

OUR VIEW ON:

TRADE EVENTS - COST OR INVESTMENT?

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David Willan is a Director of Circle Research and has been involved in B2B market research for more years than he cares to admit – 35 to be exact. After holding senior roles with pioneers in the sector such as Industrial Market research (IMR), David founded a leading B2B research agency which is now part of the WPP Group. David is a guest lecturer at various universities including Ashridge Business School and an occasional speaker at events such as the 3GSM World Congress

Although online marketing is clearly flavour-of-the month amongst B2B marketers, Trade Events* represent a highly significant and effective area of marketing expenditure. Figures vary by industry sector and region, but investment in Trade Events can typically account for 15-20% of B2B marketing budgets.

Trade Events have a number of unique benefits over other forms of communication. They provide face-to-face contact and bring together multiple audiences - buyers, sellers, third parties, analysts, the press and other third parties - in one place. They provide a compelling environment in which companies can:

- Launch new products to what is effectively a captive audience
- Network with clients, prospects and others
- Entertain stakeholders
- Brief journalists and the financial community
- Monitor competitive activity
- Initiate, progress and conclude contract negotiations
- Build their company's brand and communicate their vision, strategy and plans.

Importantly, Trade Events represent a permission-based environment where sales approaches are expected and welcomed. In a recent survey commissioned by American Business Media (ABM), 70% of B2B executives typically make or recommend a purchase following Trade Events.

A CHANGING LANDSCAPE

But the landscape for Trade Events is changing and is becoming increasingly competitive:

- Trade Show and Conference Organisers are vying with one another not just for a share of the events budget, but also for a share of the marcoms wallet
- Exhibitors are looking to justify their considerable investment in participating at Trade Events by measuring ROI

* Within the generic Events category we have included general and customised Trade Shows, Conferences, Exhibitions

- Exhibitors and Delegates are becoming more selective about which events to attend and are often required to justify their choice. In some industries there is a growing preference for smaller, more specialised shows which focus on specific vertical markets or specific technologies. For larger industry wide events the development of tailored offerings that appeal to discrete exhibitor and visitor segments is becoming increasingly important

EVENT MARKETING FACES CLASSIC MARKETING CHALLENGES

In an increasingly competitive and changing market environment Event Organisers face classic marketing challenges to ensure that they stay ahead of the game. They need to:

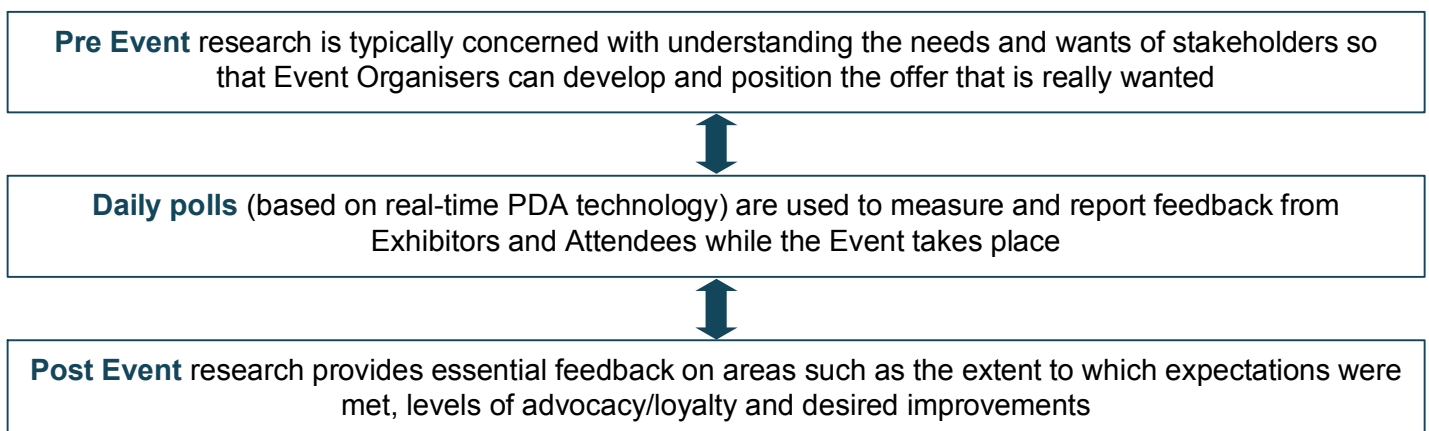
- Develop a compelling and differentiated positioning which sets the event apart from others and is reflected in all marcoms activity
- Ensure that the event continues to evolve by providing a structure and content that genuinely meets the needs of all stakeholders
- Clearly segment stakeholder needs by audience and develop tailored offers that appeal to each segment

MARKET RESEARCH IS CRITICAL TO EVENT MARKETING

In the past Event research has often been confined to Audits (which are sometimes validated by Third Parties) that essentially count the number of visitors or attendees at Trade Events. But increasingly research undertaken by Event Organisers goes well beyond this and is used to:

- Plan future events in terms of content, format and location
- Measure satisfaction amongst the various stakeholder groups
- Determine how events compare with competitive offerings
- Assess levels of advocacy and loyalty amongst Exhibitors and Attendees
- Identify potential enhancements that need to be incorporated into future events
- Understand the needs of stakeholders and the criteria that they use to determine the relative success of an event

Working with companies such as Circle, Event Organisers typically carry out research throughout the cycle - pre event, during the event and post event.



CASE STUDY: GSMA

Research has been fundamental in helping the 3GSM World Congress to become the premier global event for the mobile telecoms industry.

Research has been used in a variety of ways:

- In the context of the rapid growth in the number of visitors, there was a clear recognition that the 'one size fits all' approach was no longer appropriate. Specifically, research identified the existence of a number of different exhibitor and visitor segments which were categorised by need and demographics. By understanding the needs of these different segments, the 3GSM World Congress has constantly evolved and developed. In 2007, for example, a series of specific and tailored summits were held for Government Ministers, CEOs and CMOs and were important adjuncts to the main exhibition event
- Notwithstanding the very rapid growth in the number of visitors to the 3GSM World Congress, the organisers have actually sought to limit the size of the audience, with a clear focus on successfully attracting the C-suite to the event. Research has been essential in developing content and messaging that clearly appeals to this highly influential audience
- Research told the GSMA what telecoms professionals looked for from an event such as the 3GSM World Congress. *'Doing business'* was identified as a fundamental consideration and has become a central feature of the positioning that has been adopted
- The use of Daily Polls at the 2007 3GSM World Congress to quantify the actual value of business transacted amongst buyers and sellers was invaluable in substantiating the event's positioning as the *'place to do business'* and generating very favourable PR
- Until 2005 the 3GSM World Congress had been held in Cannes. However, with the rapid escalation in the number of visitors it became clear that an alternative location had to be considered. A possible change of location would of course have considerable implications in terms of organisation, transport and logistics. Above all, it had to command the support of exhibitors and delegates. Research played an important role in the decision to move from Cannes to Barcelona.

THE VALUE OF MARKET RESEARCH IN MEASURING ROI FOR EXHIBITORS

But research is of equal value to Exhibitors, especially in the context of the considerable level of investment that is required at Trade Events. For Exhibitors, maximising the impact of participation is not just desirable, it's essential.

For exhibitors measuring the return from taking part in an Event is no different from assessing the payback from other marketing initiatives such as advertising or branding campaigns. It provides answers to key questions such as *'was it worth it, what did we get out of it'* and *'should we participate again'*?

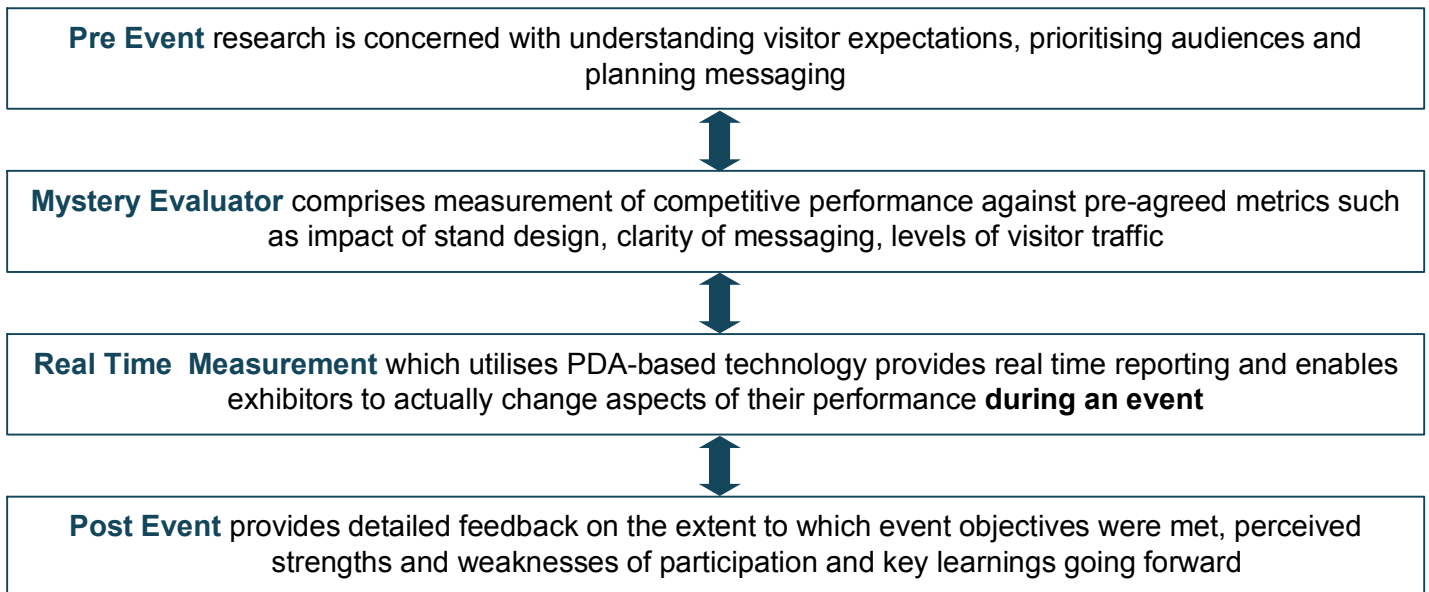
In the case of Events, payback means ROI measurement and is a function of both tangible and intangible factors. Tangible factors include:

- Measurement of how much incremental business has been generated as a direct result of attending the event
- Conversely evaluating the cost - in the form of missed opportunities - of not participating at the Event
- The 'quality' of visitors to the exhibitors' stand, especially their seniority and decision-making responsibilities
- Specific actions or next steps stemming from discussions at an event (e.g. progressing contract negotiations, finalising distribution arrangements with third parties)

But intangibles can be equally important in evaluating ROI. Our experience suggests this should cover:

- The value of participation (as perceived by customers) at events relative to other forms of customer and stakeholder interaction
- Assessing the impact of an exhibitor's performance at an event in terms of a positive impact on the brand, enhanced understanding of the company, more favourable perceptions or improved competitive positioning
- How an exhibitor is perceived to perform at the Event relative to competitors
- The quality of inter-action between the exhibitor's staff and visitors

From the Exhibitor's perspective, a variety of research techniques can be used to measure Event ROI, including:



RESEARCH IS AN ESSENTIAL MANAGEMENT TOOL FOR EVENT ORGANISERS AND EXHIBITORS

Research is fundamental to both Exhibition Organisers and Exhibitors alike, but perhaps this is not surprising given that their objectives are pretty similar. Exhibition Organisers need to demonstrate the real value of their events and ensure that they continue to evolve and meet the changing needs of their stakeholders. Exhibitors want to measure ROI, maximise the impact of participation, plan ahead for future Events and clearly understand the role and effectiveness of Events in the context of their marketing budget.

In an increasingly competitive market characterised by heightened expectations, research is essential in ensuring that both Event Organisers and Exhibitors create and measure the value that is being demanded.