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Exhibitor Return on Investment: Case Studies and Perspectives
By Michelle Bruno, CEM

The subject of measuring exhibit program return on investment (ROI) has been discussed frequently over the past decade. The International Association of Exhibitions and Events (IAEE) and Exhibit Surveys, Inc. introduced an ROI Tool Kit this past year, and several private companies have developed software packages and technology tools to address the issue. Although there are numerous success stories, the goal of measuring ROI consistently and effectively remains elusive for many exhibitors. Of those companies that do measure return on investment, the range of metrics and methodologies varies widely. Economic conditions and the critical need to prove trade show value on both sides of the equation has motivated trade show organizers and exhibitors to collaborate more closely than ever.

Lack of ROI Standards

One of the challenges for exhibiting companies is that there is no standard set of metrics for measuring ROI. *Return on investment* has become synonymous with *measurement* according to Skip Cox, president and CEO of Red Bank, NJ-based Exhibit Surveys Inc. “The strict definition of ROI asks ‘if I invest a dollar, how many dollars in return will I receive?’ The problem in today’s world, however, is that all marketing is integrated. If a [prospect] visits an exhibit and then buys something two months later, you can’t say that the lead was generated at the trade show,” he explains. In other words, the trade show may have accelerated the sales process but other factors such as advertising, word-of-mouth endorsement and field sales activities may also have contributed to consummating the sale. While some exhibitors focus primarily on lead tracking as a measure of success at a particular show, leads only reveal part of the ROI picture, Cox asserts.

When the ROI conversation is expanded to a discussion about value, the range of metrics and measurement options increases. In his presentation titled *Managing Executive Perception of Trade Show Value*, Ed Jones, president of Constellation Communication Corp. based in Dunwoody, GA, writes, “If you frame your event program in terms of business improvement, you can use this framework to communicate more effectively with internal customers, external suppliers, members of your team, managers of all levels and disciplines, and your company’s decision makers. You will improve execution. You can demonstrate value.” Jones offers companies “a much bigger model that helps them determine value from show participation,” he says.

Jones envisions exhibitor return on investment in terms of two objectives: business development and marketing communications. Under this larger framework, he identifies four key areas of measurement:

- *Revenue Impact*: measuring the sales opportunity presented by client prospects
- *Customer and Partner Relationship Management*: measuring customer retention and revenue growth from existing customers plus increases in profitability as the result of enhanced relationships with suppliers, channel partners and regulators
- *Cost Savings*: Measuring the cost savings of meeting with customers, prospects, suppliers, media, analysts, etc. at the trade show instead of in the field
- *Promotion Value*: Measuring the advertising dollar equivalency of promotional activities related to trade show participation

Case study: Kerry

The specific methodology and measurement standards that exhibiting companies choose to use are still dependent, to a certain extent, upon the business model of the organization. Kerry Group Plc of Tralee, County Kerry, Ireland is a supplier of ingredients, flavors and integrated solutions for the food and beverage industry. It participates in the annual Institute of Food Technologists show, Natural Products Expo and several vertical exhibitions in the cereal, snacks, bakery and ice cream market segments. As part of a mature industry with high barriers to entry and a limited universe of customers, competitors and prospects, Kerry's main goal for exhibiting, says Bob Milam, exhibit manager, is not to come away from the exhibition with new customers but rather to increase the amount of business from existing customers.

Planning for trade show participation at Kerry begins with identifying the top 100 or so customers that will be in attendance. The sales staff weighs in on the specific objectives to be achieved by meeting with each customer. Goals can include introducing a new account team, discussing gaps in service or rolling out new programs. "If we assume that the [business development] is on target and those setting objectives know what they're doing and what they need to hit their bonuses and keep their jobs, then we measure whether we hit those targets at the show," says Milam.

Kerry also measures the cost efficiency of meeting with the projected 100 customers. All costs to exhibit are measured against the cost of the same meetings if they were to take place in the field instead of at the show site. "We have concluded that it is far more cost effective to [meet with customers] at the show. Plus, customers are at the show to buy. In the office environment there are gatekeepers and other distractions," Milam comments.

Milam's team tracks the number of impressions from booth visitors, banners and other at-show marketing opportunities and compares the numbers with impressions from advertising outside of the show. In addition, public relations are an important component of Kerry's ROI strategy. It makes an effort to invite media representatives to the booth and track column inches and photos in post-show editorial coverage. Milam then compares the "free" coverage to the cost of purchasing the equivalent amount of advertising space.

Milam estimates that Kerry achieves a 4 to 1 return over investment in its trade show program. Cost consciousness is a major component of the high return. "We choose our staff at the show very carefully. We make sure everyone has pre-defined objectives. We put all of the objectives on the table before hand and choose the personnel that can handle the most objectives across multiple customers. We put specific objectives down on paper to give everyone a clear picture of why they are there and what they need to get done. This translates into productive meetings with a smaller, more efficient staff," explains Milam.

Case study: Crestron

Rockleigh, NJ-based Crestron manufactures advanced control and automation systems for the audio, video, computer, IP and environmental markets. It participates in residential, commercial and educational exhibitions including InfoComm and CEDIA selling primarily through a distributor channel. Because the sales cycle is protracted, it is difficult to immediately measure the impact of trade show participation on a specific sale. "It is difficult to measure true ROI. If we just measured leads, it would be an expensive show," says Rosanne Lang, Crestron's trade show manager. Instead, Creston pursues a more qualitative approach to assessing ROI.

After each major show, Lang sends out a survey to sales staff asking such specific questions as how the clients perceived Creston's presentation at the show, whether clients agreed to take on the Crestron product line, the level of booth traffic, whether the amount of product was sufficient and well placed in the exhibit and how well staff performed. Responses are used to make changes in the following year or in subsequent shows. "We have been fortunate to be growing every year and haven't felt the need to formalize the process further," says Lang.

Based on the feedback from survey respondents, Lang's company has made a number of adjustments to the exhibit program over the years including changing traffic flow within the exhibit, customizing the content of live presentations, training booth personnel and enhancing pre-show marketing efforts. "The main objective is to get information to [dealers] in a way they can understand so they can go back to their prospects with enough information to recommend Crestron," explains Lang. Although the process is informal and unstructured, it provides her team with enough information to make "rational decisions" about taking the program to the next level, she says.

Two Camps Converge

The economic downturn has precipitated a critical need for organizers and exhibitors to cooperate even more closely than before. Leading industry associations have introduced initiatives to support the collaboration. IAEE recently announced that in 2009, it would co-locate its annual meeting and Expo! Expo! trade show with National Trade Productions' yearly, exhibitor-focused conference and exhibition, $TS^{2.}$ The Association for Exhibit and Event Professionals (TSEA) has also introduced its "Perfect Partner" program that offers training, support, subsidized TSEA membership, Web content and other amenities to exhibitors through exhibition organizers. TSEA's president and CEO, Margit Weisgal, explains the impetus behind the "Perfect Partner" program. "Face-to-face marketing has huge benefits because it puts you in front of customers and gives you the ability to deliver buyers... We are partnering with organizers because that's where the exhibitors are," says Weisgal.

How CEOs Can Sweeten Their Marketing
By Bob Donnelly

As I have said many times…it's about *customers!*

Today there is more information about customers than ever before, and more being generated every minute. And, there are many ways to motivate them all the way from simply putting your logo or marketing message on m&m's and packaging them in a variety of creative ways, to more effective loyalty programs, to really analyzing all the data you have and is now available on your customers.

Twenty-five years ago a firm's assets were in machinery and equipment, estimated to be about 85% with only 15% in intangible forms of knowledgeware. However, today according to the Brookings Institute that mix of tangible to intangible assets is exactly reversed.

The marriage of the Internet with mobile telephony now allows for a powerful one-to-one channel direct to your customers. Advances in information technology gives you the ability to use data on your customers' transactions to motivate them in ways never before possible.

A new technique with global implications is called "crowd sourcing" – asking Internet users for ideas of what they want, or would like to see changed. What a fabulous source for new product development. Add to that blogs and social networks, and we have a universe of online focus groups – a marketer's paradise.

Not only is the internet gathering this type of trend analysis, it is also allowing for the crunching of data from credit card transactions and customer loyalty programs. This can range all the way from profiling customers based upon what they are buying to the relationship between cultural variables and snacking habits.

For example, this research capability has revealed that almost two thirds of women will select a soft drink with the purchase of their favorite magazine. And, almost half will read their magazine with yogurt or a dairy treat.

What if, instead of getting a pack of coupons via snail mail for a variety of products you don't buy, you were to electronically receive coupons for products very specific to your consumption patterns? The effectiveness of these laser-targeted promotions over the internet can be dramatic, as opposed to the haphazard direct mail campaigns of the past.

Another form of analysis that information technology allows for today is assigning scores to products based upon price, quality, freshness and package size. This scoring system automatically segments customers for some retailers and contributes to fine tuning product availability to customer-types.

Unilever, for example, through this analysis discovered that Hispanics in the Southwest and Texas desired their Lipton Orange Mango iced tea, but it was not available in certain local stores where they shopped. With this powerful information they immediately got the product into those stores.

By collecting and organizing data that we generate electronically from our credit cards, cell phones and laptops, savvy marketers can create a mosaic of our behavior and develop a more granular segmentation of customer types than ever before.

As I have said many times, successful marketers know their customers intimately. By studying their changing consumption patterns they can anticipate their desires, and by delighting them with solutions to their problems before they know they have them, they can entice them to spend more money on their products.

However, you have to be able to capture this treasure trove of data and use it effectively, as it will unlock the door to the customers mind. It's like unraveling a customer's DNA.

In reality, it is the most sensible way to predict what we will do next. And, we are constantly spewing forth data about ourselves that is being captured electronically all day long. This exploding world of data leads a smart marketer directly to our wallet or purse.

So the question is – are you mining all the data you have or that is available to you, so that you can tailor your product or service offerings to the changing requirements of specific customer types, and target them more effectively via the internet? Wouldn't you like to delight your customers with products and applications to make their lives better?

If you are confused as to how to get started on a more intelligent approach to analyzing all the data available to you on customers, or where and how to get more information on their changing consumption patterns and requirements; let's start a dialogue.

You certainly can't refute the fact that the Internet and information technology has created a gigantic opportunity to explore customer behavior like never before. **But,** are you participating in it?

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Managing Your Event Portfolio Leads to More Efficient Spending

By Steve Waugh, manager-global event marketing for IBM Integrated Marketing Communications

Story originally posted on www.btobonline.com

As the macroeconomic picture in the U.S. and abroad points to a possible plateau or even a contraction in marketing budgets, it's necessary for marketing leadership to review event programs with an eye towards streamlining activity and maximizing business impact. This means viewing your calendar of events as an investment portfolio, with an eye towards increasing efficiency and effectiveness.

Effective portfolio management means that you are meeting specific business objectives via your event marketing regardless of business objective, event type or geography; by doing the right events in the right way; and creating the optimal series of interactions with your most valued customers and partners in the most cost-effective manner possible.

It should provide measurement and visibility into the entire event marketing spend. It empowers you to make smarter decisions informed by specific objectives, research and data, not through old assumptions, myths and habits. It allows you to say “no” to opportunities that don't align tightly with the overarching plan and say “yes” to new opportunities that may elevate your game.

In a nutshell, effective portfolio management allows you to unlock a tremendous amount of new value from your existing portfolio.

Here are some guidelines that may help you formulate a plan for more effective portfolio management.

First a warning: Truly effective portfolio management is as much about change management as it is implementing a new strategy. Portfolio management means that there are events you will no longer attend. It means that at those events you do attend, your presence there can be smaller, larger or different than in the past. It means that in certain situations, you are going to substitute one kind of event for another, replacing a trade show with a seminar, for example.

The underlying factor in these scenarios is that each requires change, sometimes radical change. And change is hard for people. You cannot spend too much time planning and accounting for what it will take to drive these kinds of changes through your organization, just one of the reasons you may want to consider the support of an event marketing agency, a third party that specializes in this set of best practices integrating the best portfolio management techniques with solid experience in large-scale change management. Whether you are moving the pieces around for a portfolio of 10 events or 10,000, the effectiveness of your change management plan will determine your level of success.

With that understanding in place, any comprehensive program for event portfolio management should begin with a clear statement of objectives. These objectives are your roadmap and rulebook. They are the means by which you stay on course, make difficult decisions and rate your progress. Portfolio management programs are multiyear programs that require a deep commitment by the most senior leadership in the organization who will visibly inspect the project for results. A clear set of objectives determined by the right senior people at the outset will save you time and headaches down the road.

With a clear set of objectives in mind, it's time to get into the research and evaluation stage. At IBM Corp., we began looking at our entire event marketing spend in the late 1990s in response to leadership's call to consolidate the marketing function. Having agreed upon our objectives along with agency George P. Johnson, we conducted a thorough review process in which we developed a map for how our worldwide event function truly operated on a daily basis.

We were stunned at the amount of independent decision-making taking place that was disconnected from our changing objectives, about the sheer volume of linkages we needed to make between functional units, geographies and the event discipline. Organic growth in the event function had given rise to different groups in various business units or global regions that spoke to each other infrequently; customers, partners and other audiences were often bombarded by a confusing barrage of event invitations and marketing messages.

Starting from a new map and with endorsement by leadership, IBM's event marketing managers drove forward a new way of doing business as an organization, one built on harmonizing the various efforts going on worldwide; aligning them more directly to our objectives; instituting new rules and processes to create visibility, transparency and drive discipline; and providing frequent review of our progress and results.

While an ongoing program that needs continuous tweaking and refinement as our business and objectives change, this effort has produced millions of dollars in cost savings while increasing results.

The institutionalization of our portfolio management approach has resulted in better goal-setting for each team to work off of, better communication about what events we're doing and why, more streamlined execution of those activities, more precise measurement and ultimately greater credibility for event marketing and widespread recognition of its ability to help us turn mind share into market share.

Some trade shows have fallen off the radar, while other shows and related events have taken their place. At some events, we are expanding our presence and adding new tactics to the mix to differentiate the IBM brand and our multitude of products and services. And at others we've diminished our on-floor presence in favor of increasing off-floor interactions with targeted audiences.

The common thread to all these activities is that we are—at any given moment—at the precise balance of events we need to be in order to deliver on our objectives: There are no errant details to a truly effective event portfolio management strategy.