

# Summary of findings

NOVEMBER, 2005



The George P. Johnson Company  
Integrated Event Marketing

## EVENTVIEW '05

### THE ANNUAL EVENT MARKETING TRENDS STUDY FOR SENIOR MARKETING EXECUTIVES

Sponsored by the MPI Foundation and The George P. Johnson Company

# 93%

of respondents state that importance of event marketing is increasing or constant.

# 27%

the year-over-year relative increase in the proportion of marketing budgets invested in event marketing.

# 23%

of the sample says event marketing provides the greatest ROI.

# 15%

the increase in event marketing budgets over 2004.

Between May and June 2005, 700 individuals in marketing management positions from North America, Europe and Asia Pacific in high technology, health-care, automotive and financial industries were interviewed via telephone with hopes of bringing clarity to the events component of the marketing mix as it compares to other elements in a marketer's arsenal.

For questions and information, or to request a copy of the full report (available to qualified marketers) contact: [drich@gpjco.com](mailto:drich@gpjco.com)

#### ANNUAL STUDY SHOWS STRENGTHENING OF EVENTS BUSINESS AND ITS BUSINESS RELEVANCE

Meetings and events can have a strategic benefit to every organization. Whether the objective is to increase sales, strengthen brand awareness, differentiate from the competition, launch a new product, educate or train employees, meetings and events can motivate customers and employees and drive business in a profound way. However, today meeting professionals and marketing executives are operating in an environment filled with contradictory pressures affecting marketing, product and organizational education and sales-force readiness. On the surface, these factors make it challenging to see where meetings and events are headed, but high level findings from the 2005 global research indicate that overall, the health of the event marketing industry is strengthening.

#### Four key indicators show interesting trends that provide a case for optimism:

**"Maintaining/increasing importance"** of event marketing has remained consistent over the past three years for 93% of respondents. This is a good foundation in terms of opinion but needs to be validated through a correlation with the increasing budgetary trends over the past three years, which together show a favorable picture for event professionals.

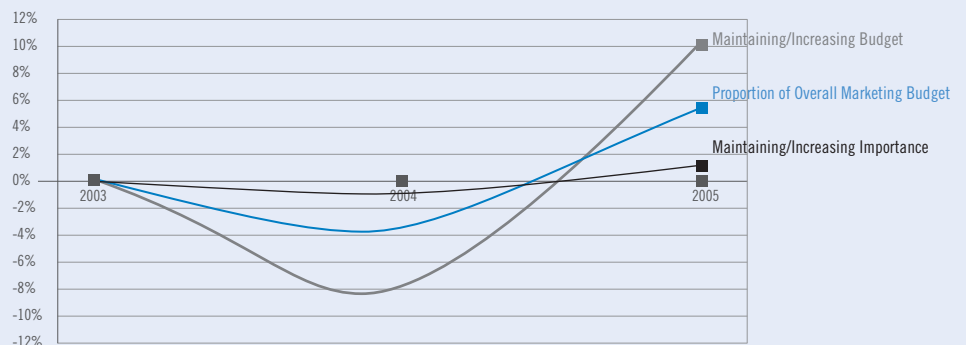
**"Maintaining/increasing budget"** lost nearly 8 points in 2004 to reach a three-year low of 80% of those surveyed, undoing 2003's high of 88%. However, in 2005 this key metric bounced back, registering a 10 point increase. With 90% of respondents now reporting maintaining/increasing budgets, the significant finding for 2005 is that companies are perhaps more likely to back up their perception of value with investment.

**"Budget increases"** averaged 15% in terms of raw dollars, an even larger percentage increase over last year, thus showing industry growth at increasing rates.

**"Proportion of overall marketing budget"** comes in at a robust 27%, which is slightly above 2003's level of 24% after falling off slightly in 2004 to 21%. This result correlates with the general perception in the marketing industry that dollars continue to shift from above-the-line activities of broadcast and print into more targeted, below-the-line disciplines such as event marketing. The fact that this represents a 27% year-over-year relative increase in the proportion of the marketing budget spent on events is of great relevance to meeting professionals. So is the fact (evidenced in studies outside this one) that marketing budgets generally have increased year-over-year. Today, event marketing is likely to garner an even higher percentage of an even larger overall marketing budget.

**Key Take-Away:** event marketing continues to play an ever-increasing role in the corporate setting. A look at the deeper data reveals richer insights into the application and best practices of event marketing... and one concerning trend that if met head-on, could be the biggest opportunity for corporations, event marketing, and discipline practitioners in years. Inside is a summary of those findings.

#### Key Indicators in Event Marketing

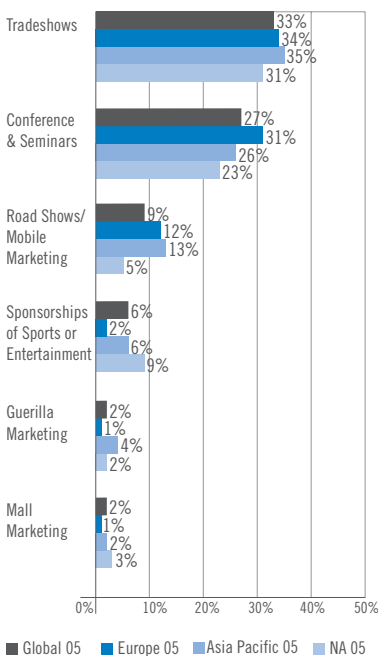


## 1 Return on Investment and Demand Generation Leadership

Once again, event marketing leads the pack in perception of delivering return on investment (ROI). Nearly one fourth of all respondents (23%) believe that event marketing provides the greatest return on investment. Additionally, 52% of respondents say it is a lead tactic or vital component of their marketing plan.

According to survey respondents, the most effective external events are tradeshows and conferences. They provide the greatest ROI (33% and 27% respectively) when compared to other tactics such as mall and guerilla marketing. As a result, respondents indicate that tradeshows and conferences account for the majority of budgets at 54% and 47% respectively. Tradeshows are typically used at the very beginning of the sales cycle as a way to build interest among the target audience and provide education about featured products and services. Generally, leads garnered at tradeshows are nurtured and then later funneled into the next steps of the sales cycles for future event marketing touches such as proprietary conferences which provide a controlled environment for delivering messages and closing deals.

What Types of External Events Provide the Greatest ROI?



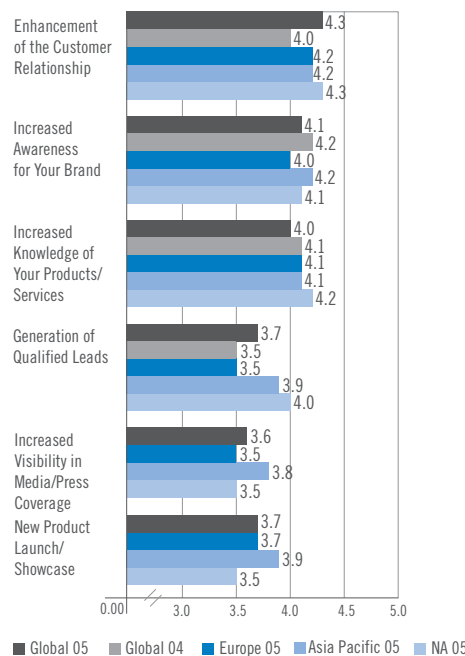
## 2 Building a Better Relationship

Respondents agree that event marketing is a powerful tool to attract new customers and to keep existing ones loyal. Across all regions the perceived ability of events to enhance the customer relationship shifted from third place in 2004 to first place in 2005, ahead of brand awareness and brand preference as the most important success criterion.

It's important to note that using events as forums for dialogue between your company and the customer is an effective way to achieve all three of these objectives. This dialogue doesn't begin when the show floor opens at tradeshows, nor at the opening reception at conference events and road shows—it should begin via targeted communications in the weeks before the event.

Two-thirds of those surveyed agree that marketing or publicity before the event is important or very important to the success of an event. Continued contact is also crucial after the event through post-event follow-up. Specifically, the power of post-event follow-up was recognized by 73% of respondents as integral to creating a successful event. Execution of this last best practice may not fall within the responsibility of meetings and event professionals, but the opportunity for event professionals to call this optimizing action to the attention of the organization is a chance to improve the ROI of event work and the value of event practitioners for having done so.

Success Criteria for External Events, How Important It Is to Have?

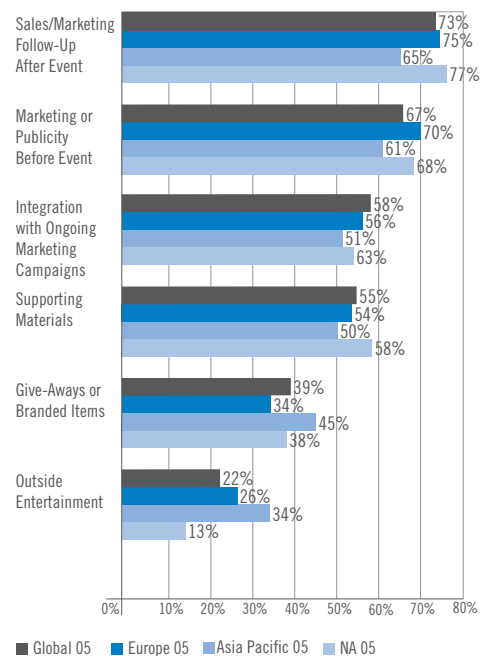


## 3 Integration: The Secret Ingredient

When asked about the value of integrating event activity with ongoing campaigns, 58% of respondents say that it's important to the success of the event. Getting a targeted audience to come to the event is just part of the battle. Once attendees are there, meetings and event professionals need to make sure that the environment is primed to facilitate those all important relationship building activities.

This means flawless execution on all levels, but specifically it means delivering relevant messages and content to the audience. Chances are, there's already been a significant investment made toward learning about the target audience—what their needs and wants are, what messages resonate with them—and how the company can best meet those needs. Oftentimes this insight has surfaced through the development of above-the-line focused marketing campaigns of broadcast and print advertising and in the creative treatments and messages that comprise them. The key is successfully leveraging that work into the events discipline. It's no easy task, but one that can make all the difference.

What Tactics are Important to Heighten the Success of an Event?



## 4 Measurement Impacts Budgets

Almost 60% of respondents provided some estimation of the percentage of their event marketing budget that is spent on measurement; a greater than 11% relative improvement over 2004, when only 53% of respondents could provide that figure. This finding is an indication of the increasing importance of measurement.

Overall, the sample expressed that 11% of event marketing budgets is allocated to measurement. So what does that 11% measure? Everything from the number of qualified leads, overall traffic or attendance, and overall communication effectiveness to the value of the leads captured.

In addition to knowing what gets measured, the survey also captured how events are measured: by monitoring sales increases, lead quality and quantity, on-site surveys, traffic counts, post-event surveys, audits, and media impressions.

Perhaps the most empowering finding of the entire study is that 41% of the companies who measure are also the companies that are more likely to have increasing event marketing budgets. Interestingly, those who measure are more likely to increase their budgets everywhere but in Asia Pacific where the effect is negligible. In Europe the difference is dramatic: those who measure are 35% more likely to increase budgets than those who don't.

This information could provide new motivation to professionals looking for more effective ways to gain executives' understanding of the value of events and ultimately larger budget allocations. The lesson being that if you can prove event tactics benefit the bottom line, funding is likely to increase.

### What Percentage of the Companies Conduct Some Type of Measurement?

	NA	EUROPE	AP	GLOBAL 05
Conducts some type of measurement	52%	64%	63%	59%
Does not measure	28%	18%	12%	20%
Does not know or did not answer	20%	18%	26%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Measure & increasing budget	41%	34%	51%	41%

## 5 It All Comes Down to Cost... and a Strategic Opportunity

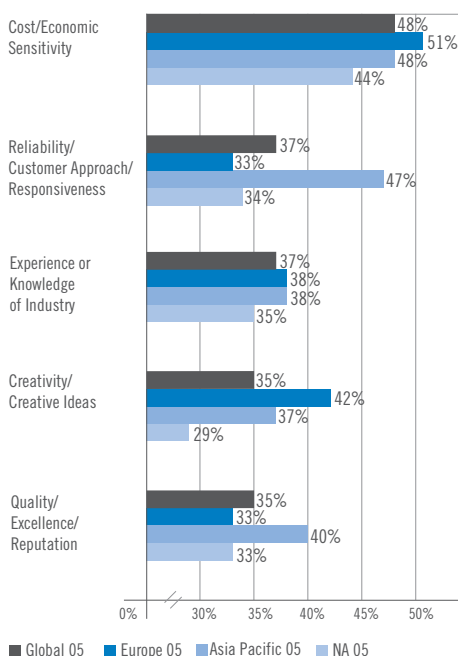
Every element of event marketing needs to be managed as cost effectively as possible. Forty-eight percent of those surveyed say cost is the biggest factor in choosing a vendor to support event activity (followed by reliability and experience/industry knowledge) an unsurprising statistic in these times of budget pressures and the increasing role of procurement in event sourcing decisions.

Correlating this data with the earlier cited data regarding the increasing importance of event marketing, increasing budgets, and the increasing perception of event ROI, paints a picture of opportunity for how organizations can better utilize event managers. Event professionals are the ideal pivot points to coordinate the discussion between procurement professionals looking for lowest-cost sourcing and marketing professionals looking for highest return results—as well as their own need to find sources (i.e., producers of third-party events or vendors who produce elements of all types of events) with reliable quality.

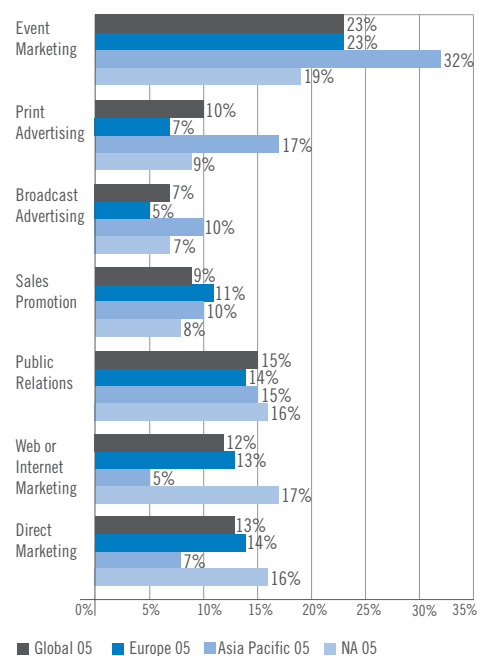
Helping an organization negotiate the tension between these three distinct needs offers an important (and for many, a new) doorway into the strategic discussion of the application of events to growth and profitability objectives—results that could be severely impaired if any one of these pres-

ures is favored disproportionately over any of the other two. Event professionals who step up and effectively advise their internal and external clients in this new context are likely to see their personal importance to the organization rise.

### What Factors Do You Consider Most Influential in Your Choice of Event Suppliers or Partners?



### Which Would You Say Provides the Greatest ROI?



## CONCLUSION

Marketing executives' first priority is to ensure that their companies are interacting with new and existing customers and employees as efficiently and effectively as possible—which often means through close integration with other investments. The view of the event marketing industry afforded by this study provides useful and actionable insight. Still, the industry must do a better job of checking up on itself (through measurement, for example).

Marketers must understand the strategic issues to ensure that their

events teams are armed with the best tools and information to maximize meetings and events for demand generation and relationship building purposes toward all audiences and objectives. This can be accomplished through ever-evolving best practices that optimize experiences and deliver top value to the sponsoring companies and attendees alike.

The key is staying on top of these trends and applying the insights proactively and with skill. Organizations that embrace and even demand that kind of contribution

from their event departments are likely to see their ROI rise to new levels. Meetings and event marketing professionals who meet the challenge successfully are likely to see the organizational perception of the function and themselves as leaders of it, increase as well, just like the increasingly positive trends revealed in this summary. That's good news for everyone.

### The Sampling Distribution Among Specific Geographies and Vertical Industries

INDUSTRY	GLOBAL SAMPLING	% GLOBAL DISTRIBUTION	U.S. ONLY	NORTH AMERICA (U.S., CANADA)	EUROPE (UK, GERMANY)	ASIA PACIFIC (AUSTRALIA, JAPAN, CHINA)
<b>Total Sampling</b>	n=700	N=700	N=200	N=275	N=250	N=175
<b>Automotive</b>	n=141	20.1%	16.5%	14.9%	23.2%	24.0%
<b>High Tech</b>	n=110	15.7%	11.0%	10.2%	15.2%	25.1%
<b>Healthcare</b>	n=135	19.3%	20.0%	20.0%	14.8%	24.6%
<b>Financial</b>	n=119	17.0%	10.5%	13.8%	19.6%	18.3%
<b>Consumer/Other</b>	n=195	27.7%	41.5%	40.7%	27.2%	8.0%
		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

EventView, the annual and first-of-its-kind event marketing trends study for senior marketing executives, was originated in 2002 by The George P. Johnson Company. The MPI Foundation has co-sponsored this important research since 2003. Today, EventView is the number-one published event marketing trends report globally and the longest-running study for the event marketing industry, providing the insight and guidance corporations and event marketing professionals within this field need to develop strategic marketing programs.

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Since 1984, the MPI Foundation ([www.mpifoundation.org](http://www.mpifoundation.org)) has invested more than \$10 million in visionary research and education to shape the \$122.3 billion meetings industry and prepare meeting professionals for the future. Operating on volunteer contributions, the MPI Foundation is the fundraising arm of Dallas-based Meeting Professionals International (MPI), the world's largest association for the meetings profession, with more than 19,000 members in 60 countries. Contributions from MPI chapters, individuals and organizations are invested in high-impact programs to support MPI's strategic plan which drives education, business development opportunities and clearly defined career pathways for meeting professionals.

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Established in 1914, GPJ is a leading global provider of integrated event marketing solutions. Through brand experiences, events and exhibits we create more powerful impressions, deeper relationships and better results than traditional marketing media. GPJ has full-scale production facilities in Auburn Hills, Mich.; Torrance, Calif.; Stuttgart, Germany and Sydney, Australia; creative, sales and marketing offices in Boston, New York, San Francisco; London, Tokyo, Beijing, Shanghai, Singapore, Seoul and Bangalore.