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ARE TRADE SHOWS STILL WORTH IT?

From Pandemic to Post Pandemic

John M. Coe and Steve Juedes

THE DEBATE:

Trade shows have been around for decades, and so has the debate – **are they worth it?** This debate will intensify as we move from the pandemic to post-pandemic market place. Exhibitors and sponsors will examine their tradeshow expense with even great scrutiny as events move into virtual, into hybrid, and eventually to live formats in 2021.

This debate is embedded in the question CFOs and CEO's will ask – **"So what did we get for all that money we spent at the XYZ event?"** In 2021, this question will be asked before approving the tradeshow marketing budget. The C-suite will demand projections and assurances that the benefits will exceed the costs! Event organizers and their sales teams must be prepared and equipped to demonstrate the value of their event.

You will have to fight their fear with facts! Sales departments must take a fact based offensive now!

The question of value to the exhibitor is a fair question for two reasons:

1. Trade show expenses are the **largest single line item** in a B2B company's marketing budget representing between 20-40%* of the total budget. In part, this high percentage is a result of larger B2B firms averaging 10 shows per year* (*data from CEIR – Center for Exhibition Industry Research).
2. Trade shows are one of, if not, the **hardest marketing expenditure to measure**. Very few short term result measurements are possible, as 80% of the justification to exhibit is to find new leads. With long and complex sales cycles for most B2B firms, by the time the next show is up for renewal, few sales have actually resulted from the prior show, and therefore a measureable return is not yet known. The other 20% is for branding and customer relationship building – not a measureable activity.

So how do organizers begin to address these key questions?

1. The tradeshow sales departments and the event organizers will have to have online audience engagement tools and tactics to convince skeptical exhibitors and sponsors that measurable lead generation can be obtained with virtual and hybrid events.



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2. In the August 2020 survey from "Tradeshow Logic," the event-solutions company reveals that a lot of exhibitors are unsatisfied with the level of engagement with customers and prospects virtual events provide—in fact, 43 percent of exhibitors who have participated in a virtual trade show say they won't do so again. But the survey also provides much for organizers to consider as they work to improve the exhibitor experience.

The survey identified four key challenges for exhibitors as they've transitioned from carpet and drape to clicks and pixels:

- Not enough time to prepare content
- The burden of learning multiple virtual-event platform technologies
- Lack of participation inside the virtual exhibit hall and minimal engagement with attendees
- The need to find new ways to convey the value of their products or services in order to connect with prospects

Organizers will need to have answers to questions that were never asked during past sales cycles.

How to help the Exhibitor or Sponsor Justify the Tradeshow

The Three Justifications That Make Trade Shows worth It:

There are many statistics on trade shows and they are interesting, but are focused on activities and not results. Each firm needs to assess and justify their participation in every show, and this white paper lays out a framework for this assessment. Not all shows are created equal, and the trend today is for B2B firms to eliminate the underperforming shows – **the average will most likely drop from the 10 shows in the past. Organizers beware! Tradeshow budgets for virtual events may take major hits in 2021.** This will probably be true for live and hybrid events with new safety requirements limiting show floor traffic.

The reasons for allocating tradeshow marketing budgets has not changed, however, the fear of being able to justify the cost has increased exponentially. Let's examine the reasons that organizations allocate budgets to live and now hybrid or virtual events:



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1. Flying the Flag or “We’re not going out of business!”

All too often justification used for exhibiting at an important industry trade show is, “if we don’t exhibit our competitors will say we’re having financial trouble,” which then implies that you’re going out of business. The sad commentary is that has been true for many businesses. **This is a key sales point for the organizer’s sales staff for 2021 events and they are obligated to show that the exhibitor’s flag will fly high!**

While this is not a measureable justification, it is a valid concern from the exhibitor’s sales staff, as they’re the ones who will have to field the question – “so why didn’t you exhibit at XYZ show?” No matter the answer, a dark shadow is cast on the company particularly if they had previously exhibited at the show.

While this opens the sales door a bit for the organizer, you have to convince the exhibitor that their flag will fly high in a virtual or hybrid event environment. This means more than just a logo on the show’s website. Staff and resources must be available to assist the exhibitor with show marketing “tool kits” especially for virtual events. Exhibitors will need contacts for virtual booth design. This should be part of the exhibitor “tool kit” with cost vs. benefit calculations.

2. Brand Awareness

If the exhibit is relative large and designed well, advertising agencies will talk of “brand impressions” as a measure. Simply put, how many people attended the show, as each are assumed to receive a brand impression, even though they may not have stopped by the booth. Booth size, design and graphics have a lot to do with this, as the attendees do walk the show floor and will see your booth even though they don’t stop by for a visit. **This impression is therefore much like a trade magazine ad or website banner ad.**

Select the trade publications and blogs that align closest to the show, and determine the cost of a printed or online ad. Since this white paper is about trade shows, let’s look at *Exhibitor Magazine* and their *Exhibitor Live* trade show as the example. Let’s also assume the exhibiting company sells booth design and construction services. The show draws 6,000 attendees who represent the cream of the business, and certainly the audience to reach if you are selling booth design and construction services. **Their print ad cost is \$7,146 (rates may have changed) and could be equated to an advertising value the show delivers.** Print advertising is not really read, but rather just looked at - much like a trade show booth. Obviously, the specific ad cost for your industry publications will be different. We are not including company listings in the show program, websites or



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other promotions, even though they all support brand awareness gained from the show.

Event organizers should provide a virtual event platform which analytics of virtual booth traffic and provide levels of branding engagement. Is the exhibitor's brand being effectively displayed and their message being conveyed to the virtual attendee? There are virtual touches of marketing engagement that should be guaranteed to exhibitors. Exhibitor branding opportunities may include: Placement on the participant event dashboard, the main stage, waiting rooms and break-out rooms, educational breakouts, and thought leadership sessions. Branding may also occur on virtual back-rounds and on a virtual attendee books. The attendee app provides an opportunity for additional branding.

3. Lead Generation

As referenced, **80% of the justification to exhibit at trade shows is to find and engage new sales leads.** Trade shows are industry or association gatherings and those individuals attending are doing so for a variety of reasons – educational seminars, seeing current suppliers, meeting with industry peers, keeping up on industry trends, and finding new suppliers or products they need to purchase. **Exhibitors have to feel confident that virtual or hybrid event attendees see that these event objectives are obtainable.**

The exhibitor's mission is to find, attract and engage individuals who might need their product and/or service, or in other words, their targeted prospects. Obviously, not all attendees or booth visitors fit the targeted audience profile. The actual achievement of this lead generation mission for exhibitors tracks to the **three traditional steps of trade show marketing and needs to be combined with a lead generation plan.** Providing educational and support resources that assist the exhibitor in this arena has never been more important. **Potential exhibitors need to know that the show organizer has fully "baked" the lead generation process for virtual attendees and that their virtual and live booths will have attendees that will convert into qualified leads for the exhibitor or sponsor.**

Having a written plan on how you, the event organizer, will make this a reality for your exhibitors is critical for 2021.



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Here's a brief summary of the three phases of tradeshow lead generation:

1. Pre-show marketing

Identification and communication to those individuals who fit the exhibitor's target profile of a potential customer is the core for any pre-show marketing efforts. Pre-show registration lists are most useful for communications, but should also be combined with other marketing efforts that will include the exhibitor's internal and external prospects lists. The show organizer that can figure out how to tailor pre-show lists to better fit the sponsor or exhibitors customer profile will be light-years ahead of competing shows. **Getting the right people to the booth (virtual or in-person) is a critical first step in generating enough leads to justify the show.**

2. Show Floor Exhibiting (Live, Hybrid or Virtual)

This is when the action takes place. Books have been written about this, and one of the best is *The Event Marketing Handbook* written by Allison Saget and published by Kaplan Publishing. I'll not go into detail on how to exhibit at the show, but rather **point up some metrics that can be used for justification.**

Since the action on the show floor is primarily focused on prospect identification and lead generation (qualification comes later), the way to view meaningful **metrics is to calculate the value of the activity that occurred at the show.** Companies spend considerable amount of monies to create the time, place and media of lead generation contact, and trade shows are in this category. The two overall marketing cost benchmarks for conversations are:

- | | | |
|----|----------------------------------|-------|
| 1. | Completed B2B telemarketing call | \$50 |
| 2. | Sales call - as referenced | \$600 |

So what is the average value of a trade show contact and conversation as compared to these two benchmarks? It's certainly more than a telephone call since the conversation is face-to-face, but clearly less than an in-person on-site sales call that may last for an hour or more in an office setting. Splitting the difference for a \$275/contact value might be an approach, but probably is too high to be accepted by that ever skeptical CFO. It's better to be conservative, so I'll use **\$200 as the value of an engaged trade show contact.** Notice I'm not referring to a booth stop by,



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but an actual conversation with some exchange of information. Pick another value if you like to fit your cost structure and/or situation.

The virtual attendee encounter must include not only the ability to capture the attendee's contact information, but must also include the capability to have an online conversation and share additional exhibitor sales materials. The capacity to book a follow-up phone call or e-mail should be present as well. **The closer the virtual approximates reality, the higher the exhibitor retention rate.**

3. Post-show lead qualification

While it is true some lead qualification takes place in the booth, the reality is that only about 10-15% of booth visitors who might eventually buy your product or service spend enough time and/or divulge enough information in conversation to be effectively qualified. If you have ever maned a booth you know this to be true due to:

- High traffic times such as opening day, lunch time or when seminars adjourn
- Reluctance of booth staff to ask the right qualifying questions
- Impatience of the visitor to move along and cutting the conversation short
- Incomplete capture of answers to qualifying questions either electronically or manually

Therefore most lead qualification takes place after the show is over.

This is where a virtual booth with visiting attendee data self-populating with each booth visit has an advantage, as not all badges get scanned at the live event.

Poor post-show lead qualification is where much of the value from trade shows is lost, and this is a white paper or e-book all by itself.

Providing exhibitors with links to whitepapers, videos, and other resources on lead qualification best practices should be part of the on-boarding process.

Going a bit further, a fee based look-a-like program where you profile the exhibitor's booth attendees and provide contacts who look like those visitors but did not visit the exhibitor's booth would provide added value by giving the exhibitor additional prospects that may turn into qualified



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leads. **This provides another advantage in overcoming 2021 exhibitor objections as well as competing show offers.**

All too frequently, when asked the “worth it” question, the answers are unsatisfactory to senior executives. **Helping your exhibitor tradeshow manager’s answer this question has never been more essential than now!**

Meg Whitman, while CEO of eBay, was once quoted as saying, “If we can’t measure it, we don’t do it”. This has been true in the past and will become a mandate for trade shows in 2021.

John M. Coe

John is also Co-Founder and Partner of B2BMarketing.com. His background includes experience in both sales and marketing. On the sales side, John was a field salesman, national sales manager and executive in charge of both sales and marketing for three major B2B firms. On the marketing side, he was president of a B2B direct marketing agency for 10 years, was National Campaign Manager at IBM, Sr. VP of B2B at Rapp Collins Worldwide and President of Protocol B2B. John is also the author of ***The Fundamentals of Business-to-Business Sales & Marketing***, published by McGraw-Hill.

Steve Juedes

Steve Juedes is the President of Direct Hit Marketing (DHM) based in Lafayette, CO and has been providing data analytics to the trade show industry for 28 years with Data Alignment, Event Performance, Attendee Profiling, and Direct Marketing Multi-Channel 360 Analysis services. Direct Hit will be introducing its new Event Track Online Marketing Dashboard and Data HQ in 2021.