EventView North America







RESEARCH ENABLING EVENT, SALES AND MARKETING PROFESSIONALS TO CRAFT SMARTER EVENT PROGRAMS

Responding to increasing competition, changing customer habits, fragmenting communication challenges, advertising-blocking technology and marketing adverse "communities of interest," brands are seeking to perfect a new balance in their brand communications plans.

INSIDE:

Top Ten Facts2
Senior Executive Level Findings
Event Marketer Insight 13
Industry Insider: Q&A with Cisco's Mary Fehrnstrom

In this complex environment, event marketing is flourishing, taking on a more strategic role than ever before. Marketing professionals who design measurable, integrated event programs are being asked to weigh in at the highest levels of marketing and sales planning.

EventView 2008 is the longest-running research series specifically serving this group, providing the data and context necessary to anticipate event trends and capitalize on where the marketing world is headed. This year's EventView 2008: North America report reflects the macroeconomic trends making headlines in the North American market.

The marketing community is working its way through a "perfect storm" of financial maladies including a credit crunch, the subprime mortgage meltdown, a slowdown in consumer spending and rising inflation.

A quick look at the data reveals that while event marketing budgets have reached a plateau, measurement budgets have greatly increased. Experience marketing is taking hold as an advanced discipline within event marketing. And if marketers get additional budget to put toward marketing, they are putting those resources toward event marketing rather than print advertising. These findings and much more form the underpinning of *EventView 2008: North America*.

What's more, this year's *EventView* series is being co-produced by the Event Marketing Institute, and we're adding the perspective of event marketing managers to that of the senior sales and marketing executives who form *EventView's* historical respondent base. That perspective is revealed in the Event Marketer Insight section that forms the second half of the report.

The unexpected opportunity arising from instability in the North American market is that companies are embracing whatever marketing channels differentiate their brand from the competition and engage with audiences to best drive sales.

Events are the perfect channel for these activities, and its practitioners are in need of the right information to elevate their game and bring renewed attention and resources to events.

The important mission of this report is to furnish the necessary data to accomplish that goal.

TOP TEN FACTS

EventView 2008: North America

- 10. Reaching new customers is the **primary marketing concern** for 23% of North American senior sales and marketing executives, followed by 12% concerned with growing market share profitably
- 9. 43% of respondents indicate that event marketing is taken under consideration along with other mediums and 24% characterize events as a vital component of the marketing plan. 15% say events are a lead tactic
- **8. 42%** of respondents estimate the future importance of event marketing in their organizations will **increase or increase strongly**. 7% expect a decrease
- 7. **27%** of the average marketing budget is **spent on event marketing**, a 5% increase over last year
- 6. **30%** of the average event marketing budget is **dedicated to internal events** (training, etc.) **70%** is dedicated to **external events** (trade shows, etc.)
- 5. 40% of respondents stated that sales and marketing meetings get the most budget of all internal events (followed by education or training events); trade shows get the most event dollars of all external events according to 58% of respondents (followed by conferences)
- 4. Respondents who reported measurement activities are one and a half times more likely to expect an increase in their event marketing budget than those who do not measure.
- 3. 34% of respondents plan on **implementing green initiatives** within the event function within the next 12 months; 50% are doing so as a result of a corporate responsibility mandate
- 2. **54%** of respondents say they will **transition from event marketing to experience marketing** in the next 12 months
- 1. **22%** of respondents indicate that the role of **procurement/purchasing is increasing**; 49% rate that role as constant

Methodology

Between October and December 2007, more than 1,000 senior executives in sales and marketing management positions in North America, Europe and Asia Pacific were interviewed via a telephone survey with the goal of illuminating the value and role of events in the marketing mix as it compares to other elements in a marketer's arsenal. Interview participants were selected in industries including (but not limited to) automotive, technology, healthcare and finance.

Of the total survey respondents, 302, or a little more than 30 percent, were from U.S. or Canada-based companies. The responses of these participants comprise the North American percentage of *EventView 2008: North America*. Of this sample, 51 percent represent companies with annual revenues in excess of \$1 billion. The margin of error is ±3 percent.

FIGURE 1 – Survey Demographics – Job Titles

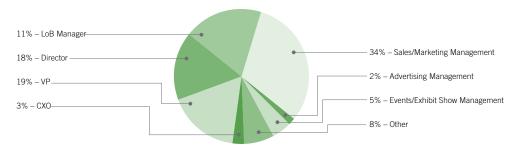


FIGURE 2 – Survey Demographics – Geography

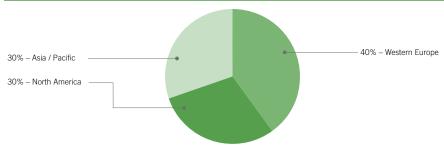
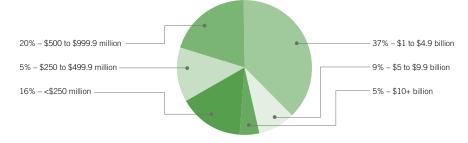


FIGURE 3 – Survey Demographics – Company Size by Revenue

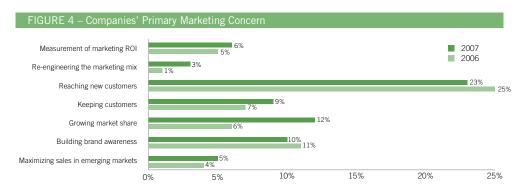


Macro-Level Trending

Top Marketing Concerns

Securing new revenue is the primary objective of marketers today.

When asked about their primary marketing concerns today, "reaching new customers" was by far the top concern (Figure 4). "Growing market share" and "building brand awareness" followed. This evidence confirms that securing new revenue is the primary objective of marketers today. It is also interesting to note that brand awareness is ranked so highly, indicating its perceived role in driving business results. With these concerns top of mind, how then is event marketing fairing overall?





Key Historical Trends

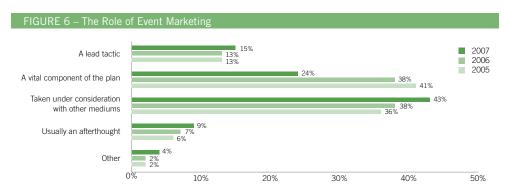
As indicated in Figure 5, respondents confirm that event marketing budgets have taken a downward turn by a few percentage points, though spending on events has increased in terms of its share of the overall marketing budget. At the same time, the perception of events as an important marketing channel saw an uptick.

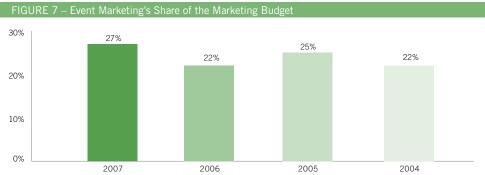
These trends mirror marketplace reality. Marketing budgets tightened following the dot-com fallout, rose during the recovery and are contracting again. Events have generally been perceived as maintaining or increasing in importance. And events' share of the overall marketing budget has moved in synch with that positive perception. It's interesting to note that in the face of increasing marketplace difficulty and pressure, event marketing's credibility is on the rise.

The Role of Events in the Marketing Mix

Asked about the role of event marketing in their campaign planning, respondents indicated that events are most often taken under consideration with other mediums. This was followed by ranking events a vital component of the marketing plan.

As indicated in Figure 6, these two answers are historically the most popular. They point to the steady importance of events in the overall marketing mix. Moreover, the increase in the number of respondents who place event planning in the context of other marketing mediums could be interpreted as a sign that sales and marketing leaders are increasingly committed to the integration of marketing channels during campaign planning, whereas once upon a time events were largely an afterthought.





Budget

Share of the Marketing Budget

We've established that even as budgets shrink, events are increasing their share of the remaining spend. Figure 7 indicates that event marketing represents 27 percent of the marketing budget – the highest percentage in the four years we've been tracking this particular data in this six year study.

Future Importance of Events

Against that backdrop of ongoing funding, it follows that respondents estimate the future importance of event marketing for their organization is increasing. Figure 8 shows that events are rated as either increasing in importance or remaining constant in their importance by a vast majority.

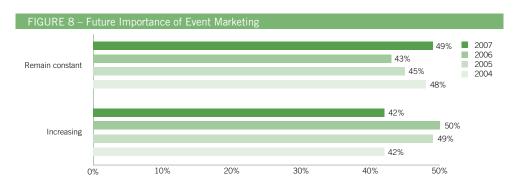
Event marketing represents
27 percent of the marketing budget – the highest percentage in the four years we've been tracking this particular data in this six year study.

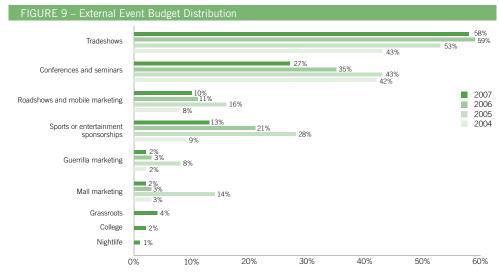
External Event Budgets

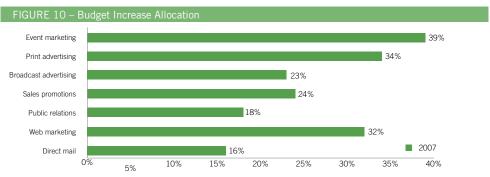
External events such as trade shows, conferences & seminars and mobile tours represent a significant portion of the overall event budget. This is likely due to the clear linkage between these event types and perceived ROI (see ROI of external events on page six). In an environment that places a premium on new customer acquisition, there is no confusion about where the majority of event dollars are going. Simply put, trade shows represent the best opportunity to meet prospects. (Figure 9).

Budget Trends 1 - Where Increased Funding Goes

When asked what marketing channels are benefiting from an increase in overall marketing budget, respondents indicated the funding would most often go towards events first, followed by print advertising and Web marketing (Figure 10).







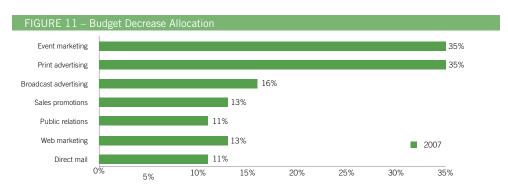
Budget Trends 2 - Where Decreasing Budgets are Felt

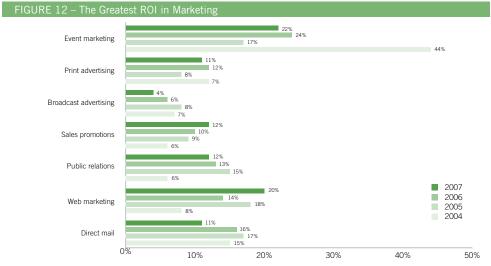
When asked which marketing channels get reduced funding if there is a reduction in overall marketing budget, respondents indicated the funds would most likely be pulled back from events and print advertising first, followed by broadcast advertising. (Figure 11)

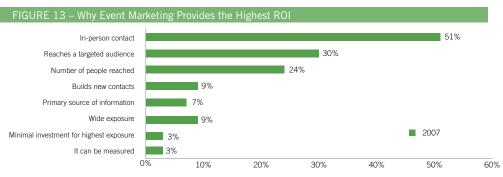
Return on Investment

Event Marketing's Superior ROI

Events and Web marketing have run a close race in terms of their ability to generate ROI in the minds of senior sales and marketing executives (Figure 12), outpacing the other marketing disciplines to a significant degree. Events rated higher than the Web this year and last, but they were relatively even in 2005.

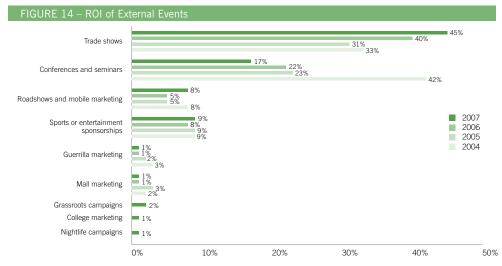


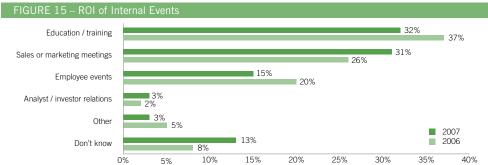




Why Do Events Provide the Greatest ROI?

Not surprisingly, face-to-face interaction is the primary reason attributed to event marketing's high ROI rating (Figure 13). The depth of touch or engagement enabled by event marketing is key. The inherent ability for events to reach a highly targeted audience also ranked highly.





ROI of External Events

Respondents confirm they are putting their money where they see the most value (see External Event Budget on page six), ranking trade shows and conferences & seminars as the highest ROI event formats of all external events (Figure 14).

ROI of Internal Events

Among internal-facing events, respondents indicated that education/training seminars and sales/marketing meetings generate the greatest ROI (Figure 15).

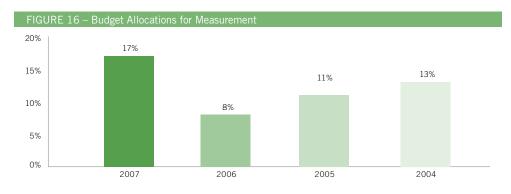
One conclusion to be drawn from this data is the connection between external events geared towards acquiring new business and internal events designed to facilitate and serve that cash pipeline as well as create alignment among the drivers of that business.

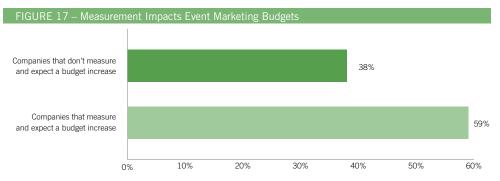
Measurement

Measurement in Event Marketing

No issue is more hotly contested in the sales and marketing space than measurement. What is no longer open to debate is that measurement plays a key role in the long-term success of an event program.

That fact makes it all the more surprising that the number of respondents who indicate that they measure their event marketing spend actually dropped by 11 percent, to 55 percent from the previous year. Though still reassuringly in the majority, the meaning of the drop is unclear.





Measurement Budget

What is even more worthy of attention is that for those who are measuring, the budget to continue doing so more than doubled from 2006 to 2007, registering the highest budget allocation in the history of the study (Figure 16). The reason for this may be found in the next data point.

The Link Between Measurement and Event Marketing Budgets

Adding additional weight to the argument for measurement is the clear link between event marketing budget increases and measurement programs. When cross referencing those who expect a budget increase with those who indicate that they measure their event investment (Figure 17), we found that those who measure are one and a half times more likely to expect an increase in their event marketing budget than those who do not measure.

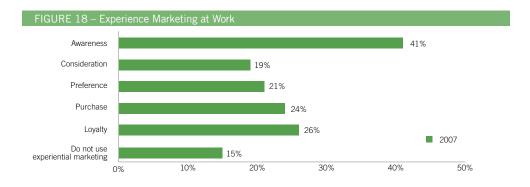
Those who measure are one and half times more likely to expect an increase in their event marketing budget than those who do not measure.

Experience Marketing

What is Experience Marketing?

Often considered an evolved form of event marketing, experience marketing is a discipline that seeks to move away from the simple "features and benefits" sales dynamic that characterizes most event marketing to a deeper and more meaningful interaction.

Experience marketing is the practice of engaging target audiences in personal experiences in which they internalize a sense of how their personal or professional life is improved by the brand. The result is a powerful increase in the depth and volume of brand differentiation, conversion and loyalty.





Objectives of Experience Marketing

Results from EventView 2008: North America reveal that a majority of those surveyed – 82 percent – have adopted some form of experience marketing. Respondents indicate that the primary objective for employing experience marketing is to create or increase awareness of the brand, product or service (Figure 18). This is followed by inspiring loyalty and motivating a purchase decision.

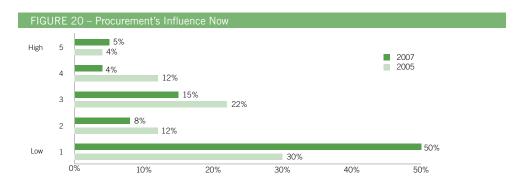
It's interesting to note that of all the marketing objectives, marketers are using experience marketing for brand awareness more than for any other objective, while they're saying that lead generation, or purchase, is the number one objective for traditional event marketing. Combined with the data that reveals the high degree of transition to experience marketing, this suggests that not only do marketers see a

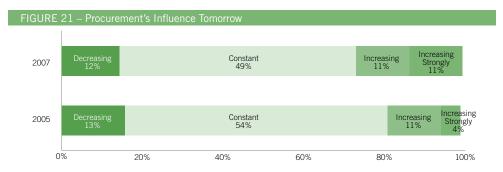
Results from *EventView* 2008: North America reveal that a majority of those surveyed -82 percent - have adopted some form of experience marketing.

clear difference between the two forms of live marketing, they're seeing experience marketing as a valuable method of accomplishing what was once nearly exclusively the responsibility of TV and print, driving awareness.

The Transition to Experience Marketing

Asked how quickly they plan to transition more fully to experience marketing, over half (54 percent) expect to experiment with experience marketing within the next 12 months (Figure 19).





Procurement

The Role of Procurement

Given the increased role of procurement departments in the marketing function in recent years, it was somewhat surprising that the vast majority of survey respondents rated procurement's influence in the decision-making process of selecting marketing service providers as low (Figure 20). This seems contrary to the marketing industry's media coverage, which commonly attributes a significant role to procurement executives in this critical decision. However, this response may be speaking to the fact that procurement's role is more focused on agency selection process guidelines than on having a voice in the decision after all non-process compliant agencies have been eliminated from the running.

When asked about the role of procurement in marketing decisions going forward, the majority of respondents indicate that they expect that role to remain constant, not increase (Figure 21).

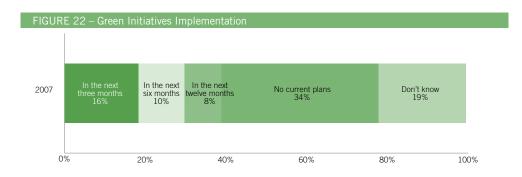
When asked about the role of procurement in marketing decisions going forward, the majority of respondents indicate that they expect that role to remain constant, not increase.

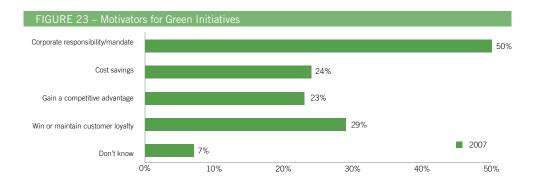
One conclusion to be drawn from these perspectives is that many of these companies (51%) are mature businesses with annual revenues in excess of \$1 billion. In such organizations, marketing and procurement have had the time and resources to build the appropriate connections and develop the optimum level of interaction to maximize the relationship between these two very different lines of business.

Green

The Question of Green

Marketers were one of the first groups to understand the value of an environmentally friendly and/or sustainable platform. The subsequent "greening" of corporate America, however, has made it difficult to cut through the hype and agree on a common definition of green or the principles that should guide its execution.





Thirty four percent of respondents indicate exploring greening their events in the next 12 months.

EventView 2008: North America reveals sales and marketing executives' significant interest in green as evidenced by the fact that 34 percent of respondents indicate exploring greening their events in the next 12 months (Figure 22). Despite audiences' growing interest in sustainability, the industry's lack of clarity over what going green really means may be delaying efforts to develop more environmentally sensitive marketing programs in the short term.

When asked why they are conducting a green initiative, a "corporate-wide responsibility mandate" is the commonly given answer, followed by winning or maintaining customer loyalty (Figure 23).



EVENT MARKETERS WEIGH IN ON INDUSTRY TRENDS

A different perspective on the impact of event marketing

EventView reveals that event marketers have an unprecedented opportunity to elevate the level of conversation around live experiences as a strategic marketing channel. The Event Marketing Institute (EMI) and its partners are committed to facilitating that conversation through research and the sharing of best practices.

To that end, this year's *EventView* report is complemented for the first time by the event marketers' perception of the state of the industry. In many cases the perspective of event marketers confirms what senior sales and marketing managers are saying in *EventView 2008: North America*. However, there are also areas where those perspectives diverge or show a differential that reveals a different level of focus or attitude.

We'll examine a few key findings representative of these differing opinions here, as well as tap directly into the latest thinking by one of the recognized leaders in the industry, Cisco's Senior Manager of Corporate Event Strategy, Mary Fehrnstrom, who weighs in on a few of *EventView*'s key findings.

A key underlying theme of the *EventView* study is a call to action for event marketing managers to proactively invest in expanding their own skills, to crosspollinate ideas among different disciplines and to drive a strategic vision throughout the event organization.

Clearly, shrinking budgets are narrowing the marketing investment thesis down to a simple equation: there's only room for things that work. The information presented here is designed to help marketing managers make better decisions and generate smarter programs that enhance the mission of event marketing for their organization overall.

Methodology

Between October and December 2007, the Event Marketing Institute (EMI) interviewed 254 event marketing executives from a variety of industries in the United States via direct mail and an online survey. The respondents were asked the same questions as the senior sales and marketing participants in the global survey. More than half of the event marketing executives represented companies with annual revenues in excess of \$250 million; of these, 17 percent estimated annual revenue between \$1 billion and \$4.9 billion. One in ten (11%) of the sample said their company exceeded \$10 billion in annual revenue. The margin of error is ±3 percent.

A Broader Focus

Traditionally focused on the thinking and perspectives of senior sales and marketing executives who shape overall corporate marketing strategy, the annual *EventView* report series has broadened its sample base to also include the views of event marketing professionals themselves.

Why This Matters

This study contrasts the perspectives of its traditional sample demographic with the thinking of event marketing leaders, aiming to produce insights into how the two groups can more effectively dialogue to optimize event marketing spend.

Event marketers show a high level of confidence in regard to the future importance of events to their organization.

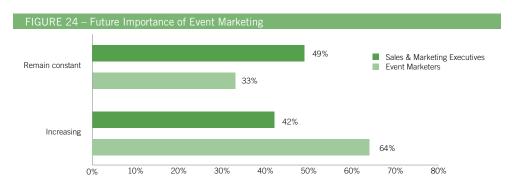
Future Importance of Event Marketing

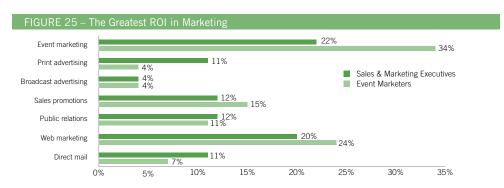
Event marketers show a high level of confidence in regard to the future importance of events to their organization. As shown in Figure 24, two-thirds (64 percent) of event marketers estimate that the future importance of events will increase. This is in contrast to the 42 percent of sales and marketing directors who share that sentiment.

Is this 22 percent differential a result of event marketers' overconfidence in the discipline, or of their closer understanding of its power? We can't be sure, but it does suggest that sales/marketing leadership and event marketing teams need to communicate more effectively to determine the true value of events. An increase in the instances of ROI measurement will help.

Return on Investment

Both groups agree that events provide the greatest ROI among all marketing channels (Figure 25). Here again events are closely followed by Web marketing as the two marketing channels that deliver the greatest ROI.





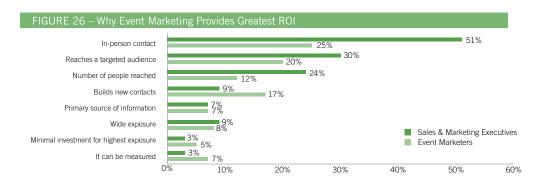
Why Event Marketing Provides the Greatest ROI

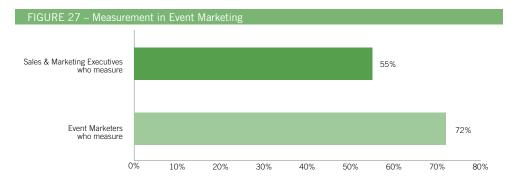
Asked why events perform so well in terms of ROI, both groups are in general agreement, ranking face-to-face interaction and reaching a targeted audience at the top of the list (Figure 26).

Interestingly, event marketers are more bullish than sales/marketing leadership in crediting measurability as a reason why events provide greater ROI than other marketing channels. Again, this may indicate that event marketers are seeing that measurement data may not be properly presented to the rest of the organization (if at all).

Measurement in Event Marketing

One of the most troubling divergent realities uncovered by EventView is in the area of measurement. Fully 72 percent of event marketers indicate that they are doing some form of measurement around events, while only 55 percent of sales/marketing leaders report measurement activities (Figure 27).





This finding highlights the need for event marketers to re-think how they are relaying their work around measurement to senior sales and marketing executives. This should be a high priority for event marketers in 2008 and beyond. Is the discrepancy due to lack of awareness about how much measurement is taking place? Or is it an indication of a lack of perceived credibility of the measurement being taken? The answer may differ on a case by case basis, but it's clear that this is a big opportunity for event marketers to more powerfully manage this issue.

The Transition to Experience Marketing

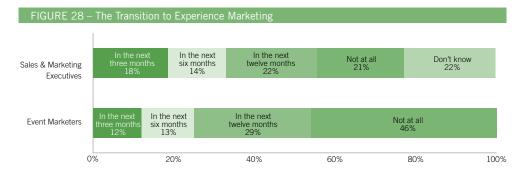
EventView findings also revealed a stark difference in how event marketers view experience marketing. When asked how quickly they were considering moving away from traditional event marketing and adopting experience marketing, nearly half of the respondents (46%) indicated they are not planning to do so (Figure 28).

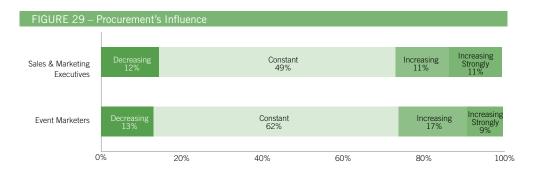
Fully 72 percent of event marketers indicate that they are doing some form of measurement around events, while only 55 percent of sales/marketing leaders report measurement activities.

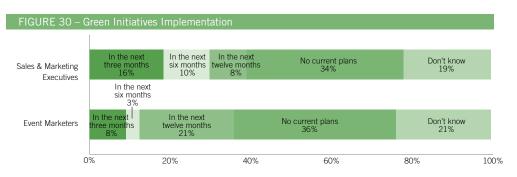
Contrast that with the response of senior sales and marketing executives, of whom only 21 percent indicated they were not going to make that transition. This difference seems to suggest a certain tension between these two groups.

The majority of senior sales and marketing executives (82 percent) surveyed say they are experimenting with some form of experience marketing. Yet this statement conflicts with the opinion of event marketers themselves.

This can at least partly be attributed to the confusion around an exact definition of experience marketing versus traditional event marketing, a definition that industry groups and media need to settle on in the short term.







Another factor to consider is that many event marketers may be adopting a waitand-see approach as the industry continues to experiment with the discipline. (The difference in sample make-up by size of company may be a factor as well.)

Influence of Procurement

The majority of both groups generally agree that the influence of procurement in the selection of a marketing provider is holding constant. A slightly greater percentage of event marketers see that role increasing (Figure 29).

Green Initiatives

Perhaps due to the fact that both groups attribute their green initiatives to an overarching corporate responsibility mandate, they are also in rough agreement as to when and if they are moving forward with such programs (Figure 30).

It's worth noting that half as many event marketing respondents (8%) indicate that they will implement a green initiative in the next three months as senior sales and marketing executives (16%).

Summary

The *EventView 2008: North America* report leaves little doubt that the industry is undergoing significant change and that brand side marketers and their agency partners must respond in kind. It's clear that both senior marketing and sales leadership as well as event marketing professionals face the same challenges and share the same concerns.

It's also clear that as the event marketing industry continues to advance itself and raise the strategic importance of events in the industry, better communication between these two groups will doubtless optimize the impact of the event marketing spend.

EVENT INDUSTRY Q&A: MARY FEHRNSTROM

As Cisco's Senior Manager of Corporate Event Strategy, Mary Fehrnstrom has been recognized for bringing strategy and integration to a worldwide event marketing portfolio. That success has resulted in year-on-year increases in event performance and general industry acknowledgement that effective portfolio management generates measurable returns. Here, EMI speaks with Mary about the results of EventView 2008: North America.

Q: Frame this for us: what's your stance on the role of research in event marketing?

A: It's critical – information empowers you to make smarter decisions and it's the foundation of everything we do. The up-front obstacles of formulating an approach and building a solid base of analysis pales in comparison to the value you can pull out of a marketing program founded in facts and data. As an industry we often get into the habit of this repeatable formula; we go to the same events and use the same tactics. Research into the market, into your audiences, into your own brand and products and services - empowers creative thinking. It also allows you to be agile, to drop declining shows in favor of emerging markets you are entering. It's no longer about adding new shows for the sake of adding or repeating because "we've always done it," it's about determining priorities and making more informed decisions.



Q: Can you comment on the trending in budget allocations?

A: Allocation of marketing budgets are shifting and there is a clear understanding that events are the leading source of acquiring new contacts as well as building brand equity with customers. If we can clearly demonstrate this in our event design and measurement, the impact events have on the business will continue and budget will always follow.

Q: What is your perspective on the measurement findings? The report suggests budgets for measurement have gone up significantly.

A: Once you start measuring programs it's hard to stop. You get used to the advantages measurement creates. And once you can build on event measurement and move into portfolio measurement, that's when things get really exciting. The portfolio view – across event types, business units, geographic regions, etc. – should be the ultimate goal. Measurement help you make smarter decisions about where you have to be and how you need to be there; budgets are just following the value being created.

Q: What about the role of event marketing versus the other marketing channels in terms of ROI?

A: Nothing can compare to a live experience so our return can be great with the right strategy and planning. I also see a new trend in account-based marketing focusing on the needs of our key customers. We can leverage the various platforms available to us at events like PR, customer hospitality, keynote presentations etc

to craft a customer journey to move high-value contacts down the sales cycle. We focus on specific dialog, meetings and actions that need to happen at the event and measure the impact. This allows us to talk about responders and leads as well as impact that our experience had on a key account. That is when it gets really tangible and exciting for our sales force.

Q: Finally, what's your reaction to events getting budget when marketing dollars go up?

A: When you're in an environment where ROI is so closely scrutinized you have to expect that channels such as events and Web marketing will benefit. There's a responsibility for managers in this space to be able to run with that opportunity. Your focus has to be on running the tightest ship possible with your current resources and to also be flexible when new resources or mandates materialize. There is also increased pressure to ensure our approach is a 360-integrated approach so all marketing disciplines can leverage our robust event platform. We are also seeing a trend in doing fewer things, better. We will likely spend more money to truly take advantage of the emerging opportunities at shows as they get more complex. For example: building a more robust online experience to complement the show experience to extend our reach.

Contact Information:



Event Marketing Institute 10 Norden Place, Norwalk, Connecticut 06855 Kerry Smith, President/Executive Director www.eventmarketing.com

The Event Marketing Institute (EMI) is a think tank, educator, and global professional resource dedicated to the advancement and development of best practices, insights and business intelligence for individuals and companies using live marketing as a strategic marketing initiative. EMI serves as a catalyst for innovative thinking in event marketing strategies, tactics and measurement.

The mission of the Event Marketing Institute is to be a global authority on the role of live events in business marketing. Through comprehensive education, research, and analysis related to emerging trends and insights into event marketing strategy, EMI helps members overcome the challenges posed by today's fragmented media environment and utilize live marketing to drive accountable and profitable business results.



GEORGE P. JOHNSON

George P. Johnson

3600 Giddings Road, Auburn Hills, Michigan 48326

David Rich, Senior Vice President, Strategic Marketing/Worldwide Phone: 508.513.3398 David.Rich@gpj.com www.gpj.com

Established in 1914, GPJ is one of the foremost experience marketing agencies in the world. Named one of Advertising Age's "Top 25 Marketing Agencies" it provides a full suite of relationship-building event, exhibit and live experience solutions through which it helps Fortune 500 and other premier companies bring their brands, services and products to prospects and customers around the globe. GPJ is committed to the advancement of experience marketing as a discipline within the event marketing channel. Its program strategy practice is the first and largest consulting practice of its kind in the experience marketing space.

GPJ also provides integrated event marketing and meeting logistics management, creative, data and execution services through 24 offices in Detroit, Los Angeles, Stuttgart, Sydney, Boston, San Francisco, London, Tokyo, Beijing, Shanghai, Singapore, Seoul, Bangalore and others. GPJ made history in 1998 when IBM became the first Fortune 10 company to consolidate its global event marketing program into one agency, naming GPJ as its event marketing agency of record. As a result of its work with IBM, GPJ earned the first EX Award for "Best Global Business-to-Business Event Marketing" program.



Meeting Professionals International 3030 LBJ Freeway, Suite 1700, Dallas, Texas 75234-2759

Katie Callahan-Giobbi, Executive VP MPI Foundation & Chief Business Architect Phone: 972.702.3000 www.mpifoundation.org

The MPI Foundation powers the vision of Meeting Professionals International (MPI), the meetings and events industry's largest and most vibrant global community comprised of more than 23,000 members representing 79 countries worldwide. Contributions from MPI members, chapters, and organizations are invested in high-impact programs to support a rich, global meetings and events industry and shape the future of the meetings and events profession. For more information, visit mpifoundation.org.