

Center for Exhibition Industry Research



GEORGE P. JOHNSON
experience marketing



Center for Exhibition Industry Research

EXHIBITION INDUSTRY
FOUNDATION

Digital + Exhibiting Marketing Insights 2009

*Marketers and Exhibition Management Increasingly Blend
Live and Digital Media for Greater Performance*

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Brand marketers and their exhibition management counterparts are becoming increasingly conversant in digital media and adept in its usage. This is due to audience demand for information on a 24/7 basis, the availability of new networking formats, the need for advanced measurement and the pressure to reduce costs.

Adopting new technology and digital tactics to increase profitability and improve overall program performance is not new to exhibiting, however. These changes are part of the ongoing embrace of new communication tactics that have defined the exhibition industry since its beginning.

Smart marketers are beginning to realize that more than incorporating digital media for digital's sake, what really matters is how events and digital tactics converge to build and foster relationships with audiences. While exhibitions and digital media are indeed useful tools on their own, combining the two creates a potent strategy in the battle for customer acquisition, loyalty, and everything in between.

Co-produced through a unique partnership between industry research leader the Center for Exhibition Industry Research (CEIR) and worldwide experience marketing agency George P. Johnson (GPJ), and funded in part by the Exhibition Industry Foundation, this report is the industry's first comprehensive analysis of the influence of digital media on the exhibition industry.

Geared specifically for senior brand-side executives responsible for exhibiting budgets and the exhibition managers who produce events, this report contains benchmarking data which will enable these professionals to make more informed decisions about their use of digital media based on industry trends.

Special attention is being paid to framing digital media in such a way as to aid brand marketers and exhibition management in calibrating their offline and online promotional activities right now.

Digital + Exhibit Marketing Insights 2009 Top Ten Facts

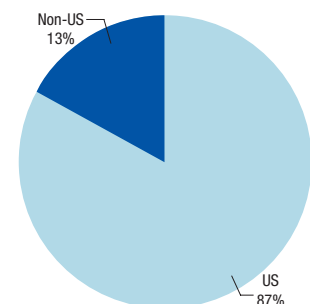
- 10.) 40% of respondents consider digital marketing to be a vital component in the execution of live event; 17% consider it a lead tactic.
- 9.) 49% of respondents use digital marketing to extend the reach of their event promotion efforts with digital marketing most often used in pre-event outreach (87%).
- 8.) E-mail marketing is the digital marketing tactic most used by exhibition production (95%) and corporate brand marketers (87%).
- 7.) 40% of corporate brand marketers and 31% of exhibition production marketers report using virtual events; 71% of respondents use virtual events to accommodate geographically widespread workforces and customers.
- 6.) The webinar (81%) is the most commonly used virtual event type among respondents.
- 5.) 51% of exhibition production respondents report always integrating digital marketing tactics in the promotion of events; 37% of corporate brand marketers characterize their use of digital marketing as frequent.
- 4.) Respondents dedicate 10% of their exhibition production budget to digital marketing sponsorship tactics.
- 3.) 46% of respondents measure the effectiveness of their digital marketing efforts; 50% of respondents measure ROI for virtual events.
- 2.) Event activity sponsorship (16%) and speaking opportunities (16%), followed by e-mail marketing/advertising (14%) are the exhibition sponsorship options respondents perceive as providing the greatest ROI.
- 1.) 72% of respondents feel that the integration of digital marketing into the promotion of exhibition programs increases the effectiveness of the overall effort.

Methodology

Conducted online between April and May of 2009, fielding of the *Digital + Exhibit Marketing Insights 2009* study was managed by Ruder Finn Insights, the market research arm of one of the world's premier communication agencies. The research focused on capturing the perspectives of corporate brand exhibitors who manage exhibit portfolios and exhibition managers who create and produce trade show programs and other events.

The report is based on the opinions of 287 respondents. Forced equality was applied to the sample, resulting in a 50/50 split between the opinions of corporate brand and exhibition management respondents, the majority of which represent U.S. based companies. See Figure 1.

FIGURE 1. Sample Demographics – Geography



Sixty-three percent of exhibition management respondents and 41 percent of corporate brand side respondents maintain executive level titles. Thirty percent of corporate brand side and nine percent of exhibition management respondents represent companies that generate \$1+ billion in annual sales revenue. See Figures 2 and 3.

FIGURE 2. Sample Demographics – Revenue

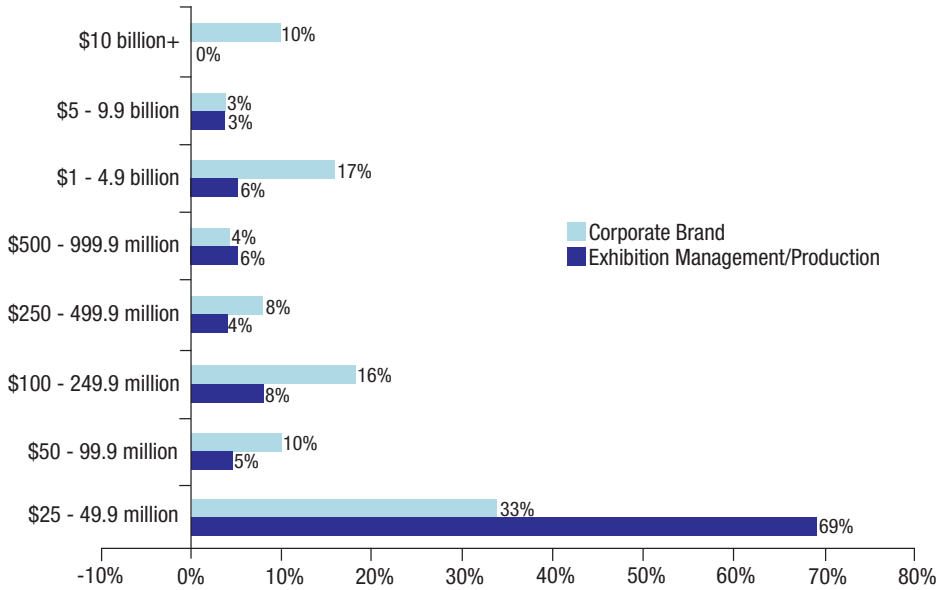
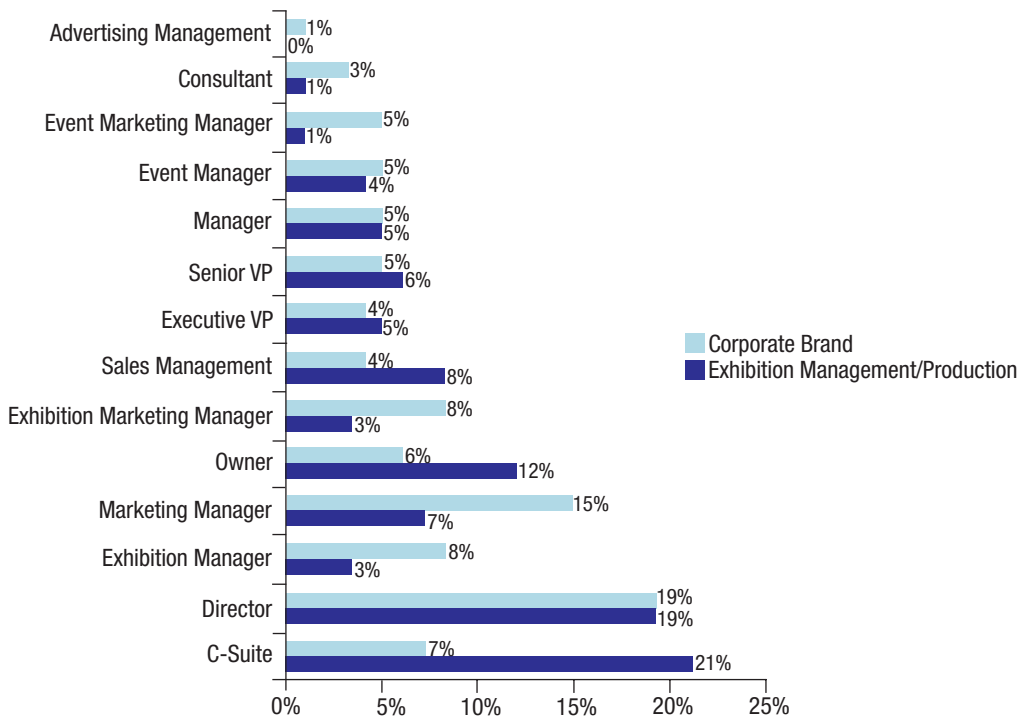


FIGURE 3. Sample Demographics – Title



Digital Media Taxonomy

For the purposes of this report, digital media includes the following tactics:

- E-mail marketing / advertising
- Online advertising (Banner Ads, search marketing)
- Audio downloads / podcasts
- Webcasts
- Online video
- Online games
- Web site/Microsites
- Social Media sites (Facebook, Linked In, Twitter, etc.)
- RSS
- SMS / MMS Mobility
- Virtual media/Virtual complements to live events
- Web based event management tools
- Blogs
- Google Adwords

Virtual Media Includes:

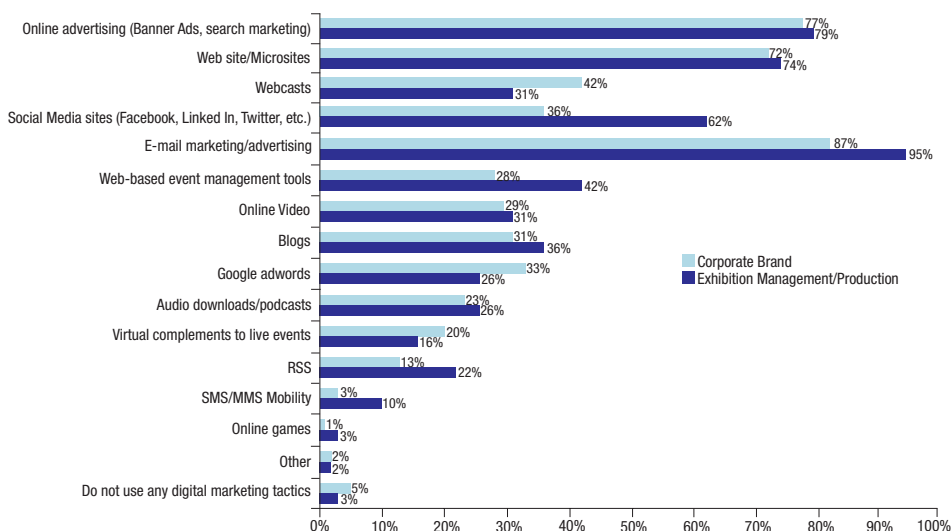
- **Webinars:** A seminar conducted over the Internet. In contrast to a Webcast, a Webinar is designed to be interactive between the presenter and the audience
- **Live Webcasts:** Live audio, video or multimedia distributed via the Internet or on digital networks. Webcasts can only be considered events when the content is live)
- **Web Conference:** A group meeting or live presentation over the Internet. Web Conferences use screen sharing accompanied by voice communication via telephone or VOIP. Text chat is sometimes used to complement, or in place of voice communication
- **Events in Virtual Worlds:** Meetings that take place in virtual worlds like Second Life. These can be as simple as a speaking opportunity, or as complex as a full-blown virtual conference, with robust multimedia, multiple speakers and sessions, networking opportunities, product demonstrations, virtual tours, etc.
- **Virtual trade show/exhibition:** Similar to a face-to-face exhibition but all elements are online. A virtual exhibition includes: an exhibition hall, a conference center for keynotes, panel discussions, and breakout sessions, a lounge for attendee networking and a resource center for distribution of content.

Use of Digital Marketing and Best Practices

Exhibition management and corporate brand side marketers have unquestionably adopted digital media as part of their everyday activities. In general, the digital marketing tactics respondents use mostly include e-mail marketing/advertising, online advertising and Web sites/Microsites.

Looking more closely at the digital habits of each respondent group, as shown in Figure 4, corporate brand side marketers' use of digital demand generation tactics such as online advertising, webcasts, and Google ad words is slightly higher than their exhibition management counterparts.

FIGURE 4. Use of Digital Marketing



For their part, exhibition management respondents outpace corporate brand respondents' use of social media.

Corporate marketers are investing in banner ads or using proprietary content in interactive formats such as webcasts or event microsites as a means to amplify program messaging and foster deeper engagement.

For their part, exhibition management respondents outpace corporate brand respondents' use of social media. The divergence in each groups' use of this medium is likely due to the fact that event producers are relentlessly pushing to make a specific event the centerpiece of the community. Social media is a powerful platform upon which to build a 24/7 marketing program that is, in a sense, "activated" by the live experience. Meanwhile, corporate exhibitors deploy social media for numerous events, resulting in a more fragmented effort. (See Figures 5 and 6.)

FIGURE 5. Integration of Digital Media

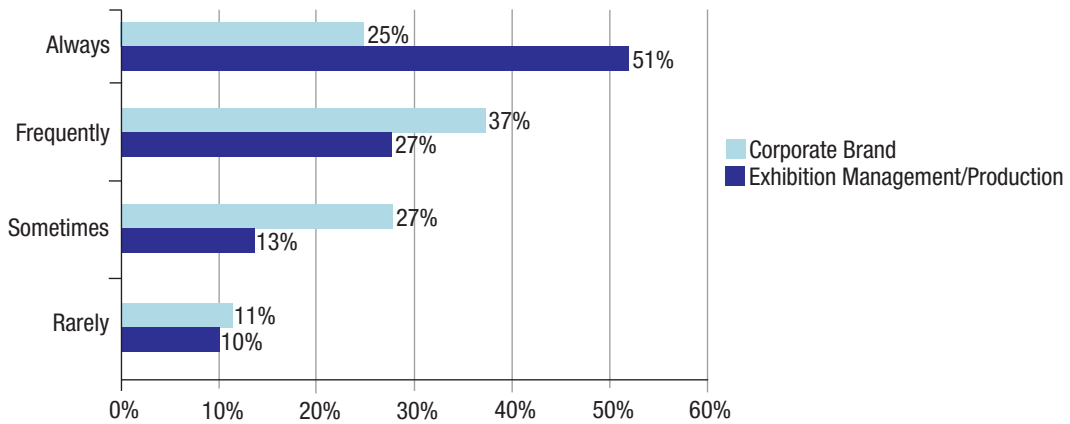
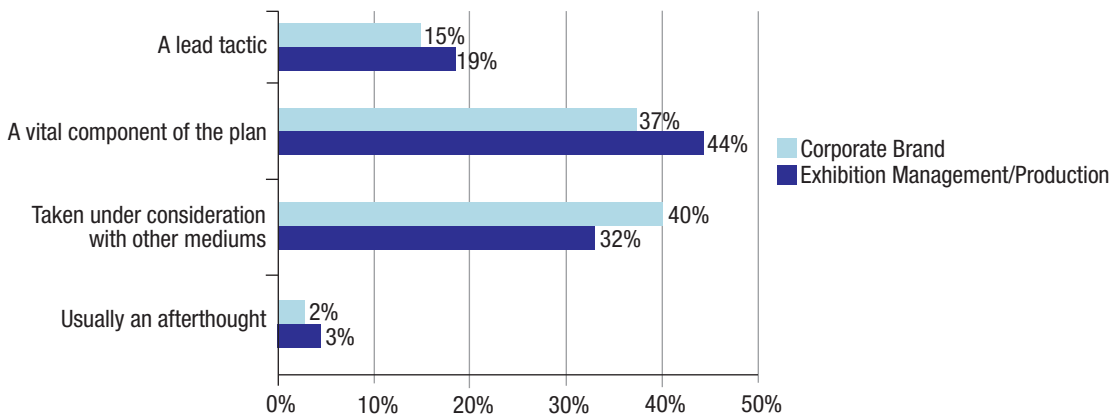


FIGURE 6. The Role of Digital Marketing



A strong focus on 24/7 community-building may also explain a more frequent and more prominent use of digital tactics by exhibition managers than corporate brand respondents. Fifty-one percent report “always” using digital marketing tactics in the promotion of their events – over twice the percentage of corporate brand respondents that do so.

Digital media also allows both types of marketers to extend their sphere of influence to an even larger community outside of an event's physical address and place in time.

When and Why to Use Digital Media

Corporate brand and exhibition management respondents share a similar view on what point in the lifecycle of a live event to use digital media, as shown in Figure 7. Both groups put an emphasis on digital marketing tactics pre-event and post-event. In most cases, the tactics used pre-event are for the purposes of creating awareness and audience generation. During the event, there has been an increase in attendee engagement in social media – i.e., tweeting comments during keynotes. One might argue pre-event and post-event digital activities are led by exhibitors and exhibition management, while during the event they are owned by attendees.

While nearly 100 percent of respondents also agree that the importance of digital marketing will increase in the future, their motivation for the use of digital marketing tactics differs. Sixty percent of exhibition management respondents use digital tactics primarily as a means to extend reach and build community around the event. Conversely, corporate brand side executives' integration of digital is focused on improving audience engagement and brand perception.

These two perspectives underscore the powerful complement that digital marketing can be to a live experience. For exhibition management, it is a way to extend the message beyond the limitations of traditional promotions such as direct mail and trade advertising. Digital media also allows both types of marketers to extend their sphere of influence to an even larger community outside of an event's physical address and place in time.

FIGURE 7. When to Use Digital Media

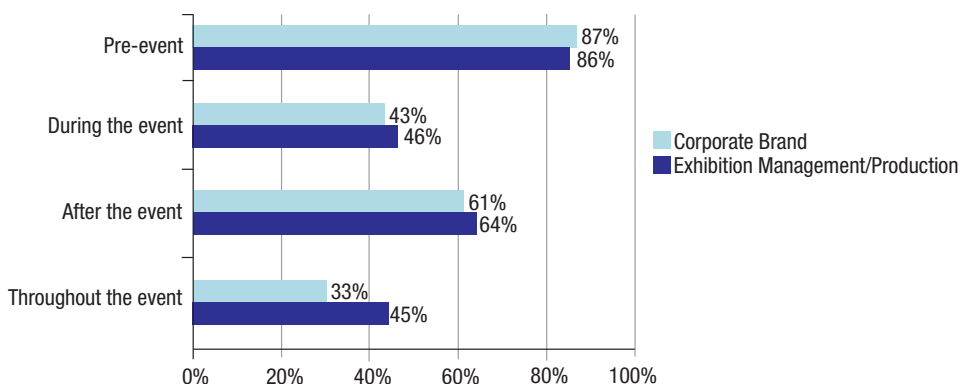


FIGURE 8. Future Importance of Digital Marketing

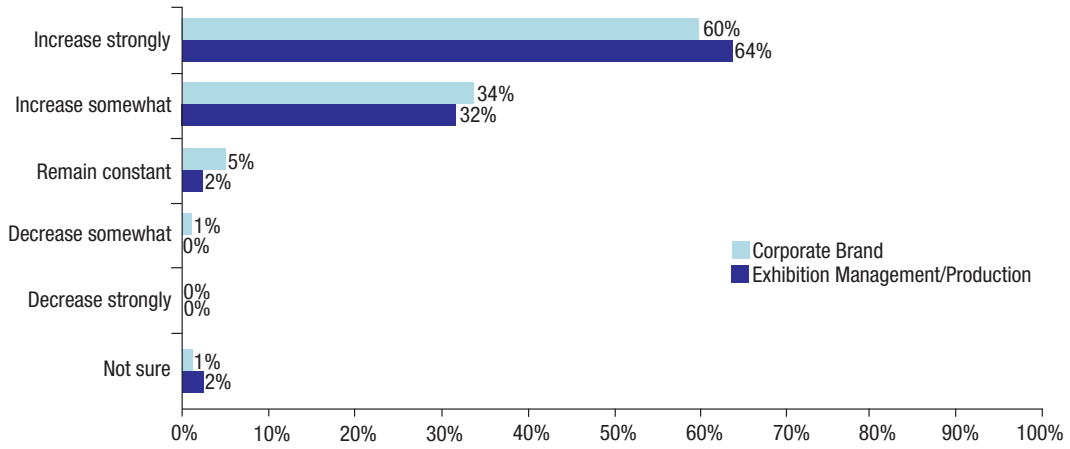
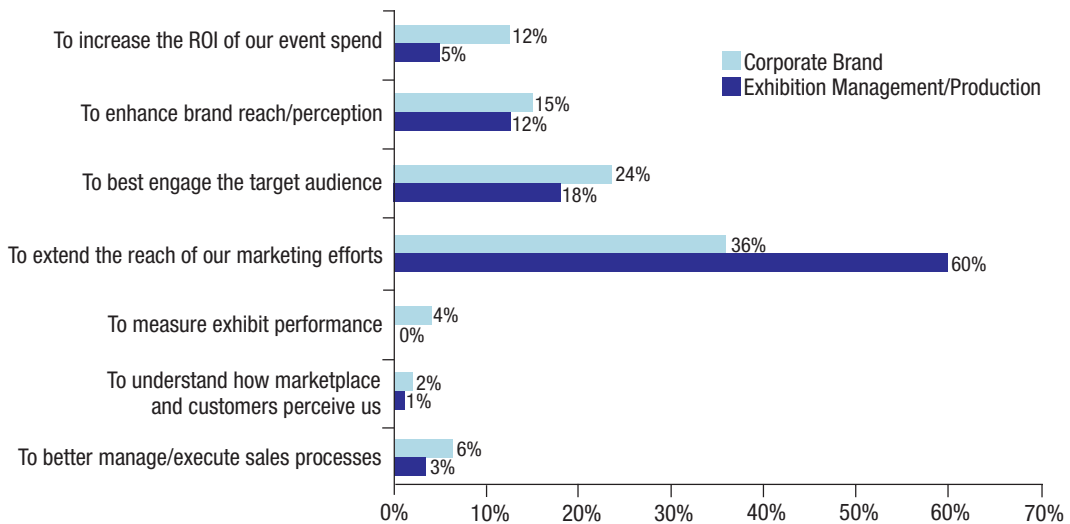


FIGURE 9. Motivation for Digital Media Use



The Use of Virtual Media

From webcasts to virtual trade shows and exhibitions, the use of virtual media to more deeply and completely engage internal and external audiences is an increasing trend among marketers across all disciplines. This is due to several factors, including audiences' increasing familiarity with online platforms; the maturation of virtual technology; the availability of higher bandwidth (and hence real-time experience); a potential for decline in event attendance related to the impact of reduced travel budgets; the green movement; and virtual media's ability to not only capture would-be event and exhibition attendees but extend audiences' experience of an exhibition.

Among survey respondents, the use of virtual media seems to be in its early stages and slightly more prevalent among corporate brand respondents than exhibition management executives. See Figure 10. Of those that use virtual media, the majority conduct webinars. A significant percentage of corporate brand respondents also conduct web conferences (See Figure 11).

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FIGURE 10. Use of Virtual Media

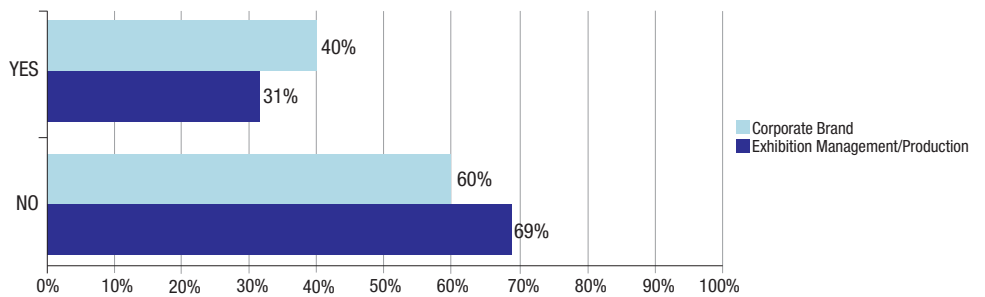
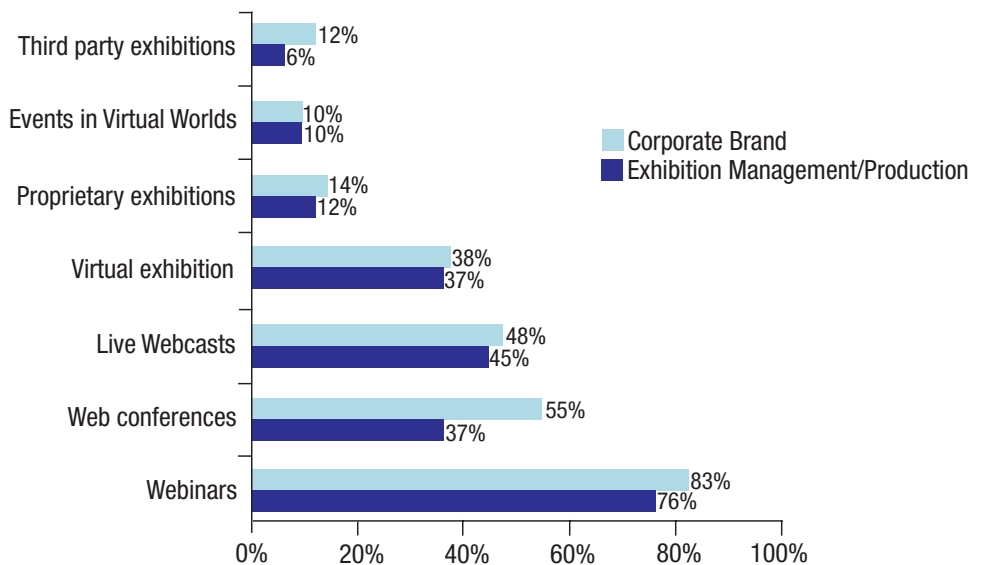


FIGURE 11. Most Used Virtual Media



As shown in Figure 13, motivation for the use of digital media is less clear cut. While the data shows that the primary reason for the use of virtual media among corporate brand and exhibition management respondents is to accommodate a geographically widespread workforce and customer base, there are many other factors informing this decision.

FIGURE 12. Future Importance of Virtual Media

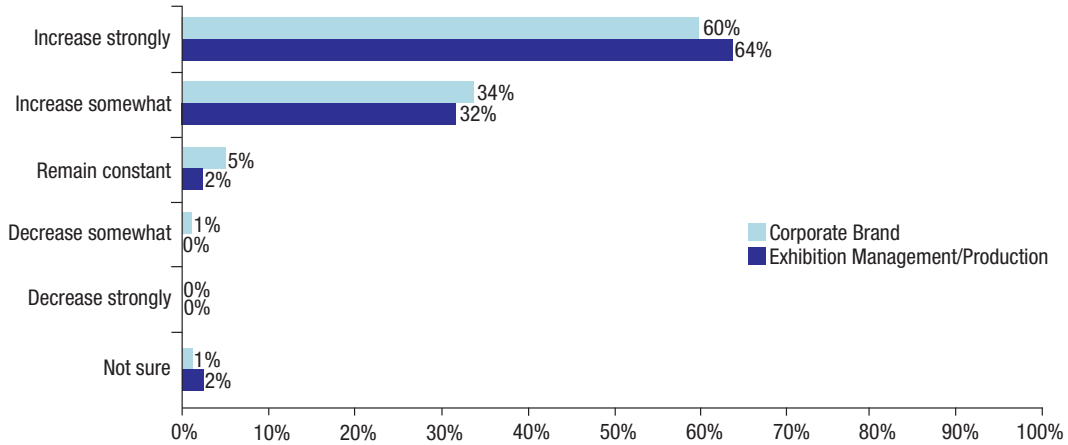
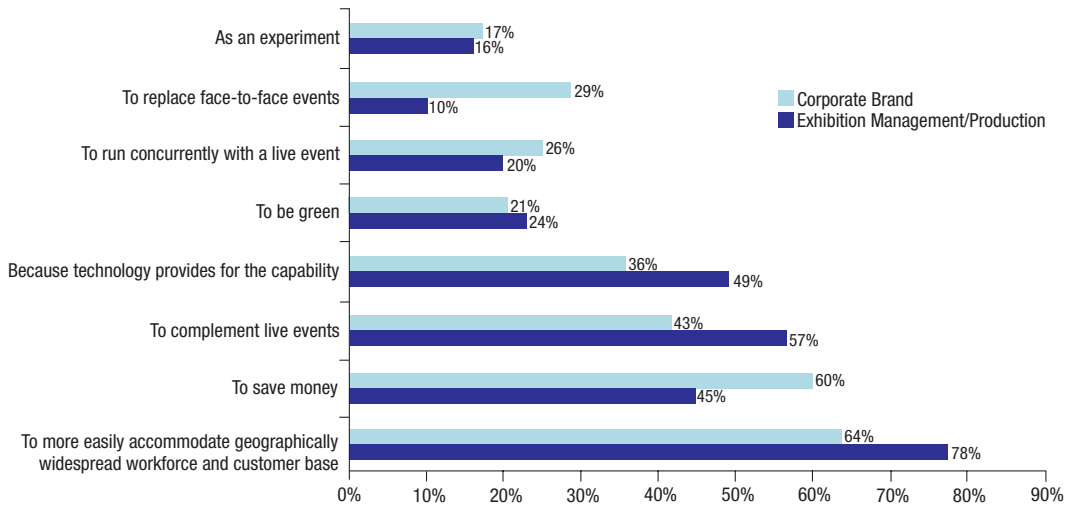


FIGURE 13. Motivation for Using Virtual Media



Budget and ROI for Digital Sponsorship

Corporate brand respondents report allocating nine percent of their event budgets to investment in digital sponsorship, while exhibition management respondents report that seven percent of their revenue is derived from the sale of digital marketing sponsorships. These percentages are expected to rise as event and exhibition professionals more actively leverage digital tactics in the promotion of their programs. In the short term, however, these figures provide a benchmark against which to guide budgeting in the near future.

As shown in Figure 15, 61 percent of exhibition managers report that online advertising is their most frequently sold type of sponsorship. Conversely, corporate brand executives' use of e-mail marketing is the most often purchased digital tactic. Nearly half of the respondents also pointed to e-mail marketing as representing the largest portion of their exhibition budget. E-mail again ranks among the most popular of tactics – digital or otherwise – that both corporate exhibitors and exhibition managers employ.

FIGURE 14. Budget Related to Digital

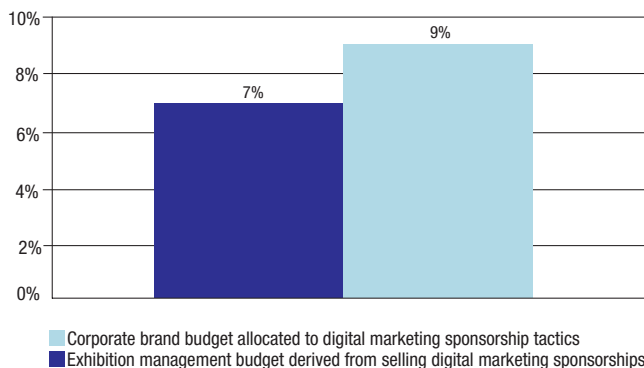
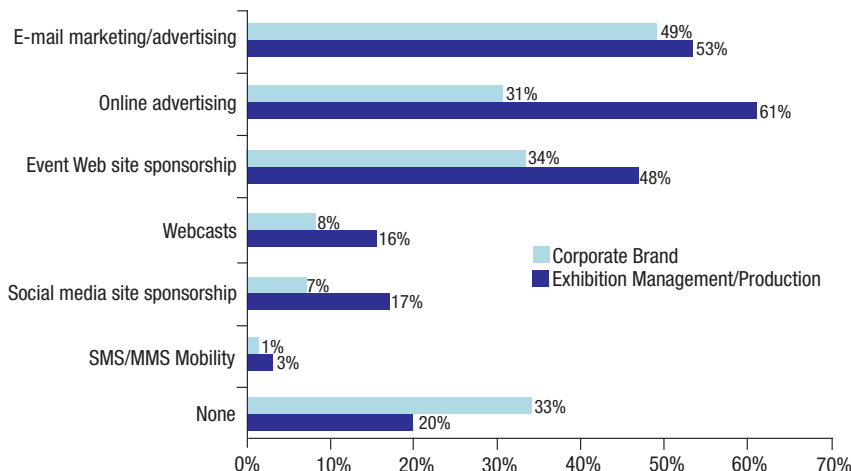


FIGURE 15. Digital Marketing in Exhibit Sponsorships



61 percent of exhibition managers report that online advertising is their most frequently sold type of sponsorship.

Affirming the premise that digital media is being used to extend the live experience, e-mail marketing ranks among the top tactics (both digital and traditional) that drive ROI. It is interesting to note, however, that among these tactics, e-mail marketing is the only digital media alongside other traditional tools including event activity sponsorship, speaking opportunities and event signage. (See Figures 16 and 17.)

FIGURE 16. Budget for Traditional vs. Digital Exhibition Sponsorship

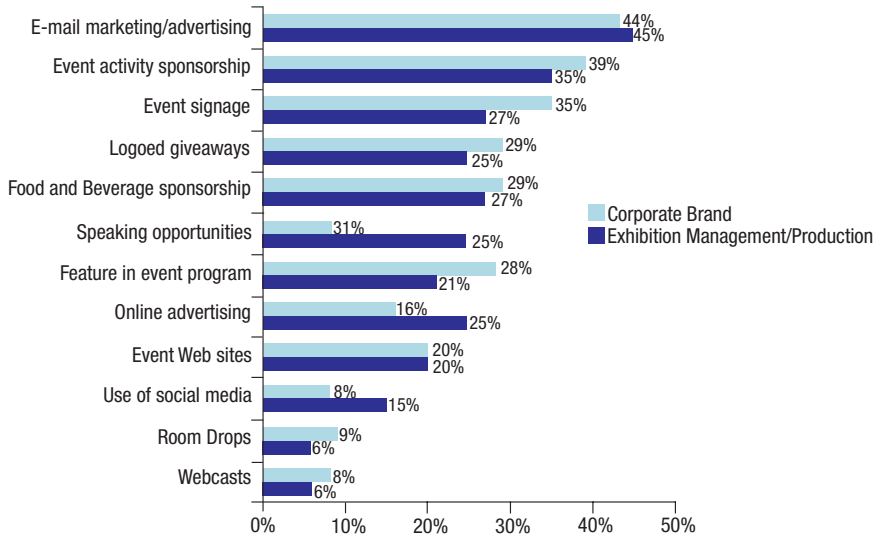
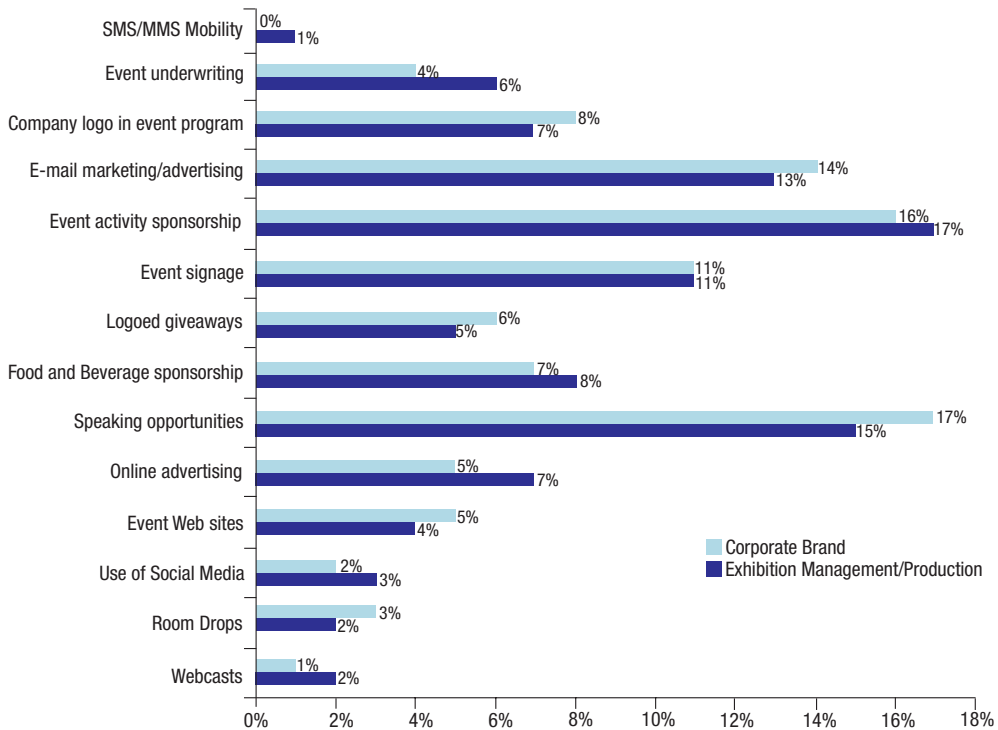


FIGURE 17. ROI of Traditional vs. Digital Exhibition Sponsorship



Despite the increasing use of virtual media, less than half of respondents can quantify how it is benefiting their organizations.

Measurement of Digital Media’s Effectiveness

Survey data shows that respondents on both sides of the exhibition industry see the value of their spending on digital media to the extent that they measure it.

Only 42 percent of corporate brand side, versus 51 percent of exhibition management respondents report measuring the outcome or results of their digital marketing efforts in exhibition marketing. Despite the increasing use of virtual media, less than half of respondents can quantify how it is benefiting their organizations. Because of the relative newness of digital marketing in most exhibiting programs, measurement “best practices” have yet to emerge.

Among those that are measuring, corporate marketers primarily rely on sales reports as the ultimate indicator of marketing effectiveness. Exhibition managers primarily rely on post-show surveys, but also rely on e-mail opens, forwards and click-throughs as well as website traffic, blog, and Twitter activity at much higher rates than their corporate brand counterparts.

This reflects a rich diversity of complementary measurement tools that are being deployed to capture qualitative data, to accelerate the sales process or to fine-tune content on the fly. But this also confirms widely divergent digital usage patterns between the two groups.

FIGURE 18. Measurement of Digital’s Impact on Exhibition Marketing

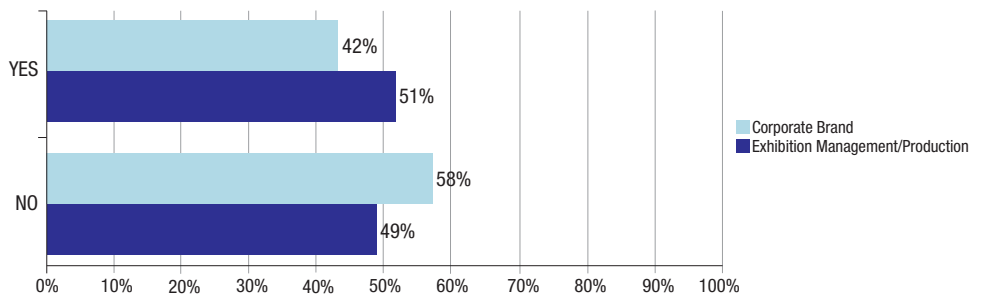


FIGURE 19. Measurement of Virtual Media

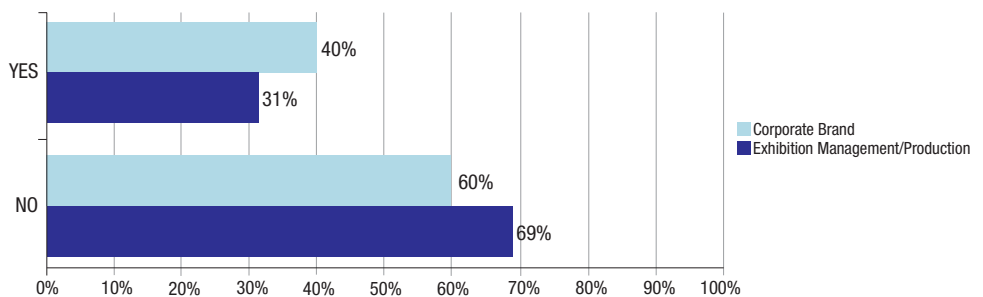
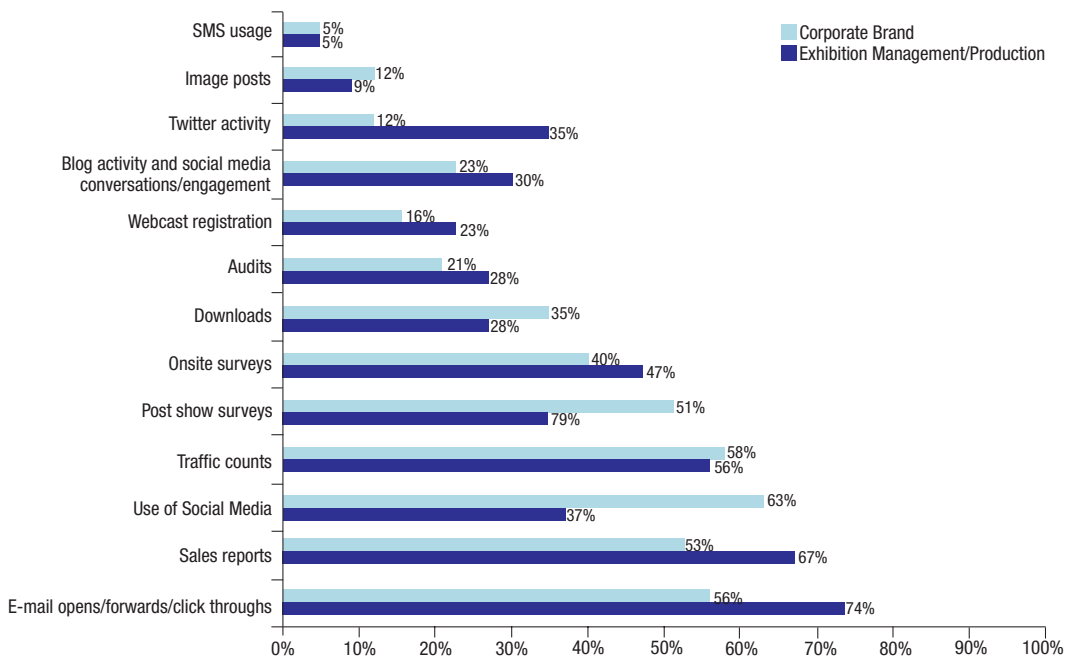


FIGURE 20. Measurement Tools



Impact of Digital Media

Despite differences in the use of digital media, motivation, budget and measurement, study respondents clearly believe that incorporating digital marketing tactics into their promotional programs does increase the effectiveness of those programs. The extent to which effectiveness is increased, though, is another significant point of differentiation between respondent groups.

Exhibition management respondents appear to be more receptive to the impact digital media has had on their marketing efforts, with 57 percent reporting that digital makes a “great deal” of impact on enhancing exhibition promotion. In contrast, 65 percent of corporate brand respondents believe that digital marketing affects their success “somewhat,” with only a small percentage reporting a significant impact. This disparity undoubtedly stems from each group’s divergent use and measurement of digital media and varied objectives for that usage.

FIGURE 21. The Effect of Digital Marketing on Exhibition Programs

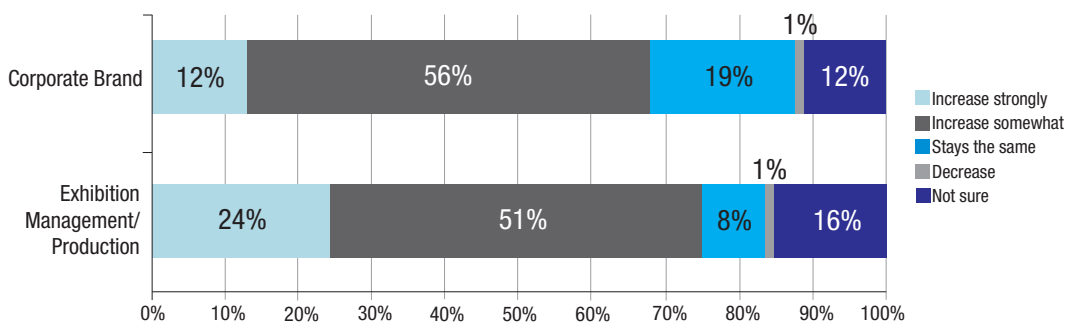


FIGURE 22. Extent of Digital's Impact – Exhibition Management Sample

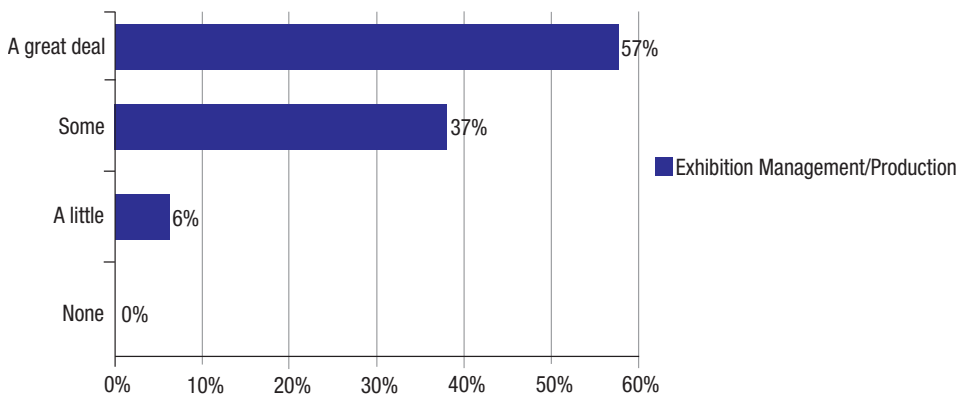
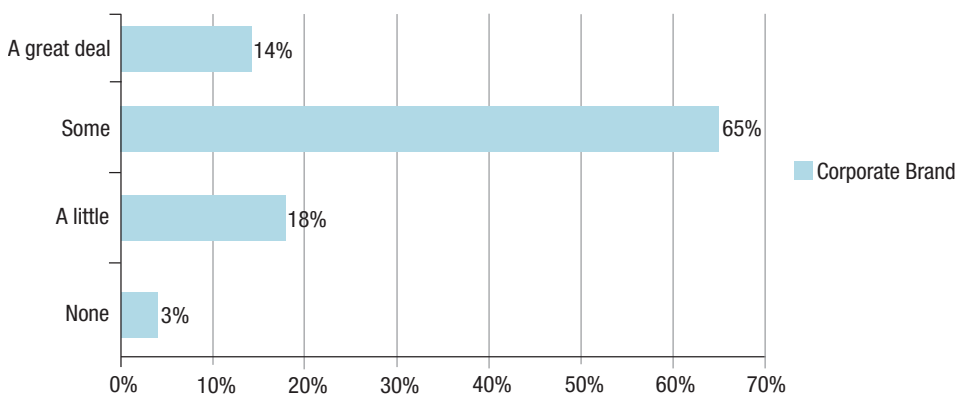


FIGURE 23. Extent of Digital's Impact – Corporate Brand Sample



Conclusion

With the increasing use of digital media as part of the natural marketing continuum, it is incumbent on marketing professionals in the exhibition industry to begin laying the foundation for change. The degree to which that happens at each organization will vary, but the ability to make sound decisions about digital media must increasingly become part of the exhibition marketers' industry skill set.

It is also clear that both corporate marketers and exhibition management professionals need to develop robust measurement methodologies that take into account digital media's qualitative and quantitative impact. A programmatic approach to measurement will not only lead to better internal understanding of the ways in which digital media complements event and exhibition marketing but will likely increase funding attributed to its integration as well.

The future importance of digital media is increasing and marketers that will stand to gain the most from leveraging its strengths are not only looking at digital tactics but also the objectives behind their use. The emergent use of digital media is forcing both brand marketers and exhibition managers to be more strategic than ever before and more focused on delivering the optimal experience to audiences.

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GPJ is the premier worldwide experience marketing agency specializing in using branded live experiences and environments to help clients cut through marketplace noise, differentiate from the competition and create lasting relationships that directly impact the bottom line.

Through an integrated service offering that combines Program Strategy, Creative, Technology and Delivery capabilities, GPJ provides a full suite of relationship-building event, exhibit, live and digital experience solutions that organizations use to drive deep brand engagement, preference and loyalty through customer-centric experience marketing campaigns. GPJ clients won 37 awards in 2008 alone, including five Ex Awards, an unprecedented achievement in the marketing industry.

Frequently cited for its thought leadership, GPJ is known for its annual *EventView* report, white papers and standards-setting collaborations with leading event and marketing trade associations. Consistently ranked one of *Advertising Age's* "Top 25 Marketing Agencies", GPJ provides its services through 26 offices around the world.



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The Center for Exhibition Industry Research (CEIR) serves to advance the growth, awareness and value of exhibitions and other face-to-face marketing events by producing and delivering research-based knowledge tools that enable stakeholder organizations to enhance their ability to meet current and emerging customer needs, improve their business performance and strengthen their competitive position.

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The Exhibition Industry Foundation (EIF) is a non-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The principal purpose of the Foundation is to ensure the success of the exhibition industry as the premiere marketing medium by supporting research and education.