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Are Tradeshows Still Worth It? From Pandemic to Post-Pandemic in 2023

By John 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 greater scrutiny as events in 2023 are live or hybrids.

This debate is embedded in the question CFOs and CEOs will ask – “So what did we get for all that money we spent at YOUR event?” In 2023, this question will be asked before approving the tradeshow marketing budget. It is a fact there are a number of very large and prominent organizations downsizing in 2023. This is further intensified with rising event, travel and shipping costs that have to be reflected in exhibitor and sponsorship fee structures. While the current business climate has improved since the heart of the pandemic, it is nowhere close to the peak we experienced in 2019.

The B2B Tradeshow industry plummeted from \$15.6 billion in 2019 to \$3.86 billion in 2020. There has been gradual growth since 2020. With B2B tradeshows doing \$6.59 billion in 2021 and \$10.2 billion in 2022. The forecast for 2023 is around \$11.9 billion (source: Statista). Hopefully that forecast is realized.

With negative economic growth in 2022 and the economic uncertainty in 2023, the C-suite will demand projections and assurances that the benefits will exceed the current inflationary costs! There is a latent fear in increasing marketing budgets for tradeshows as well as with other lead generation expenditures. ***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 in 2023!

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

- 1. Tradeshow expenses for many B2B companies are the largest single line item in the company’s marketing budget.** The Tradeshow Marketing expense typically represents 15% to 40% of the total budget. In part, this high percentage is a result of larger B2B firms averaging 5 to 10 shows per year (source: Center for Exhibition Industry Research).



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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 measurable return is not yet known. The other 20% is for branding and customer relationship building – once again not easily measurable activities.

So how do organizers begin to address these key questions?

The tradeshow sales departments and the event organizers will require audience engagement tools and tactics to convince skeptical exhibitors and sponsors that measurable lead generation can be obtained with today's live and hybrid events.

THE THREE JUSTIFICATIONS THAT MAKE TRADESHOWS WORTH IT

There are many statistics on tradeshow 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 whitepaper 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 5 to 10 shows in the past. Organizers have to be more prepared than ever to sell the benefits of their show.

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 for tradeshow.

Flying the Flag or "We're not going out of business!"

All too often justification used for exhibiting at an important industry tradeshow 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 2023 events and they are obligated to show that the exhibitor's flag will fly high!***

While this is not a measurable 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 live 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.***



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Brand Awareness

If the exhibit booth is relatively 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 exhibitor’s 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 a website banner ad. These impressions may help with brand awareness but mean little to immediate sales.

Another method to determine value is to select the trade publications and blogs that align closest to the show, and determine the cost of a printed or online ad.

Since this whitepaper is about tradeshow, let’s look at Exhibitor Magazine and their Exhibitor Live tradeshow as the example. Let’s also assume the exhibiting company sells booth design and construction services. The show draws around 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 the advertising value the show delivers. Print advertising is not really read, but rather just looked at - much like a tradeshow 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 other promotions, even though they all support brand awareness gained from the show.

Event organizers should provide attendance and floor density analytics to gauge booth traffic and provide levels of branding engagement. Is the exhibitor’s brand being effectively displayed and their message being conveyed to the attendee?

There are a number of 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 backgrounds and on attendee books/show guides. The attendee online app provides an opportunity for additional branding.

Lead Generation

As referenced, 80% of the justification to exhibit at tradeshow is to find and engage new sales leads. Tradeshow are industry or association gatherings and those individuals attending are doing so for a variety of reasons – educational seminars, seeing current suppliers, meeting with



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industry peers, keeping up on industry trends, and finding new suppliers or products they need to purchase. Exhibitors have to feel confident 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 tradeshow 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 them and the event will have a high number of quality 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 2023.

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. Some shows offer pre-show e-mail campaigns to larger exhibitors and sponsors.

The show organizer that can figure out how to tailor pre-show lists to better fit the sponsor or exhibitor's customer profile will be lightyears ahead of competing shows.

Getting the right people to the booth is a critical first step in generating enough leads to justify the show.

2. Show Floor Exhibiting (Live or Hybrid)

This is where 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 out some metrics that can be used for justification.

Since the action on the show floor is primarily focused on prospect identification and lead



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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 amounts of money to create the time, place and media of lead generation contacts, and tradeshows are in this category.

The two overall marketing cost benchmarks for conversations are:

Completed B2B telemarketing call	\$50
Sales call - as referenced	\$600

So what is the average value of a tradeshow 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 \$300/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 tradeshow contact.

Notice I'm not referring to a booth stop by, but an actual conversation with some exchange of information. Pick another value if you like to fit your cost structure and/or situation. So if the exhibitor has 300 booth visitors, as described above, this equates to a \$60,000 engaged contact value.

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

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 manned 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



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

Poor post-show lead qualification is where much of the value from tradeshows is lost, and this is a whitepaper 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 leads. A number of shows are allowing larger exhibitors and sponsors the opportunity to e-mail select portions of the attendee list as a post-show benefit. These post-show benefits provide another advantage in overcoming 2023 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 managers answer this question has never been more necessary than now!

Many exhibitors and sponsors will demand greater precision in tradeshow performance metrics in 2023 and moving forward. Helping their show manager with the data to support the decision to exhibit has never been more important.

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