

The International Center
 For Exhibitor and Event Marketing

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

How the event universe is spending its limited resources

**Presented by: Nancy Drapeau, PRC, Principal
 Drapeau Research Services, LLC**

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Presented by:



**Nancy Drapeau, PRC, Principal
 Drapeau Research Services, LLC**
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- Principal of Drapeau Research Services, LLC, which launched in September 2008.
- Has 17+ years of primary market research for clients spanning a range of industries.
- Over a decade in the trade media sector – conducting domestic and global studies as manager of market research at Diversified Business Communications.
- Holds professional research certification (PRC) with the Marketing Research Association and is a Nielsen/Burke Institute trained focus group moderator.

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Overall Information Objectives

- Provide an overview of why companies exhibit, activity from 2007 thru 2009 and projections for 2010:
 - Most important objectives for exhibiting and success metrics;
 - % of marketing budget allocated to business-to-business exhibitions;
 - # of exhibitions and average booth size;
 - Reasons for 2009 activity and plans for 2010;
 - Breakout of exhibition spending by expense category;
 - Exhibit property plans for 2010.
- Top line findings are discussed in this webinar. A report is available that provides in-depth analysis.

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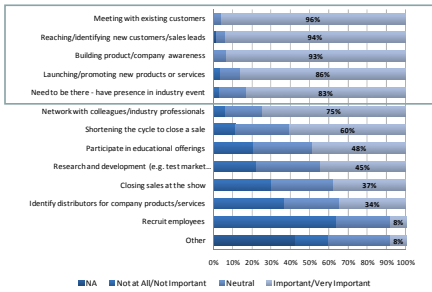
Methodology

- An online survey was fielded in late July through end of August of 2009.
- Sample:
 - 4,500 randomly selected exhibition executives from Exhibitracs' national database; and
 - Select individuals from the databases of National Trade Productions' TS2 Exhibition, Event Marketing Institute (EMI) and GES Expositions.
- Qualifications to participate:
 - Company participated in 1+ b-to-b exhibitions in past 2 years;
 - Annual revenues of \$10 million+;
 - Executive is involved or a final decision-maker in deciding whether to exhibit as well as for other promotions/advertising decisions.
- Results are based on responses of 236 executives, many of whom are in marketing or exhibition managerial roles. There is a representative mix by company size and business sector.



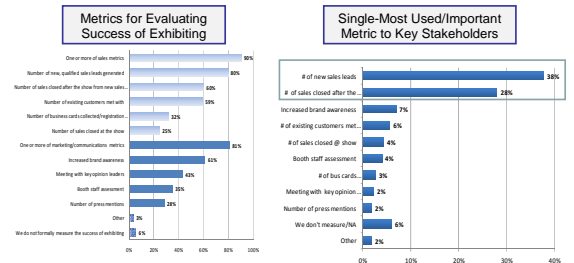
Most Important Objectives for Exhibiting

Most prevalently rated objectives for importance indicate a blending of importance placed on key sales activities and company promotions.



Measuring Success – Sales Metrics Rule

Both sales and general brand promotions metrics are used to evaluate success. However the single-most used or important metric to key stakeholders is apt to be sales-related.



Marketing Channel Spend Differences by % Allocated to B-to-B Exhibitions

	Marketing Budget Dedicated to B-to-B Exhibitions			
	2008		2009	
	<50%	50%+	<50%	50%+
Business-to-business exhibiting	26.9%	60.6%	21.8%	60.2%
Trade online marketing - website, SEO, etc.	10.2%	5.2%	12.1%	5.4%
Trade magazine advertising	13.1%	7.2%	11.4%	6.0%
General online marketing - website, SEO, etc.	7.8%	3.7%	10.7%	5.2%
Trade e-mail marketing	4.7%	3.5%	6.0%	4.8%
Direct Mail	5.0%	3.4%	5.0%	3.4%
General event sponsorships	4.3%	6.7%	3.9%	5.3%
Corporate event exhibiting	3.7%	2.9%	4.6%	2.9%
General print advertising	5.2%	2.6%	4.5%	2.6%
Business-to-consumer exhibiting	4.5%	0.9%	4.8%	0.7%
Telemarketing	3.0%	0.7%	2.8%	0.7%
General broadcast/cable advertising	2.9%	0.2%	2.9%	0.4%
Other	8.2%	1.9%	8.8%	2.8%

Yellow shading signifies a statistically significant difference between <50% and 50%+ at the 95% confidence level.

Exhibitors spending <50% of budget on b-to-b exhibitions; (8 out of 10 surveyed), register a small decline in 2009 in allocation to b-to-b exhibitions (21.8% vs. 26.9%). These exhibitors assign larger percentages of funds to digital and other traditional media channels in both years.

Hard core exhibitors, spending 50%+ on b-to-b exhibiting; (2 out of 10 surveyed), have maintained their level of spending for b-to-b exhibitions both years – 60.6% and 60.2%.



Estimated Spending Per Business-to-Business Event

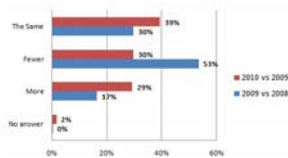
Average Range	\$29,010 to \$37,710
Median	\$18,500

2009 Average Spending per Show is between \$29,000 to just under \$38,000 per business-to-business exhibition event.

The median spending level per event is \$18,500, meaning half of those surveyed report spending either above or below this amount.



Trends in Number of Business-to-Business Exhibitions



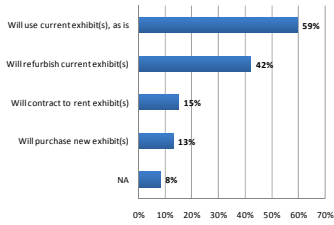
Average # of B-to-B Exhibitions			
Year	N	Average #	Median #
2007	N=234	39.0	14.0
2008	N=235	37.8	14.0
2009	N=236	31.0	13.0
2010	N=232	32.6	12.5

Over half of surveyed executives (53%) report participating in fewer events in 2009 vs. 2008.

The forecast for 2010 is a leveling out of the decline, with 39% of executives anticipating to participate in the same number of exhibitions compared to 2009 and 29% projecting an increase; although 30% expect further declines.



Exhibition Property Plans for 2010



Six out of 10 executives anticipate that their companies will use their current exhibits, as is, for the 2010 show cycle, while nearly four out of 10 anticipate refurbishing current exhibits.

Conclusions

- Business-to-business exhibiting endures, despite the recent economic downturn and fierce competition for marketing dollars in a fast-changing media landscape.
- Marketers value exhibiting at business-to-business events, especially to drive the sales process. Brand promotions are of secondary importance. Exhibitions are a choice vehicle for expanding into new markets and for new product launches/promotions.
- Moving forward into 2010, the industry anticipates the economy will stabilize and register modest gains in some sectors and exhibition activity will follow suit.
- Even as the economy rebounds, perhaps the landscape is changing for the long-term:
 - Exhibitors are more discriminating in where they exhibit and how they spend. There is increased focus on 'core' events, those that deliver value/meet corporate objectives.
 - More options are available – digital and other face-to-face alternatives.

Conclusions

- Exhibitions that are reputed for being 'must attend' or important industry gatherings are best positioned to survive and thrive in this climate.
- Exhibition organizers that have demonstrated the value proposition for their event will fare better than those who do not.
- It is essential that exhibition organizers keep a pulse on exhibitor and attendee needs, to stay ahead of the competition from all marketing channels.
- Results suggest that the appetite for exhibitions in the business world is alive and well for those events that deliver.

Thank You!
**If you wish to send questions or comments
after the Webinar, you are invited to
email today's presenter at:**

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