrid events.
Weather and climate	R8	Inclement weather, such as rain on the day of an outdoor event like a wedding, can be a source of disappointment and frustration for the client.
	R10	Damage to event equipment caused by floods can result in additional costs for event companies, as they must bear the expenses of repairing or replacing the damaged equipment.
	R14	Adverse weather conditions can hinder the installation of crucial event equipment such as canopies, stages, and lighting.
Risk assessment	R9	When designing an event, it is important to consider the associated risks of the design elements, ensuring that they can be used safely and without potential harm. This includes decorations, such as how they are affixed, e.g. attached to a wall or hung from the ceiling, as well as the use of lighting, and devices such as projectors.
Multiracial sensitivity	R9	It is crucial to be mindful and respectful of the diverse religions and cultures in Malaysia and to avoid any actions or decisions that may offend or disrespect to any group.
Geographical location	R11	The success of an event is greatly influenced by the venue selection, amenities, and location. It is important that the chosen location is visually appealing and facilitates easy registration for potential attendees.
	R7	When designing the event venue, accessibility should be considered to ensure that all guests can navigate the space without difficulty. Additionally, precise instructions should be provided to the logistics team to ensure

R14	smooth operations and avoid any disruptions, such as special guests being unable to access the front lobby due to crowds. Hosting an event in a village area with narrow streets can present challenges in terms of incorporating decorative elements, working with limited resources, and budget constraints, and ensuring customer satisfaction.
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**Legal Factors Affecting Event Businesses**

The last factor is legal factors. Legal factors present restrictions or mandates in countries or regions where a company conducts business. This covers health and safety regulations, work laws, and consumer protection legislation. Responses from event managers revealed six legislative factors related to their business operations. These factors are related to health and safety regulations, health and safety law, employment law, common law, and consumer protection law. Compliance with legislative law is regarded as a strength for most event companies as it shows the commitment of the company to deliver the best. Having proper legal documentation, such as agreements, is one of the competitive advantages of companies (Martínez-Vázquez et al., 2022). Table 9 provides a summary of legal factors, along with a summary of responses to elaborate on each factor.

**Table 9**

*Legal Factors Affecting Event Businesses*

External factors to consider	Informants	Summary of Event Manager Responses
Health and safety regulations	R4	R4, who is an event manager, considers social distancing as a limiting factor that could potentially decrease the number of participants at an event and have a negative impact on the event company's profit. The restrictions on gatherings or limitations on the number of people allowed to attend due to social distancing measures could even result in event cancellations, which may lead to significant financial losses for the event company.
Health and safety law	R7	The importance of event managers being knowledgeable on how to handle intoxicated guests during an event cannot be overstated. If left unaddressed, the behavior of the drunk guest can negatively impact the overall experience of other attendees and tarnish the reputation of the event company. Therefore, event managers must have protocols in place to deal with such situations, such as offering water, calling a taxi or rideshare service, or enlisting the help of

		security personnel to escort the guest out if necessary.
Employment law	R9	In addition to designing an event for maximum impact and attendee satisfaction, event managers must prioritize the welfare, health, and safety of their staff. This involves ensuring that staff members are properly trained and educated on handling potential dangers and hazards that may arise during the event.
	R12	Staff who are well taken care of in terms of their welfare are likely to perform well in their jobs. Experienced staff who know what to do and how to avoid unnecessary incidents can greatly contribute to the success of the event. Proper training and clear communication of roles and responsibilities can also help ensure the safety and well-being of both staff and attendees.
	R10	Event managers should ensure that there is a clause in the contract that addresses staff safety and insurance. This clause should outline the responsibilities of the event company and the client regarding the safety and well-being of staff working at the event. It should also specify the type and amount of insurance coverage the event company has to protect its staff in case of injury or accident while doing the job. By including this clause in the contract, event managers can provide their staff peace of mind and ensure that they are adequately protected while working at the event.
	R14	Event managers need to maintain good communication and relationships with their part-time staff and ensure that they are treated well.
Common law	R5	The majority of business operators refuse to have long-term business relationships due to unexpected situations, which reduces the chances of developing long-term relationships with their clients.
Consumer protection law	R8	It is important to have a contract or agreement with vendors to ensure that they can provide the necessary items or services on time to avoid delays.
	R10	Logistics — Keeping timelines and logistics on track is one of the toughest challenges event planners face.
	R8	Customers had requested their deposit money back in situations where the government did not allow events to take place or due to weather conditions that caused delays and prevented the

		event company from performing well.
	R10	Bad weather can greatly impact the success of an event, as it can cause disruptions and damage to event equipment and decorations. For example, if a wedding ceremony is held outdoors and it starts to rain heavily, it can result in a flooded and messy wedding canopy or throne, causing frustration for the wedding couple and their guests. Event managers need to have contingency plans in place for such situations, such as having a backup indoor location or having waterproof equipment and decorations to mitigate the impact of bad weather during the event.
Consumer protection law	R8	Clients and event companies should be aware of their rights and responsibilities, including what can be expected and what cannot be expected. This includes contractual obligations, refund policies, and other terms and conditions. By having a clear understanding of these rights and responsibilities, both parties can avoid misunderstandings and disputes that could lead to unsatisfactory outcomes.
	R9	It is important to have a special agreement in place to ensure that all necessary items can be transported in the lorry or van provided, without causing any damage to the goods being transported.
	R10	When handling food and beverage, event managers must have a good understanding of the quantity and dietary requirements of the guests, as well as any food allergies they may have.
	R14	To minimize the risk of dissatisfied clients, it is important to have proper documentation. The power of documentation lies in dealing according to what is stated in black and white.
	R15	The event manager should work with their clients to gather comprehensive information about any food sensitivities and allergies that guests may have. This includes providing detailed information about the intended food theme throughout the ceremony, as well as offering alternative menu options for guests with specific dietary requirements. Event managers must ensure that all guests are accommodated and provided with safe and appropriate food options to prevent any negative impact on the overall experience during the event.
	R9	The event manager needs to ensure that all reservations are paid for and confirmed, and conduct comprehensive rehearsal to ensure everything runs smoothly during the event.

Consumer protection law		Additionally, it is important to ensure that the entertainment or event arrangements are within the financial means of the client.
	R14	To prevent legal issues during or after an event, it is essential to have appropriate client agreements in place.

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## CONCLUSION AND RECOMMENDATIONS

In summary, the event business in Malaysia is a promising sector that provides unique content depending on the type of event. It has become a form of tourism product, although it is known as a fragile and highly competitive sector (Maidin et al., 2021). Therefore, event managers should put in extra effort to ensure—their company’s competitive advantage; in this regard, PESTEL analyses can help companies identify their competitive advantages (Martínez-Vázquez et al., 2022). As a broad and insightful document (CIPD, 2021), PESTEL analysis helps to maximize opportunities and minimize threats for event companies. Based on the results of the PESTEL analysis as discussed in the earlier sections, it is crucial for the industry to consistently carry out assessments such as PESTEL, as it is evident that even businesses are highly susceptible to external factors such as political, economic, social, technological, environmental, and legislative factors.

This paper significantly benefits event managers, especially in the Malaysian context. To stay relevant and competitive in the market, event managers should always monitor external factors that may impede or support their company's development. The findings interpreted from discussions with 15 event managers provide real-life feedback on how political, economic, social, technological, environmental, and legal factors have affected event businesses. These insights are important as a guide for future event managers to operate their businesses successfully. Initially, as the responses varied between positive and negative, future researchers should consider conducting a SWOT analysis, Porter's five forces analysis, competitor analysis, and the PESTEL analysis (Vidani, 2015). It is also recommended that all event managers consistently conduct PESTEL analysis, as these external factors frequently change with time and world events.

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