

CREATE RESULTS



Integrated Event Marketing

TURN OF EVENTS 2004: GLOBAL TRENDS IN EVENT MARKETING

AN MPI FOUNDATION/ GEORGE P. JOHNSON COMPANY REPORT ON THE CHANGING ROLE OF EVENTS THROUGHOUT THE WORLD



Over the past three years, this Global Event Trends Survey has tracked the changing opinions and intentions of corporate marketing executives in the United States, Europe and Asia Pacific. The survey's primary focus is the perception and utilization of event marketing around the world in terms of budgets, event types and its contribution to marketing ROI.

This 2004 global update is based on telephone interviews with more than 700 marketing decision-makers in the automotive, healthcare, high-tech and financial industries. The survey itself was conducted using a combination of quantitative and qualitative methods. While the majority of questions were structured for scaled and multiple-choice responses, open-ended questions were also included for more in-depth probing of subject matter.

This current study confirms some key trends and points to a few that have only recently emerged: how events continue to be one of the most powerful (and measurable) investments in the marketing arsenal; the growing role of internal events such as seminars and conferences in the event portfolio; and the increasing integration of events into other facets of global marketing plans. Whereas corporations have traditionally turned to events and sponsorships to increase brand awareness, this white paper also explores the increased importance of proprietary events as a medium for education, increasing product knowledge and deepening customer relationships through effective brand experiences.

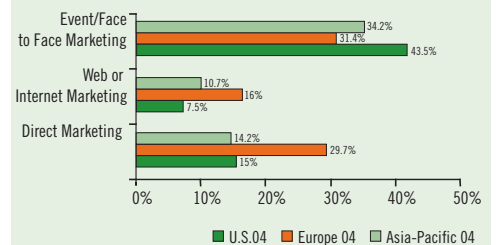
91%

of all executives consider the importance of event marketing to be either constant or increasing.

37%

of all managers surveyed stated that event marketing provides the greatest ROI. However, the survey data shows that Web marketing ranks slightly higher in relation to budget increases. This is likely because Web marketing has a demonstrable ability to report results that can be attributed to specific campaign efforts.

Of the Following Marketing Elements, Which Would You Say Provides the Greatest ROI?



An MPI Whitepaper
WHITE PAPER

David DuBois, Executive Vice President, CMP, CAE. MPI Foundation

Michael Westcott, VP Marketing
mwestcot@gpjco.com

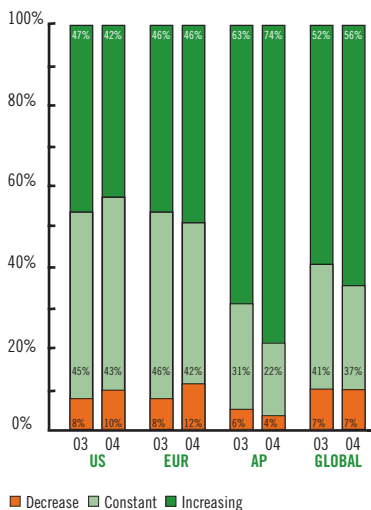
Sponsored by: MPI & GPJ

FIVE TRENDS TO WATCH

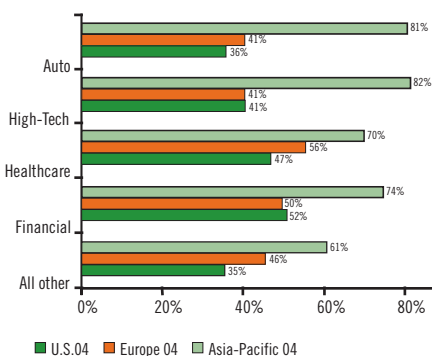
1 Event Marketing Becomes A Global Imperative

Across all geographies, event marketing averages 20% of total marketing communications budgets. These spending levels are reasonably consistent throughout the world, with U.S. companies reporting only marginally higher event marketing investments. This substantial level of spending is also a by-product of senior managers' belief that the overall importance of event marketing continues to increase.

That trend is most dramatically demonstrated in Asia Pacific, where 74% of the survey's participants cite the growing influence of event marketing, almost 20 points higher than the international average. That influence is most strongly felt by Asia-Pacific companies in the automotive and technology sectors. More impressive overall is the belief that on a global scale, 91% of all executives consider the importance of event marketing to be either constant or increasing.



How Do You Estimate the Future Importance of Event Marketing for Your Company?

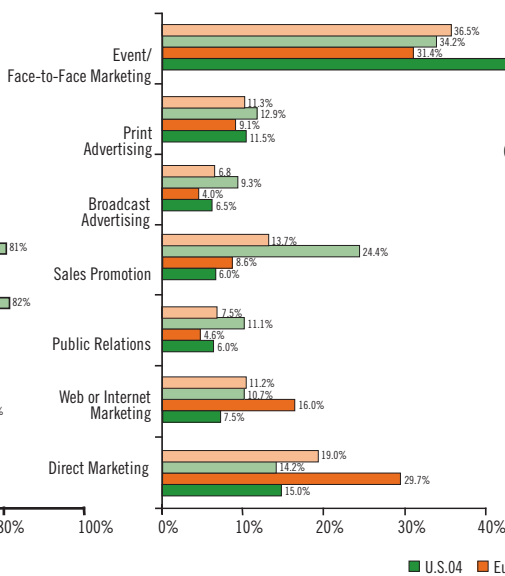


2 Event Marketing Emerges As Best Provider of ROI

According to 37% of all managers surveyed, event marketing emerges into first place in its perceived ability to deliver ROI. Direct marketing ranks a distant second with 19% of the responses, followed by sales promotion at 13.7%. This question also points to some revealing differences between the ways the U.S., Europe and Asia Pacific value marketing tactics. While event marketing is believed to deliver the greatest return on marketing investment in all regions, Internet marketing is more important in the U.S. and Europe, as companies in these regions possess the most widespread digital infrastructure. This issue was also reflected in anticipated changes in future budget allocation. Globally, 41% of companies expect their expenditures to increase for event marketing, second to Internet marketing (51%), with public relations third (40%).

Although event marketing tops the ROI list, the marketers' use of specific event types has changed along with stated business objectives. Conferences and seminars together (44%) overtook trade shows (32%) as the top-ranked event tactic in delivering measurable value. In Europe this is even more pronounced, where seminars have historically been used to further educate and inform the customer base. Industry segmentation also sways perceived ROI. Companies in the technology sector are more dependent upon tradeshows for achieving their objectives, while healthcare companies continue to rely upon educational event types like conferences and seminars, with CME sessions as a major priority in this sector.

Most Effective Medium (Greatest ROI)



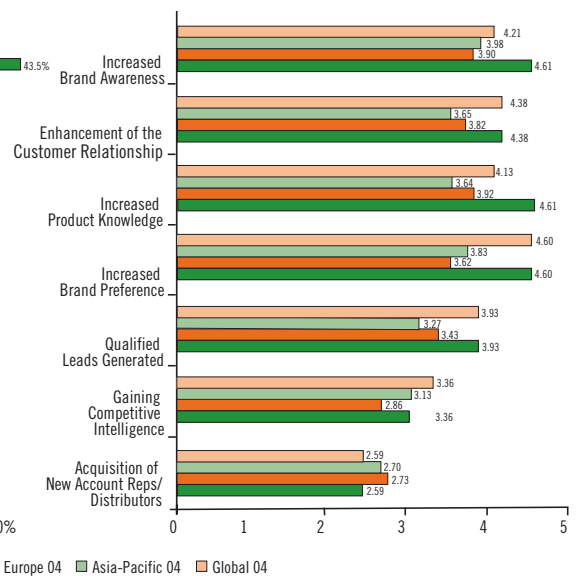
3 New Role For Events Emphasizes Education As Much As Awareness

In 2004, 'increased product knowledge' (4.1 on a scale of 5) was a close second to 'increased brand awareness' (4.2) in event priorities. The increased emphasis on product knowledge throughout the world is telling. At a time when products and services stream into the marketplace with greater velocity, consumers and employees need an unprecedented level of knowledge to help them sort out the daunting array of features and specifications they are confronted with. Similarly, B2B marketers face an average of 4.5 decision makers and longer, more complex buying cycles.

Clearly, the need to inform and build brand advocates has spread deep within the company as well. Of all the global events run by corporations last year, more than 40% were designated 'internal' (targeting employees, sales teams and partners). Companies have realized that branding begins at home and when employees are trained to become brand advocates, external branding becomes more effective.

This trend correlates with the respondents' rankings of the goals for their events. Sponsorships used to be considered excellent vehicles for promoting brand awareness, but with more emphasis on increasing product knowledge and brand preference, seminars and conferences have moved up as the favorite formats for reaching external audiences. In markets where new customers and brand awareness remains paramount, such as China, interest remains significantly higher in tradeshows.

2004 Rated Importance of Success Criteria



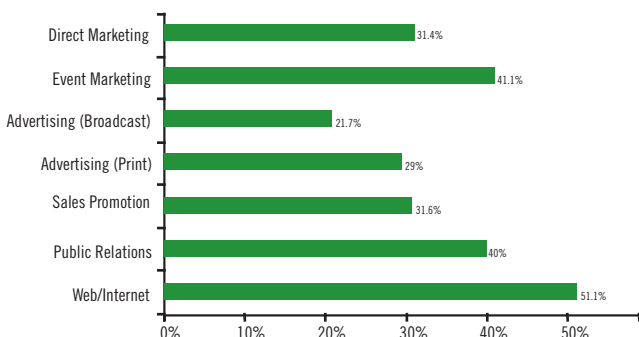
4 Marketers Shift Budgets To More Measurable Media And Improved Integration

In 2004, 41% of all companies expect their event marketing budget allocations to increase, an estimate that closely rivals the anticipated growth for Internet marketing and for public relations. The message here is clear: no matter where a company is located, or how widespread its market area, executives understand that they can't manage what they can't measure. While managers have reported that they expect to wring even greater productivity and cost efficiencies from their marketing staff, their responses also suggest that they intend to gravitate towards channels and media that have a demonstrable ability to report results that can be attributed to specific campaign efforts.

Today, both Internet advertising and media placements by public relations firms can be evaluated by the number of 'hits' they generate—whether those hits are stimulated by an online ad, server link, or news story (print or broadcast media). Web and search advertising is highly scalable, with significantly lower budgets than other forms of advertising, and a media relations program is also generally far less costly than either advertising or direct mail.

Despite the fact that measurement is uppermost in the minds of marketing managers, the budget and commitment to metrics appears lacking. In particular, only 53% could provide some estimate on measurement budgets and only 37% utilized some form of survey in data collection.

How Do You Anticipate Your Current Budget Allocations Will Change Relative to...?



5 Thinking Globally, Acting Regionally: Shifts In Event Marketing Around The World

This year's study underscored some of the regional differences international marketers face as they wrestle with the balance between global brand consistency and local or regional relevancy. The sheer scale of the individual country markets in Europe demands that marketers share a strategy across borders to leverage the European Union, but speak and act very differently as they cross them. This is especially critical in events, as one-on-one interaction must reflect cultural and language variations that simpler one-way communication tactics often gloss over by using English or basic translation of campaigns.

Companies in the Asia-Pacific region are more aggressive in their estimations regarding the future importance and potency of event marketing. This is particularly true among the automotive and technology sectors. In the U.S. and Europe, healthcare and finance skew higher in this regard.

Regarding the criteria for evaluating the success of events, 'increased product knowledge' ranked higher in the U.S. and Europe, while Asia-Pacific companies placed greater emphasis on 'brand awareness'. This may be attributed to mature, established brands in the West and a cultural imperative in the East to build brand names and reputations.

Tradeshows are considered to deliver a stronger return on investment by companies in the U.S. and Asia Pacific, while in Europe seminars are top ranked in estimation of ROI.

EXTERNAL EVENTS WITH THE BEST ROI!	GLOBAL	US	EUROPE	ASIA PACIFIC
Tradeshows	32.6%	33.5%	24.6%	37.3%
Conferences	26.4%	27.0%	19.4%	23.6%
Seminars	18.4%	14.5%	25.7%	19.6%
Road Show & Mobile Marketing	6.4%	8.0%	9.7%	5.3%
Sponsorships of Sports or Entertainment	5.9%	9.0%	8.0%	4.0%
Guerilla Marketing	1.0%	2.5%	0.0%	0.4%
Mall Marketing	1.4%	1.5%	2.9%	0.9%



The Emergence of Experience Design

Throughout the world, companies are taking notice of the highly-effective experience design and tactics used by insightful retail brands, particularly those that traditionally do little advertising such as Starbucks, WalMart and Amazon. Not satisfied with existing models of interaction, these companies have begun to focus on ways to make each exchange more valuable to all who participate. By carefully considering every potential customer touchpoint as an opportunity to strengthen relationships, these brands are merging media, merchandising, products and promotion into more effective experiences that also support more productive customer conversations.

The international auto market, with its vast media clutter and increased expectations for return by manufacturers, is a case where face-to-face experiences are now consistently driving more favorable impressions and more profits to the bottom line than ever before. While advertising may increase awareness for a given product, test drives and road shows are routinely delivering over 30% close rates for manufacturers.

One recent example, the UK's Sunday Times Motor Show Live, was far more interactive than previous show formats, thrilling many of the 461,000 visitors with a 'Live Action' 4x4 experience. The show was designed to appeal to a family audience beyond that of the traditional motor show fan, and according to a MORI survey of visitors it more than succeeded, with 88% of those surveyed saying that the show exceeded even their loftiest expectations.

Here in the U.S., Daimler-Chrysler experienced more dramatic returns when it commissioned GPJ to create Camp Jeep NY indoors at the Javits Convention Center during the New York Auto International Show. One of the most successful aspects of Camp Jeep was the Trail Rated Jeep@101 Course, which included a 45-degree climb, mud field, creek and log-strewn roads. The experience also featured several other highly interactive components, including The World of Jeep, games, live entertainment and a mini-course for the kids to drive.

This brand experience powerfully communicated the personality of the brand and significantly increased awareness and interest in the Jeep brand. According to company officials, traffic was three times as much as anticipated, with over 300,000 visitors and over 30,000 Jeep rides. Visitors averaged 22 minutes at the Camp Jeep, versus about seven minutes at other automakers' exhibits. Perhaps even more telling: over half of the participants reported that they had seen Jeep advertising when none was broadcast and over 2% purchased a Chrysler vehicle within 90 days of attending the show.

CREATE RESULTS



WHITE PAPERS AVAILABLE

Trends in Event Marketing

A comprehensive understanding of how events are currently being used within major companies with North America.

Integrated Event Marketing

Overview on the practice of Integrated Event Marketing in which tradeshows, proprietary events, sponsorships and channel events converge to form a single integrated event portfolio.

Measurement & ROI

Outlines the seven ways to measure events and tradeshows as well as some proven industry practices for designing your measurement program.

WWW.GPJCO.COM/SOLUTIONS

Proprietary Events

As companies focus their marketing spend to increase business with existing customers and use events more strategically to gain new ones, this paper illustrates the reasons why and how to create your own events.

Role of Procurement In Event Marketing

How the right cost-management strategy can make any event marketing program a winner.

CONTACT INFORMATION

The George P. Johnson Company
3600 Giddings Road
Auburn Hills, MI 48326

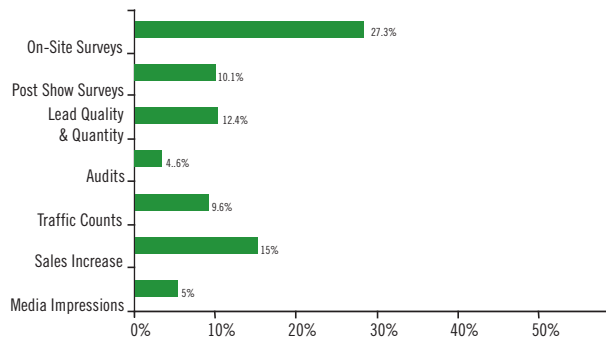
Mike Westcott
Phone: 508-513-3342
mwestcot@gpjco.com

www.gpjco.com

WORLDWIDE LOCATIONS:

Boston, Detroit, Los Angeles, San Jose, Atlanta, London, Stuttgart, Milan, Paris, Brussels, Sao Paulo, Buenos Aires, Bangalore, Mumbai, Delhi, Beijing, Shanghai, Guangzhou, Singapore, Sydney, Tokyo, Seoul, Taipei.

What Methods Do You Use for Measurement?



For questions and information, or to request a copy of the full report (available to qualified marketers) contact: mwestcot@gpjco.com or ddubois@mpiweb.org