

FUEL SALES

on the show floor

The importance of face-to-face interaction...and the value of trade show participation in your sales & marketing budget. **[KATHLEEN TINDELL]**



Everyone knows the travel industry as a whole has suffered in this recession. Business travel is down; leisure travel is down; and the "AIG effect" (the bad publicity about American International Group's widely criticized gathering at a resort near California's Laguna Beach at the same time it accepted the federal government's \$85 billion bailout, and its effect on the meetings industry) didn't help the numbers in 2009. A recent survey done by *Meetings & Conventions Magazine* reported that 52 percent of respondents said that the mass-media backlash against meetings has influenced their companies' decisions not to hold events.

But many question the wisdom of

the cutbacks. David Grossman, writing in *USA Today*, says, "I loathe meetings. That's one reason I left the corporate world... but I know meetings are essential to facilitating commerce. Businesses must travel and hold meetings even in a recession, or perhaps especially in a recession, in order to survive and thrive."

Henry H. Harteveldt, travel analyst for Forrester Research, writes that, "We are social beings. There are emotional as well as rational benefits of face-to-face meetings. Nothing replaces two business people building a professional relationship in person."

So what about trade shows? Are people still traveling to, exhibiting at, and attending exhibitions? According to the Center for Exhibition Industry Research, by the third quarter of 2009, net square feet at shows was

down 16.2 percent, revenue was down 22 percent, and the total number of exhibiting companies was down 13.4 percent from 2008. But, interestingly, attendance at shows was only down 2.5 percent. In short, your customers are still there. Can you afford not to be?

More than half of the business travelers surveyed by meetingsmean-business.com said that 5 to 20 percent of their company's new customers were the result of trade show participation. An Oxford Economics USA study sponsored by U.S. Travel Association and Destination & Travel Foundation showed that corporate executives reported that trade shows and conferences offer the second highest ROI for business travel, second only to customer meetings. In the same study executives gave the



following reasons for continuing to exhibit and attend shows: industry education, vendor networking, competitor insights, networking with prospects, and, of course, seeing customers. And according to a Simmons Market Research Bureau study, 91 percent of respondents ranked trade show participation as "extremely useful, higher than any other source."

Chuck Salem, president of Unique Venues, says the economy has caused his company to look carefully at the ROI of trade shows. "We've been very methodical about what is working, and in 2009 we eliminated a few we'd been going to for years, but we added four new ones, increasing the total number of shows this year," he said. "At many of the shows, we see the same people going year after year and looking for us, and if we're not there it's noticed. It's not wise to drop off the map." In 2009, Salem says, people were anxious and fearful, so it's not surprising that some shows saw a decline. "We held back last year, too, in a lot of things—cut everything BUT marketing and exhibiting."

"Trade shows have always been important to us," says Pamela Sherfesee, vice president of sales with the Colorado Springs CVB. "We have to maximize our leads, but our best leads come from trade shows. We have to pick and choose and work that much harder in this economy. It's critical to measure the cost per contact, and by this measure, trade shows are better than other means, including visiting clients. In 2009, we did about 20 shows, down two from the previous year, and we'll do about the same amount in 2010, both regional and national shows. We have to go where we can get the biggest bang for our buck. We don't want to take away our basic plan, but just tweak it for budget reasons."

"Evaluate your show schedule, but don't stop exhibiting," writes Michael

STAGGERING STATS

Provided by Center for Exhibition Industry Research (CEIR)

77% of qualified attendees at events are potential new customers for exhibiting companies.

82% of visitors to trade shows have buying authority.

54% of visitors travel more than **400** miles to attend an exhibition.

An average trade show creates a traffic density of **2.3** visitors for every **100** square feet of space.

A visitor will spend an average of **8.3** hours over **2.3** days visiting exhibits on the show floor.

26% of exhibition visitors represent companies comprised of **1000+** employees.

34% of exhibition visitors have not previously attended an exhibition.

39% of visitors attend the same exhibition at least two years in a row.

“Audience Interest Factor” – measure of how many visitors on average will visit a booth and one or more competitors of that booth – is **80%** across all sectors.

82% of visitors are interested in products marketed at exhibits.

34% of visitors are likely to recommend a product or brand seen at the exhibition.

87% of purchasing decision makers find national exhibitions “extremely useful.”

89% say that exhibitions keep them up-to-date on the latest trends in the industry.

88% say exhibitions save company time by bringing many vendors under one roof at one time.

86% say shows help their company make decisions about what products and services to buy.

84% say exhibitions provide an opportunity to discuss problems/ideas with professionals in their industry.

83% say they rely on exhibitions to keep up on important trends and new developments.

62% say shows actually save company money by bringing many vendors under one roof at same time.

Decision makers rank national trade shows as giving the highest ROI, over trade publications, sales calls, user groups, consultants, etc.

Two-thirds of visitors to trade shows place a high level of importance on face-to-face interaction during the pre-purchasing stages of the buying process.

Visitors are apt to be more receptive to marketing messages and images associated with an event than they are to those presented via other methods.

Experiential marketing often goes beyond short-term effects to generate a longer term brand value.

Trade shows have both direct and indirect benefits, generating interest and awareness, as well as incremental sales and profits.

Flavin for Skyline Trade Show Tips (www.skyline.com). "Use metrics to evaluate your show schedule...such as cost per lead, ROI, budgeting, visual reach, etc." Planning and strategy is key, and so is following up on your leads, but you must make the investment of the time and the money to get the return.

Dr. Jeff Tanner, Dean of Hankamer School of Business at Baylor University, quoted in a White Paper by Marc Goldberg and E. Jane Lorimer writing for Skyline Exhibits, said, "In downtimes, you want to put your money where the return is. Instead, most people chop what is easiest to cut, without thinking about the return it gives. It's like raising chickens. If you kill a chicken, you can eat it once. Let it lay eggs and you can eat a lot longer."

Goldberg and Lorimer continued, "Reduction in costs is generally a stop-gap measure to overcome the impact of slower sales. But what drives sales? The answer is marketing and promotions. It's a well proven cycle.... Exhibitions work because they are face-to-face. They work because adults are visual learners. Exhibiting is a visual medium—the exhibit, products, the graphics, collateral material and promotional products are visual elements. Buyers are also experiential. Trade shows and other face-to-face events provide an experience.

"Simply stated," Goldberg and Lorimer advised, "trade shows build and secure share of market, put a face with a name, and tighten the sales loop when it comes time to make purchases."

The statistics back this up. According to the Center for Exhibition Industry Research (see Sidebar—"Staggering Statistics"), 77 percent of qualified attendees at events are potential new customers for exhibiting companies, and 82 percent of visitors to trade shows

have buying authority.

Mark D. Thompson, vice president of marketing for Irving, Texas CVB, talks about their decision to exhibit at HSMAI's Affordable Meetings® National in Washington, D.C., in September 2009. "We faced both a restricted budget and the need to spread the word about our new convention center and a new regional meetings initiative, the 'DFW Meet Now Promise.' Ultimately, the decision came down to a couple of things...the large number of planners the show attracts, and collaboration with other DFW-area CVBs to have an expanded booth presence, yet share in the costs to do so. And we were right to do so—we received several very productive leads and RFPs that more than covered our expenses to be there."

Part of the pre-show strategizing, and ultimate success, includes deciding what your goals are when you exhibit. Linda Hwong, account executive for Marriott International, described their decision to exhibit at a Washington, D.C., show: "We establish relationships with meeting planners, and drum up opportunities for our hotels in the short term, and get the word out on Marriott's global sales strategy for the long term."

A big part of your potential success at shows, and your final ROI, depends on you, not the show itself. Mark Thompson talked about pre-show and post-show strategy when he exhibited at HSMAI Affordable Meetings®. "Before the show, we pushed messages to planners about our new convention center in development—to those planners who had registered for this show as well as to all of our own planner contacts in the D.C. and Chicago markets, encouraging them to register and attend the show. Post-show, we largely utilized direct sales efforts for targeted follow-up. We did follow-up with some digital outreach, but the key,

and most productive element, was the sales efforts of our staff.

"I would recommend to exhibitors a few key things about their onsite approach," Thompson continued. "Some are pretty basic, but it's amazing how many folks I see in booths doing 'cardinal sins' we all know to avoid. Not surprisingly, these are often the very people who feel like they didn't see strong results from a show. The most basic would be making sure those who are staffing the booth are professional and engaging, and follow the basics of booth etiquette/Tradeshow 101. Making sure post-show efforts remain strong is

READER RESOURCES

CAMPAIGNS

- HSMAI Meetings Mean Business Communications Tool Kit
- U.S. Travel Association Meetings Mean Business Campaign
- Convention Industry Council's "FACE TIME. It Matters." Campaign
- Keep America Meeting

ARTICLES/STUDIES

- Groups & Meetings: Enough Is Enough, PhoCusWright FYI
- HSMAI Releases "Meetings Mean Business" Resources To Help Address "AIG Effect"
- U.S. Travel Association Unleashes Campaign to Defend Business Meetings and Events from Politicized Attacks
- The Return on Investment of U.S. Business Travel study

MORE

- HSMAI'S AFFORDABLE MEETINGS**
HSMAI's Affordable Meetings is the premier exposition and conference where meeting and event planners, properties and suppliers come together to do business. Over 3,000 meeting and event planners attend the three annual shows looking for quality resources to enhance their meetings and events.

important, as too many folks just attend a show, pop up a booth, talk to some folks, and return to their office without any follow-up."

According to Michael Flavin, writer for Skyline Trade Show Tips on www.skyline.com, "79 percent of leads generated at shows are not followed up on. Trade shows require planning prior to, during, and after the event."

Says Pamela Sherfesee from the Colorado Springs CVB, "It's important to get out there and be consistent, let people know we're still here. My advice to exhibitors is pretty old school—back to basics. Have a plan and keep working the plan and be consistent."

Advice from other exhibitors stresses the importance of planning. Find out who is attending the show and reach out to them. On your

booth, use text sparingly—it should look more like a billboard than a brochure. Train your staff, and use your A-Team—this isn't the time to train the new employees by throwing them in the deep water to (wo)man the booth alone.

Lacy Gibson, director of sales at Hampton (Virginia) Convention & Visitor Bureau, offers, "The HCVB has one in-house sales manager and one hotel sales manager man the booth. We never leave the booth unattended—you may miss an opportunity."

Linda Hwong with Marriott says of a recent show, "We had the same four people attend both days of the show. This enabled us to carry on multiple conversations and was easier from a financial impact. Each exhibitor attended the conferences and lunches. Our goal was to touch as many people as possible, get the

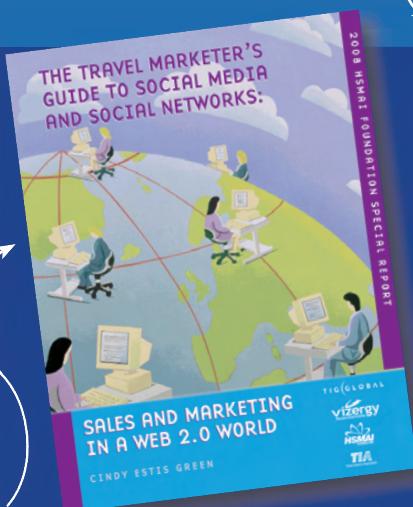
word out, and drum up opportunities for our hotels in the market."

"We did a pre-show solicitation announcing a drawing and give-aways at our booth," Hwong continued. "We also did post-show delivery (by hand) of awards to recipients as we were able."

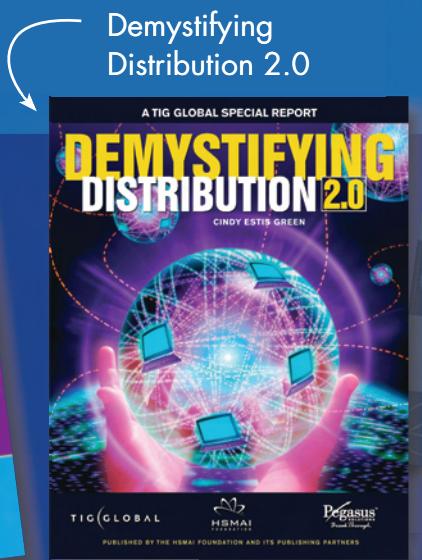
One trade show exhibitor said she felt it was important to attend the educational sessions offered at shows, not only to network with customers but also to help better understand customer challenges and tailor your own responses to overcoming them.

Finally, Chuck Salem with Unique Venues shares his "credo" as the best advice for approaching trade show exhibiting and marketing, borrowed from well-known marketing expert Keith Monaghan: "Tough times never last, but resourceful marketers do." ■

50% Off Latest HSMAI Foundation Publications:



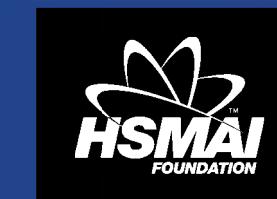
The Travel Marketer's Guide to Social Media and Social Networks



Demystifying Distribution 2.0



Profits and Pitfalls of Online Marketing



Order now!

www.hsmaipublications.com