

Center for Exhibition Industry Research

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The Spend Decision: Analyzing How Exhibits Fit into the Overall Marketing Budget

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Overview

This study evaluates the behaviors and opinions of marketing executives at mid to large sized organizations that use business-to-business exhibitions as a part of their marketing mix.

Results furnish insight into how much of marketing funds are allocated to business-to-business exhibitions, what objectives marketers seek to achieve using this medium and how they measure success of participating.

Historical information is provided on the extent of activity from 2007 to 2009 and projections for 2010 for both number of exhibitions and booth size. The spending breakdown by categories of expenditures is also provided.

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Executive Summary

Overall, sales and marketing communications objectives are weighted similarly in importance. The most prevalent, important objectives for exhibiting at business-to-business exhibitions are meeting with existing customers (96%), uncovering new leads (94%), conducting general company/brand promotions (93%), new product launches (86%) and the perceived importance of being at given events (83%).

When it comes to evaluating whether participating in an event was successful, sales metrics rule. Nearly eight out of 10 executives (78%) indicate a sales metric is the only or most important metric used, with new sales leads (38%) and number of sales closed after the show (28%) most mentioned.

Among those for whom number of sales closed after the show is the primary success metric, nearly three quarters (72%) of executives indicate a sale needs to close within nine months of the event.

Most executives (75%) do not define their business-to-business exhibition preferences by how far an attendee needs to travel to the show. Instead, the scope of a company's regional target markets, the professional profile of a target customer/prospect and the availability of exhibitions that deliver this audience drive the decisions of where to exhibit. Participation can include global, national or regional events, dependent on the industry sector.

Overall, among surveyed companies, an average of 35.8% of the 2008 marketing budget was allocated to business-to-business exhibitions with 33.9% in 2009. The only statistically significant change in allocation of funds from 2008 to 2009 is for general online marketing, with a marginal increase from 6.5% to 9.0% in 2009.

- A notable decline in allocation of funds exists among 79% of surveyed companies where business-to-business exhibitions make up less than half of their companies' marketing budget. In 2008, the average percentage allocation for business-to-business exhibitions was 26.9% and fell to 21.9% in 2009. This group of companies registers higher percentage allocations to other digital and traditional media channels.
- 21% of those surveyed spent 60% of their marketing dollars on exhibitions in 2008 and will continue to do so in 2009.

In 2009, surveyed executives report spending between \$29,000 to just under \$38,000 per business-to-business exhibition. The median spending level per event is \$18,500, meaning half of those surveyed report spending either above or below this amount.

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