CHAPTER I

INTRODUCTION

1.1 Research Object Overview
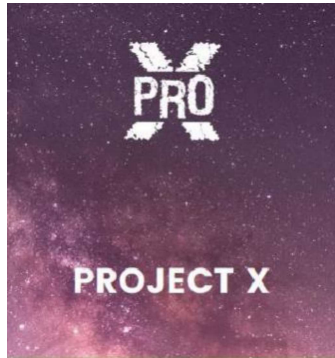
1.1.1 Company Profile

Figure 1. 1 Logo Project X Event Organizer

Source: Project X, 2019

Project X event organiser is a company engaged in the event organiser. Event organizer Project X is an event organizer company focusing on entertainment located at Jalan Ciumbuleuit No. 67, Hegarmanah Village, Cidadap District, Bandung City, West Java 40142. Project X's Instagram is @proxjct. Event organiser Project X was founded on November 20, 2019, to create unforgettable experiences. Through events focusing on the central concept of space adventure as a platform for every occasion, Project X also provides entertainment through Disc Jockey, both resident/non-residents.

1.1.2 Vision and Mission

1. Project X Vision

   Become an event organiser who can always provide satisfaction to clients by applying creative, unique, and exciting ideas and working professionally on all types of activities that will be carried out by various interested parties or in cooperation with Project X.

2. Project X Mission

   Building a professional and fun work environment with creativity and unique ideas. Making the most comprehensive network with

other companies, especially in promotion, marketing, and other fields.

Project X event organizer started from the inspiration of several young people, who have long been in the world of events, seeing business opportunities that are still wide open, Project X event organizer was formed. Several young people who are entrepreneurs and independently create event organizer businesses. A person is said to be independent if he can carry out his wishes well without being dependent on other parties in making decisions or acting, including meeting his living needs (Safitri dan Hatammimi, 2014).

Along with the development of the marketing world and competition between business people and businesses, organizing events has also experienced rapid development. Things that are often done such as: product launching, direct selling and other activations are also inseparable from the support of human resources. Moreover, at this time event organizers are needed by the community as a means of entertainment. On the basis of this idea, Project X event organizer comes with a commitment to provide concepts, materials about music needed by these parties. Project X event organizer is supported by experienced human resources. Project X event organizer tries to be professional in handling every event or activity that is entrusted, and meets the criteria for music events needed in each of its activities. The following is turnover data from 2019 to 2022 at the Project X event organizer company.

Tabel 1. 1 Project X Event Organizer Turnover Data From 2019 to 2022

Year	Turnover
2019	Rp 74.000.000,-
2020	Rp 196.000.000,-
2021	Rp 10.772.000,-
2022	Rp 19.289.000,-

Source: (Project X, 2019)

Based on table 1.1. shows turnover from 2019 to 2022. Shows that the highest turnover was obtained in 2020, which amounted to IDR 196,000,000, -, while the lowest turnover was in 2021 amounting to IDR 10,772,000, -. Project X Event Organizer, which started in 2021, has held events such as Vespa, Collapse.

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Judging from the development of the company, Project X Event Organizer has experienced fluctuations in increasing and decreasing turnover. The following is a graphic image of the development of the Project X Event Organizer company:
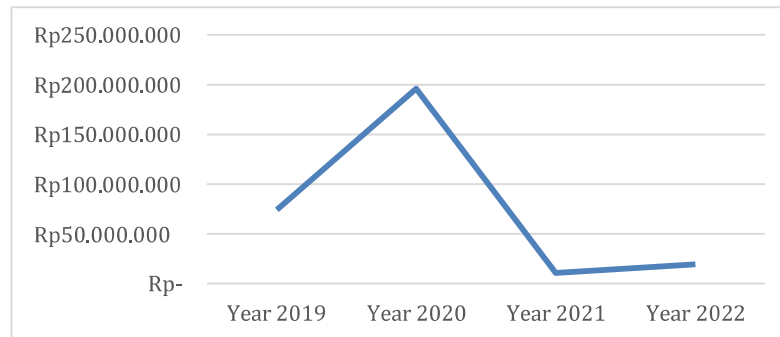

Figure 1. 2 Graph of the development of company turnover, Project X Event Organizer in 2019 – 2022
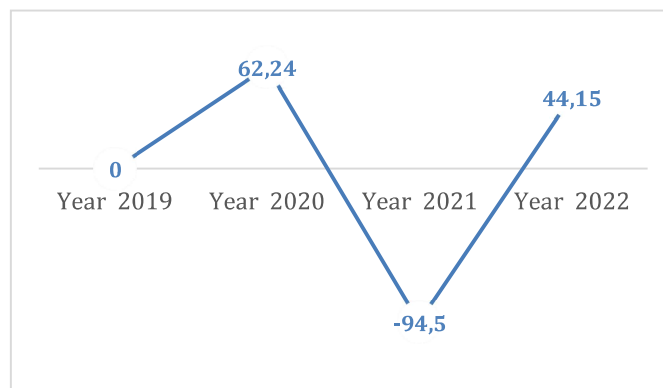
Source: (Project X, 2019)

Figure 1. 3 Graph of the development of the percentage (%) of company turnover, Project X Event Organizer in 2019 – 2022

Source: (Project X, 2019)

Based on graph 1.2 and graph 1.3, it shows the business development of the Project X Event Organizer company in 2019 - 2022. It can be seen that the Project X Event Organizer company in 2019 - 2022 experienced an increase in 2019 with a turnover of IDR 74,000,000, - increasing in 2021 by IDR 196,000,000, - with a percentage of 62.24%. Meanwhile, in 2021 there was a very drastic decrease in turnover to IDR 10,772,000, - experiencing a decrease in turnover of 94.5%, and in 2022 turnover slowly increased to a turnover of IDR 19,289,000, the percentage

increase in turnover was 44.15%. The rapid decline in turnover in 2021 was due to the Covid-19 pandemic, during covid-19 the government issued a policy to prohibit gathering, so that many companies that had collaborated with Project X Event Organizer canceled their contracts (Interview with the head of Project X Event Organizer on February 16, 2023).

1.2   Problem Statement

Event development in Indonesia is increasingly widespread and rapid, as seen from the number of events as a form of tourism. These events can be sports, music, arts, or other entertainment. Events are components of the goals achieved by event organizers and people who attend invited to the event (Kholik, 2021). An event Organizer or EO is an event organizer or a business in the service sector that its client legally appoints to organize the entire series of events, from planning, preparation, and execution to evaluation, to help realize the client's expected goals by creating events (Keizer, 2011).

Backstagers Indonesia Founder Krisnanto Sutrisman explained that the event organizer industry has a growth of around 15% to 20% with an industry value of more than Rp500 trillion. About 4,000 business actors have a formal labor absorption of about 40,000 people (Richard, 2019).

The idea of an event organizer starts from the habit of people organizing an activity. In the process, a group of people does it with the same vision to make the move successful. From this idea, people form groups to carry out agreed activities. Every group needs good management and rules for the sustainability of the group itself. An event organizer is a form of group that not only has a systematic structure but requires seriousness and cohesiveness of work. In Indonesia, the EO work pattern has long existed, starting from traditional parties where the party committees began to divide their respective tasks to support the success of an event. EO is tasked with helping its clients organize the desired event. This could be due to limited resources or time owned by the client, but professional EO services are also intended to produce quality events (Trinugroho, 2017).

Event organizers, which are included in the creative economy sub-sector, need to be seen from the size of their contribution to Indonesia's creative economy's GDP. Therefore, the data that will be used is data on the Distribution of Creative Economy GDP in Indonesia in 2010-2020, which can be seen in the following figure (Badan Ekonomi Kreatif, 2021):
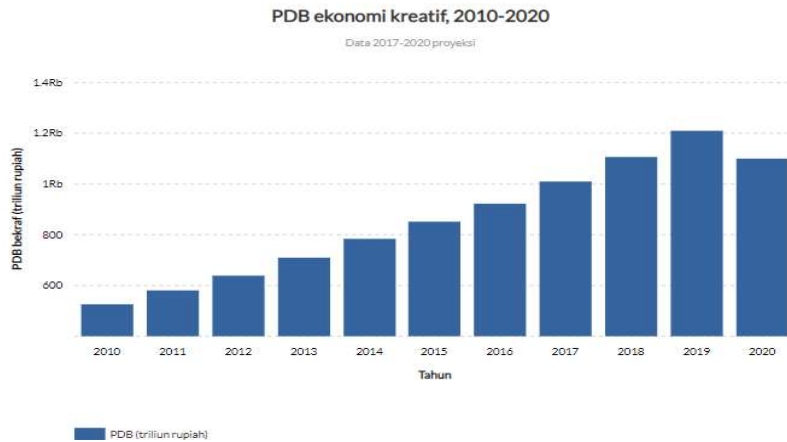

Figure 1. 4 Creative Economy GDP 2010-2020

Source: (Badan Ekonomi Kreatif, 2021)

Based on Figure 1.2, the creative economy industry continues to increase in contribution to the Gross Domestic Product in Indonesia every year. This proves that the event organizer industry has attractiveness and opportunities so that it has good prospects in the future. The figure above shows the development of the creative economy from year to year. The creative economy's Gross Domestic Product (GDP) (Ekraf) in 2016 reached Rp922.59 trillion. This GDP is projected to exceed IDR1000 trillion in 2017 and increase to IDR1,105 trillion in 2018. From 2010 to 2019, the GDP of the creative economy has grown. But in 2020, the creative economy experienced a decline, with the contribution of the creative economy sector reaching Rp1,100 trillion. The decrease was due to Indonesia experiencing the COVID-19 pandemic virus, so the creative economy was affected by the pandemic (Badan Ekonomi Kreatif, 2021). Indonesia's creative economy has contributed significantly to the national economy. Therefore, it is essential to know the process of innovative economic development in Indonesia (Hatammimi, 2022).

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Event organizer, abbreviated as EO, is now famous because the world of EO is growing. Organizers have a broad scope of work according to the existing events and their development. In the past, event organizers were only for music performances. An event organizer is a group of people consisting of an implementation team, a team of workers, a production team, and a management team who carry out operational tasks of an event or organize to realize an event program (Kusuma, 2016).

In recent years, the development of event organizers in Indonesia has increased from those engaged in music, exhibitions, birthdays to weddings. Event organizers are also beneficial for organizations or companies interested in holding events such as gatherings, seminars, and meetings and want to be managed by a third party; of course, they will use the services of an event organizer service company. The development of event organizers must be distinct from the needs of people for external organizers who promise an event that is organized professionally and hassle-free, of course, by paying a service fee (Trinugroho, 2017).

In addition, seeing the phenomenon around social media affects the event organizer's business climate. Everyone running an event wants the event's concept or situation to be well documented and enjoyable to be posted on social media. The presence of an EO that contains many people in one team and has each division or different parts handle an event allows for a neat and attractive event.

The Event Organizer (EO) business is one of the promising industries with tremendous potential prospects. However, everything has changed since the spread of the COVID-19 virus in Indonesia. The pandemic disrupted various orders of life, including the EO industry. Indonesians' penchant for doing activities and events together is an EO business opportunity. The event organizer business has long been ogled by many parties ranging from individuals and institutions to corporations. However, the COVID-19 pandemic has many effects on the economy. During the COVID-19 pandemic, the EO business was most affected due to the mandatory no-gathering regulation policy in all regions of Indonesia. Since the pandemic was declared, the government has taken an approach to stop all activities outside the

home. This has forced many planned events to be postponed and even canceled (Indozone, 2020).

The event industry can be said to be completely paralyzed, especially at the beginning of the pandemic. Here are some of the adverse effects that the pandemic has had on the event-organizing industry (Multimedia, 2020):

a.   Event Cancellation

One of the worst pandemic impacts is the number of events that must be postponed or canceled. An event certainly involves many people gathering at a particular venue. To prevent the spread of the pandemic, regulations were enacted that withdrew many of these events and made the Event Organizer business suffer huge losses.

b.   Decreased Finance

The event cancellation certainly makes the EO not get income, while expenses for various needs in event preparation must still be paid. This situation causes the EO's financial condition to decrease drastically.

c.   Bear Penalty for Cancellation

Another impact that Event Organizer business actors must still bear is the penalty for cancellation or delay. This penalty is imposed by EO business partners such as venues, hotels, artist management, or others.

d.   Creative Actors Lose Their Jobs

EO is a company that runs thanks to the involvement of many creative actors in it. Without organizing events, creative actors who usually work part-time are forced to lose their jobs.

e.   EO Goes Out of Business

The collapsing financial condition has made many Event Organizer businesses unable to survive the pandemic, forcing them to go out of business and stop their business activities (Politeknik Media Nusantara, 2020).

After experiencing the impact of the COVID-19 pandemic, the event organizer business has now gradually recovered. After December 2022, the PPKM policy was revoked, and it was possible to hold events like before the pandemic.

One of the event organizer businesses is Project X. Project X is an Event Organizer that focuses on entertainment based in Bandung. It was established on November 20, 2019. The main goal of the Project X team is to create unforgettable event experiences by focusing on the central concept of adventure as the platform of every event held by Project X; Project X provides entertainment through music performed by bands or Disc Jockeys. Project X's specialization in handling music events with bands and DJs after the pandemic has shifted. Project X wants to change the business identity that previously brought DJ-based music to 80s-themed music.

According to the Ministry of Finance (2021), The shift in the identity of the music event handled by Project X is motivated by the increasing competition in the Event Organizer business. At the end of 2020, Indonesian Finance Minister Sri Mulyani predicts several business fields will experience a high increase after being affected by the Covid 19 pandemic. Reporting in a Detik interview, Sri Mulyani said that the event organizer business will stretch in 2021.

Competition in the event organizer business is increasing rapidly. Based on data, the EO business is experiencing intense competition because this business is predicted to increase by 11.2%. The percentage increase predicts that other EOs will emerge to compete in the EO business. The following is the prediction data for the rise in the EO business from 2021-2028. The following data on the prediction of the development of event organizers from 2021 to 2028 is shown in Figure 1.3 below (Dinesh, 2019):
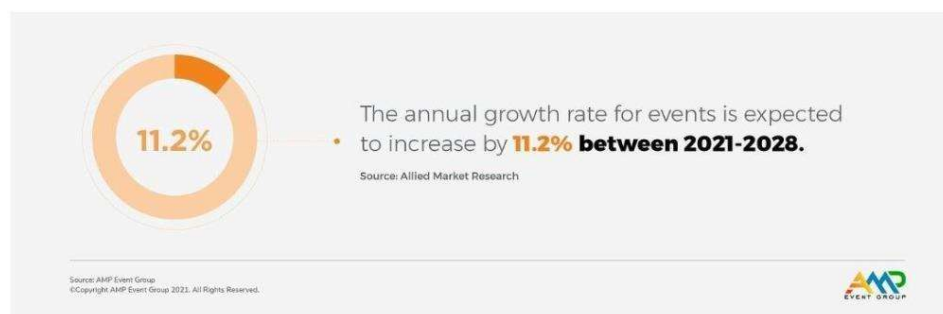

Figure 1. 5 Prediction Charts for the Development of Event Organizers in 2021-2028

Source: (Dinesh, 2019)

Based on the data in Figure 1.3, it is predicted that the movement of the event organizer industry from 2021 to 2028 will increase by 11.2%. The event industry was valued at $1,135.4 billion in 2019 and is expected to reach $1,552.9 billion by 2028, registering a CAGR of 11.2% from 2021 to 2028. Event organizer events such as folk art and music events to stage an event can increase the profitability of businesses, celebrations, entertainment, and communities. The most popular events include exhibition conferences, corporate seminars, fundraising promotions, music and art performances, sports, festivals, trade shows, and product launches. Critical stakeholders in the events market are corporate organizations, public organizations & NGOs. Although from 2021 to 2028, there is a predicted increase, there are obstacles in the event organizer industry, one of which is the main challenge of the market, namely business competition.

On the contrary, increased infrastructure investment and technological improvements influenced by such as projection mapping that creates experiences created through projectors and multi-use applications and can gather to create crowds are ways to accelerate the growth of the event organizer industry market. These factors are anticipated to offer many opportunities for players in the event industry. The data also shows that new EO companies will emerge, so there will be competition in the event organizer business (Dinesh, 2019).

Project X is an event organizer company. To face competition, Project X diversifies its business model to create novelty in the type and model of its products that can increase competitiveness. Because if there is no renewal, it will be difficult to face competition. Project X carries the theme of the 80s music event organizer.

The shift in Project X's business music identity that carries the theme of 80s music was taken because this music identity is close to the previous business music identity. Behind all that, this music has a long history from the beginning of its birth to how it can enter Indonesia to die and rise again. But unfortunately, in the 90s, disco music started to lose its frenetic pace. Pop-creative music began

to take the hearts of the Indonesian people. Musicians like KLA Project, Potret, and Base Jam began to shift the popularity of disco musicians. Although the era has passed for more than three decades, the music and musicians in the 80s still and will always have a place in the hearts of connoisseurs and listeners who existed then and after that era. The development of music at that time was quite dynamic and sporadic. The rhythms of pop music in the 90s were still heavily influenced by the rhythms of disco music. A new dance music genre called Electronic Dance Music (EDM) was born, even from disco music. The music of the 80s is quite recognized as an era with the best music quality, especially in the country's music development.

Through a survey conducted by GWI during the second quarter of 2022 involving around 170 thousand respondents spread across 48 countries. The countries surveyed came from North America, Latin America, Europe, Africa, the Middle East, Asia Pacific, and Indonesia. The following is a graph of the music genres favored by Gen Z respondents to the survey conducted by GWI.
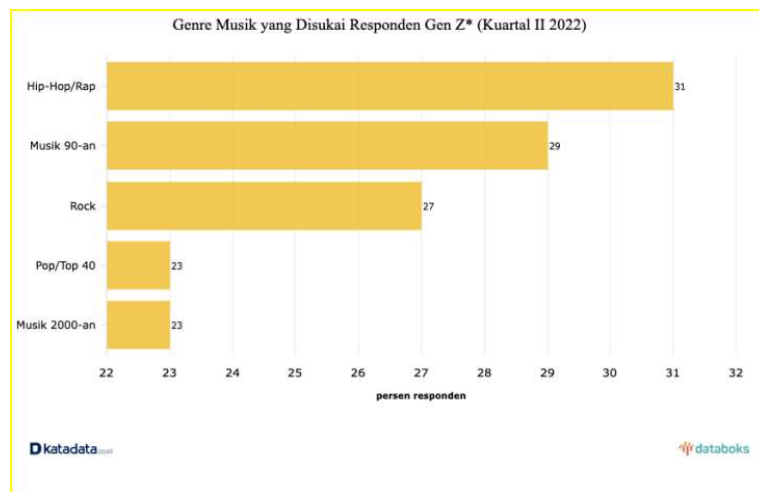

Figure 1. 6 Gen Z Music Genres

Source: (Ahdiat, 2022)

Based on graph 1.4, most Gen Z respondents prefer hip-hop or rap music, with a percentage of 31%. Then those who like 90s music are 29%, rock music 27%, and 2000s music 23%. It is the group of respondents over 24 years old who stuck to 80s or 90s music. Hip-hop or rap music is more prevalent in the 16-24 age

group, perhaps because they have no reference music period to reminisce about, except for 2000s music.

Music Event Organizer Project X carries the theme and concept of the 80s and provides entertainment. It also includes education about 80s music by introducing Indonesian and international songs. Project X wants to revitalize the community's interest, including the younger generation, especially Generation Z, towards developing disco music to remain alive and thriving. With the return of the music event, it is hoped that it will succeed in proving that disco songs from Indonesia or internationally are worthy of being used for partying. Another goal of Project X Music EO is to build a bridge of appreciation for one of the brightest eras for the local music scene. Not only that but educational values are also contained in it, namely reintroducing 80s music that existed in Indonesia and internationally since the early 80s through a dance party packed with the feel and atmosphere of a party in that era wrapped in a modern concept. The existence of Project X music EO that can create this event with exciting ideas and themes at music festivals or in bars can increase Generation Z's interest in supporting 80s disco music.

However, to create this novelty so that the business is built fresher, there is also competition. The development of the Event Organizer business is advancing because many young people become Event Organizers because they are interested in the same thing as others. Hence, they start setting up an Event Organizer. Likewise, Event Organizers engaged in the 80s disco music genre are increasing and growing, for example, Mother Monster, Sky Avenue, Svvarative, etc.

Because the idea of renewing this business concept also encountered similar competitors, Project X tried to make its new business concept more attractive and desirable. In analyzing its unique business model, Project X will use the BMC business analysis tool, which stands for Business Model Canvas.

Strategy formulation can be achieved in various ways, including creating a business model for the company. One of the efficient tools to start a business model is the Business Model Canvas (Fakieh, 2022). The business model is the heart and story that explains how the company works. Osterwalder and Pigneur (2010) describe the business model defines how an organization creates, delivers, and

captures company value. A good business model can also be used to differentiate from the competition and build strong customer relationships (Lindgardt, 2009). Business Model Canvas is a tool for strategic management that companies can use to determine their key business factors and ideas (Shakeel, 2020). The Business Model Canvas offers a one-page concentrated template that allows a company to document the fundamental elements of its business, products, and services or to structure a business idea coherently (Rose, 2019).

Business models need to be evaluated and corrected to deepen and expand knowledge about the business model's essential components and improve the business model's function and economy to find and develop the company's competitive advantage (Wijaya, 2017). One of the evaluation tools that Project X can apply is the business model canvas. Business Model Canvas can be used systematically to understand, design, and implement existing or new business models. The Business Model Canvas includes nine different elements that are interrelated and identified as key to creating a successful business model. The nine elements include Customer Segments, Value Proposition, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partners, and Cost Structure (Osterwalder, 2010). These elements are interrelated with each other. If there are obstacles in one of the elements, it will impact the incompatibility of the business processes it runs.

The results of the Business Model Canvas help conduct a SWOT analysis with a comparison function between the strengths, weaknesses, opportunities, and threats that the company will experience. The combination of SWOT analysis and Business Model Canvas makes a focused assessment and evaluation of the company's business model (Tjitradi, 2015). Meanwhile, the results obtained from the SWOT analysis become a reference for changing the current business model. Osterwalder and Pigneur (2010) explain that an effective way to assess the integrity of the entire business model is to combine the classic analysis of strengths, weaknesses, opportunities, and threats (SWOT) through the Business Model Canvas.

This research is unique in that it can see the development of the Project X Event Organizer company from its initial formation and the problems that occur to maintain its business when facing the Covid 19 pandemic. This research uses Business Model Canvas analysis and SWOT analysis. Business Model Canvas analysis is used as a management strategy within the company to map target consumers, finances, and infrastructure in a simple 1 page. This is a uniqueness in itself compared to the form of business plans in general which are usually written in many pages of documents. Researchers want to help Project X event Organizer because, this company is a start-up company that has promising business opportunities for the future. Event Organizer business is predicted to be a promising business in the future. The company changed to the 80s music genre because there are opportunities about the genre, the leader of Project x event Organizer has surveyed the music that is often in demand by the public, especially young people, namely 80s music.

Based on the description above, the researcher is interested in examining the business model canvas at Project X. The business model should be owned by the company because this is the basis for what the company will do, how to do it about the profit the company will achieve, and the achievement of the company's customer satisfaction. Therefore, this research will discuss **"Business Model Analysis on Project X Event Organizer with Business Model Canvas Approach."**

Based on the background of this research, the problem is formulated for this research.

1. How is the Project X Event Organizer business model reviewed with a business model canvas approach?
2. How is the design of a business model as a business development strategy suitable and recommended to be implemented in Project X Event Organizer with SWOT analysis?

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1.3 Research Objectives

Based on the formulation of the problem above, the objectives of this study are to:

1. To find out the Project X Event Organizer business model in terms of the business model canvas approach.

2. To find out the appropriate and recommended business development strategy to implement at Project X Event Organizer with SWOT analysis.

1.4 The Benefit of Research

The benefits of this research are divided into two parts as follows:

1.4.1 Academic

The theoretical aspect of this research is to apply the theories obtained during lectures and provide information about "Business Model Analysis on Project X Event Organizer with Business Model Canvas Approach." This study's results contribute to business strategy research by using Business Model Canvas as a tool for analyzing and mapping strategies. The results of this study can be used as a reference for further research and add insight into the business model canvas.

1.4.2 Practical

The theoretical aspect of this research is to apply the theories that have been obtained during lectures, contribute to business people or companies regarding the understanding of the business model canvas, which has an impact on increasing business ventures and competitiveness, and as a Final Project for Undergraduate Education in the International ICT Business study program at Telkom University.

1.5 The Systematics of Final Project Writing

Contains systematics and brief explanations of research reports consisting of Chapters I to V in the research report.

a. CHAPTER I INTRODUCTION

This chapter is a general, concise, and concise explanation that accurately describes the content of the research. The contents of this chapter include

an overview of the research object, research background, problem formulation, research objectives, research benefits, and final project writing systematics.

b.   CHAPTER II LITERATURE REVIEW

This chapter contains theories from general to specific, accompanied by previous research and followed by a research framework ending with hypotheses if needed.

c.   CHAPTER III RESEARCH METHODS

This chapter outlines the approaches, methods, and techniques to collect and analyze findings that can answer the research problem. This chapter includes a description of:

d.   CHAPTER IV RESEARCH RESULTS AND DISCUSSION

The results of the research and discussion are systematically described by the formulation of the problem and research objectives and are presented in separate sub-headings. This chapter contains two parts: the first shows the research results, and the second offers a discussion or analysis. Each aspect of the meeting should start from the effects of data analysis, then be interpreted, and then followed by a conclusion. The discussion should be compared with previous studies or relevant theoretical foundations.

e.   CHAPTER V CONCLUSIONS AND SUGGESTIONS

Conclusions are answers to research questions, then become suggestions related to research benefits.