

# EventView 2006

 The George P. Johnson Company  
Integrated Event Marketing

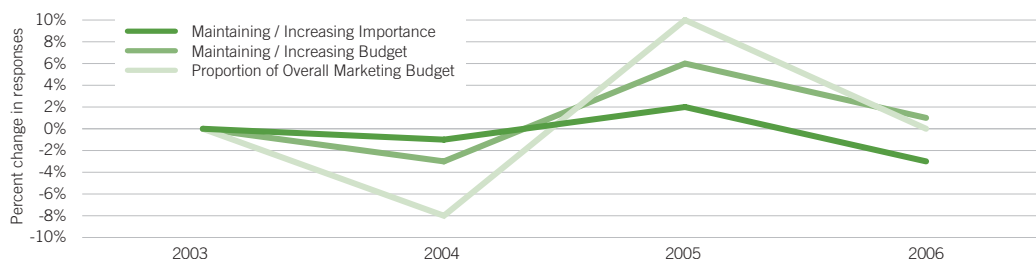
## FIFTH EDITION OF GLOBAL STUDY SHOWS STEADY MARCH OF EVENTS BUSINESS AT THE DAWN OF A NEW ERA

The secret is out. Five years of research has shown that meetings and events can play a strategic role in driving business value within every organization. Corporate executives, both in and out of the world of meetings and events, now see the benefits that face-to-face interactions can provide to their bottom line.

Current customers and prospects can benefit from meetings and events as they provide the greatest opportunity to learn about a company's brand, value proposition and (new) products/ services. Companies can derive business value from events to strengthen product or brand awareness; differentiate from the competition; educate or train employees and ultimately increase sales.

KEY INDICATORS  
SHOW THE EVENT  
MARKETING  
INDUSTRY REACHING  
A PLATEAU

Chart 1 – KEY TRENDS IN EVENT MARKETING



Three key indicators in Chart 1 show, however, an interesting change from 2005:

1. The importance of event marketing has remained virtually constant from the prior year.
2. The proportion of the overall marketing budget dedicated to event marketing decreased slightly from the prior year.
3. The perceived future importance of event marketing has declined less than 3% from 2005.

While these results at first glance could be considered disappointing, none of these indicators should be taken as a sign of a downward trend within the event marketing industry. In fact, these are clear signs of an industry that is stabilizing and showing signs of maturation.

**49%** of respondents state that **the importance of event marketing is increasing**

**24%** of the sample says **event marketing provides the greatest ROI**

**37%** of companies surveyed expected their **event marketing budgets to increase**

**81%** of respondents say they are currently **trying some form of experience marketing**

### A Watershed Event

While the meeting and events industry may be developing a beachhead within companies' marketing mixes, it continues to face increasing scrutiny as it slides under the CFO's budgeting microscope. Additionally, CMOs continue to face mounting pressure to show ever-increasing value and return on their investments. Enter the CMO's white knight in the quest for the enigmatic and much sought after integrated marketing campaign — the evolution from event marketing to experiential marketing — an integrated campaign model offering the opportunity for an audience to “live the brand.”

Although it is too soon to measure how transformational the evolution to experiential marketing will be for the meetings and events industry, high level findings from the 2006 global research indicate that overall, awareness of and interest in experiential marketing has the opportunity to bring the meetings and events industry to new heights.

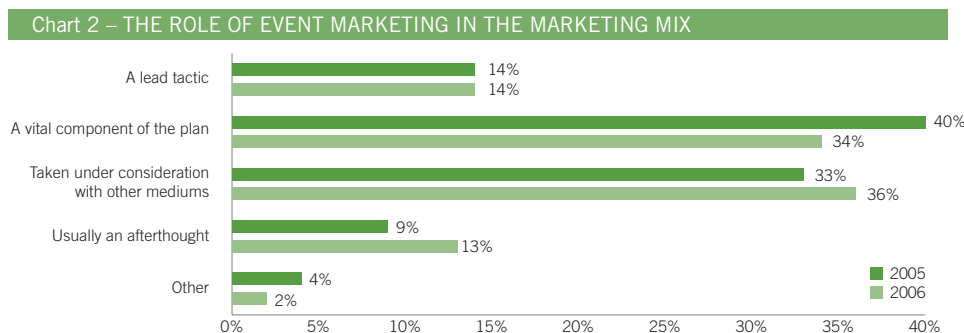
### The Key Take-Away

Event marketing continues to play an important role in the corporate setting but has seen some minor setbacks in growth patterns from prior years in terms of perceived importance and value, perhaps due in part to the high visibility gained in years past. As opposed to potentially being discouraged by these findings, event marketing professionals should consider these early signs as an insightful call to action to innovate and create opportunities for even greater ROI. Event marketing professionals must therefore develop either more focused traditional tactics or adopt new approaches such as experiential marketing.

Between May and June 2006, almost 900 individuals in marketing management positions from North America, Europe and Asia Pacific in industries including automotive, high technology, healthcare, and financial 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.

### The Role of Event Marketing Remains Important In the Marketing Mix

As the world economy continues its 2006 recovery, companies face ever-increasing financial pressures to generate additional revenues and improve profit margins. Globalization has created a myriad of new opportunities for companies but has simultaneously brought with it new challenges in terms of newfound competitors vying for the same pool of clients and the inherent need to communicate one cohesive message to the diversifying marketplace. It is not surprising therefore to see that almost one third of the marketing professionals surveyed this year stated



EVENT MARKETING HAS TAKEN A SLIGHT STEP BACK IN ITS ROLE IN THE MARKETING MIX

that their top marketing concern currently is reaching new customers. Building brand awareness was respondents' second most frequent concern, coming in at a distant 13%.

Due to the increased competitive pressures, companies large and small, local and global must therefore constantly evaluate the mix of marketing tactics to ensure the best possible approach at reaching both current and potential customers. It is perhaps because of this need to freshen the marketing mix that we see survey respondents state that event marketing was either a lead tactic or vital component of the marketing plan slightly less than half the time (49%) — a slight decrease from last year insofar as it was less of a vital component and taken more under consideration with other mediums.

Although the current marketing mix shows in Chart 2 a slight decline as compared to last year, almost 50% of respondents stated that the future importance of event marketing was either increasing or increasing strongly. Furthermore, an additional 40% of respondents stated that the future importance would remain constant. This stability in event marketing's role is corroborated by the fact that event marketing represents more than 25% of survey respondents' overall marketing budget, which is only slightly less than a one percent reduction from last year's figure.

Another sign of the evolution of companies' marketing mix appears in the budget allocations for events. Much like in 2005, 59% of respondents stated that the majority of their event marketing budget is currently allocated to trade shows while 35% are spent on conferences. This latter figure shows a dramatic drop from the prior year's figure of 47% and further augments the current shift towards a focus on lead acquisition.

### Event Marketing Continues to Deliver ROI

Although the results of this year's survey suggest that the current role of event marketing may have slipped slightly in companies' marketing mix, the data also shows conflicting information insofar as event marketing remains the marketing element that provides by far the highest returns on investment.

EVENT MARKETING  
PROVIDES THE  
BEST ROI IN  
MARKETING

Chart 3 – THE GREATEST ROI IN MARKETING

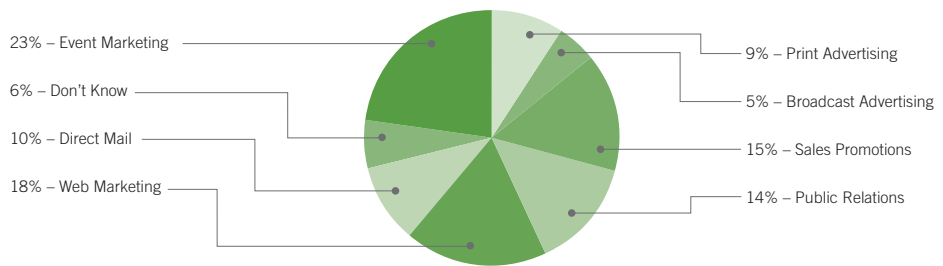
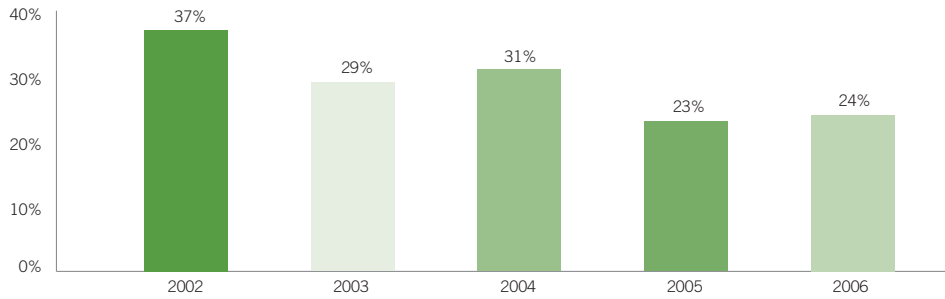


Chart 3 shows that almost one in four respondents to the 2006 survey believe that event marketing provides the greatest ROI in Marketing. Although the figure is almost identical to last year's estimate (and decreasing over time), it is a statistical bragging right that event marketing has held for the last three straight years, as well as four of the five years of this study (see Chart 4).

The most common reasons given for event marketing's high returns on investment come from the fact that it provides the greatest opportunity for direct, in-person, face-to-face contact (58%) and that it provides the best opportunity to reach a targeted audience (45%). Survey respondents also attribute event marketing's high ROI to the fact that it provides one of the only opportunities to reach a large and engaged audience in one venue (28%).

Chart 4 – RESPONDENTS WHO SAY EVENT MARKETING PROVIDES THE GREATEST ROI



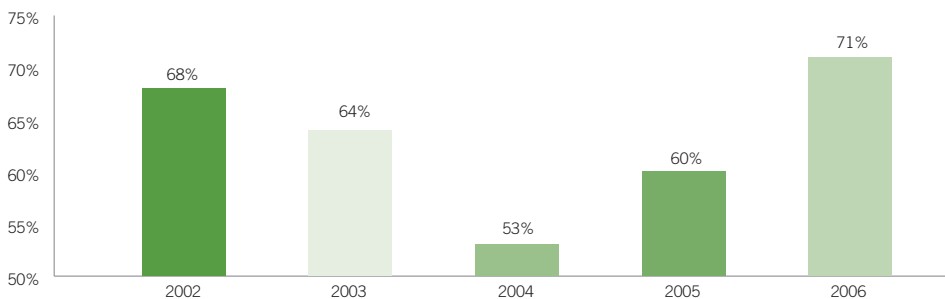
EVENT  
MARKETING'S  
ROI IS STABLE

Turning to specific types of events, the survey results show that Trade shows (40%) followed by conferences and seminars (21%) are the external events that are believed to provide the greatest ROI due primarily to their ability to attract new customers. When asked to look at their internal events, respondents cited education/training events (41%) followed by sales or marketing meetings (28%) as the internal events that are deemed to provide the greatest ROI.

**Measurement Impacts Event Marketing Budgets**

Seventy-one percent of respondents to this year's survey (see Chart 5) cite that they do engage in some post-event measurement activities. Not only is this a significant increase from last year's 60% mark, it is also the highest rate of measurement recorded in the history of this study. This is a clear sign that event marketing professionals and CMOs continue to need to demonstrate the ROI that comes from producing successful events as greater financial scrutiny comes from corporate finance departments.

Chart 5 – PERCENTAGE OF COMPANIES ENGAGED IN SOME EVENT MEASUREMENT



EVENT  
MEASUREMENT  
REACHES AN  
ALL-TIME HIGH

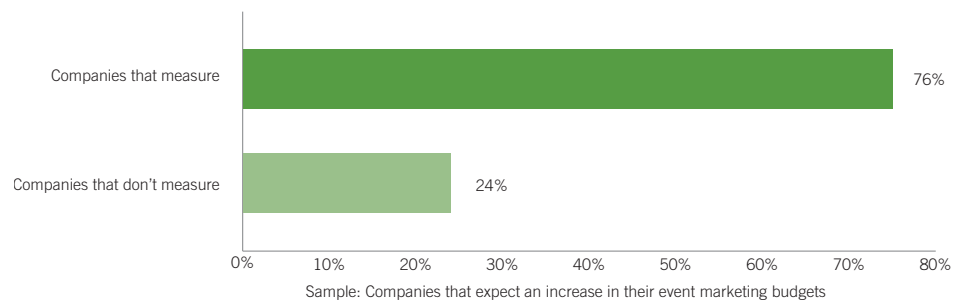
The survey data shows that not only has the number of companies who measure increased considerably from last year, but there has also been a slight increase in the marketing budget allocated to measurement — up one tick from last year — to 12%.

When asked what key performance indicators (KPI) companies were measuring, over one third of respondents (36%) cited number of qualified leads, with overall communication effectiveness and sales increases each receiving 31% of the votes. The most common tools used to calculate these KPI were sales reports (28%), onsite surveys (26%) and post event surveys (24%).

Although measurement should not be considered a panacea for event marketing's need to demonstrate value, this year's survey does show one striking benefit of measurement. As can be seen in Chart 6, companies who do engage in some form of measurement are three times more likely to see an increase in their budgets than those who do not engage in any measurement. This data is further proof that tangibly demonstrating the value of an event marketing program can significantly increase the chances of getting increased funding.

COMPANIES THAT  
MEASURE ARE  
THREE TIMES  
MORE LIKELY TO  
INCREASE BUDGETS

Chart 6 – PROPENSITY TO INCREASE EVENT MARKETING BUDGETS



### The Event Marketing (R)Evolution

As the event marketing industry faces continues to face mounting pressures from the business world to demonstrate value, event marketing professionals find themselves in need to move towards the next evolutionary, if not revolutionary step within the world of events. CMOs and event marketing professionals are now looking for a solution that can provide a more complete approach to interacting with customers and prospects.

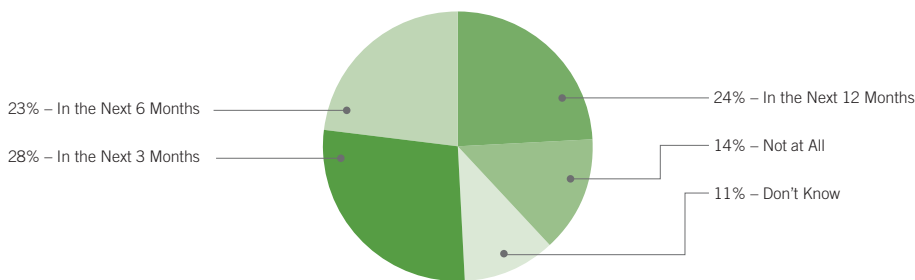
Senior marketing professionals are looking beyond traditional event marketing tactics for an integrated campaign that offers the opportunity for an audience to interact with a company's product/service and its brand before, during and after event(s) through the combination of advertising, direct, interactive and traditional event marketing. Over half of survey respondents (55%) in fact gave this definition to the term "experience marketing." This year's research also shows that 80% of respondents are currently adding experiencing marketing in some form or another to their marketing mix.

Not only have a significant number of companies tried some experience marketing strategies, but a vast majority also feels as if there are tangible benefits to the updated approach. A remarkable 87% have said that they may eventually transition towards experiential marketing, while 74% have definitively said they will be moving forward with more experiential marketing within the next twelve months (see Chart 7). The most common reason given by survey respondents for moving towards experience marketing was that it provides a better method to convey the persuasive difference between their brand and the competition's. The second most

frequent reason given was that it provides an opportunity to leverage marketing spend across all of a company's marketing disciplines.

Although rooted heavily in event marketing, experience marketing should be considered a hybrid of many disparate forms of marketing finally coming together looking to cohesively interact with the customer. It is as evolutionary as it is revolutionary in as much as it brings new meaning to the term "integrated marketing campaign." Experience marketing provides a unique opportunity to redefine the marketing landscape as well as how companies interact with customers and prospects. Marketing and event marketing professionals who can effectively cross this chasm and adapt to this new paradigm have a great opportunity to become leaders within their organizations.

Chart 7 – EXPECTED TIME TO MAKE TRANSITION TO EXPERIENCE MARKETING



74% OF EXPERIENCE MARKETING EXPERIMENTERS WILL CONTINUE THEIR TRANSITION WITHIN THE NEXT 12 MONTHS

### Conclusion

From its origins in event planning, the event marketing industry has seen great growth in the last five years and has consistently been one of the most effective tools that marketing professionals have at their disposal in terms of making a tangible connection to current and potential customers. The increasing competitive pressures brought on by globalization are forcing business professionals to find new ways to engage customers. Not surprisingly, savvy event marketing professionals are therefore focusing the majority of their efforts and budgetary spend on lead generation tactics such as trade shows.

While it is important to garner leads, marketing and specifically event marketing professionals cannot lose sight of the fact that the sales cycle only begins at lead generation and that current and prospective customers must also be nurtured even beyond purchase. Companies can benefit tremendously from the deeper event marketing touch points that promote nurturing such as proprietary conferences that provide a controlled environment for delivering messages and closing business. The nurturing process will allow the customers to more effectively be funneled into the subsequent stages of the sales cycle thus creating greater opportunities to develop into repeat customers.

As CMOs continue to face increasing financial pressures, they must continuously provide higher levels of value, both in pure financial terms and overall measurement of ROI. When considering the entire sales cycle, marketing professionals must think beyond traditional methods and bring transparency and measurement to their activities in order to demonstrate the fundamental value of their field.

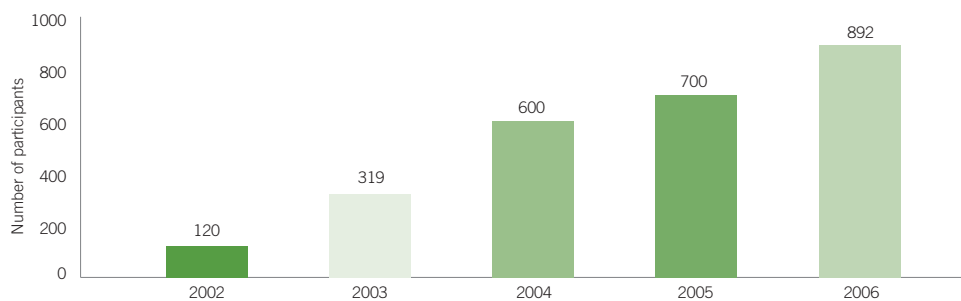
To answer this challenge, the event marketing industry must redefine itself to recognize the power of the “brand” to forge deep connections, as well as also adapt events to contribute to branding in more sophisticated ways. The perception of events as a form of media is quickly moving away from standalone activities to integrated forms of communication. These forms of communication synchronize with overall marketing goals through new applications of techniques rooted in traditional event marketing that project the brand more powerfully. Defining what an organization stands for, mapping out a clear brand strategy, and then formulating event activities that align with overall marketing goals is the next great step in the evolution of the industry.

The fact that event marketing may have reached a temporary plateau in terms of its perceived value should be considered an opportunity to pause and find the next opportunity to achieve greater ROI. This greater value and ROI will very likely be tied to methodologies such as experience marketing, which provides strategic solutions moving in lockstep with the sales-cycle. This type of approach creates value by going beyond touching the customer at only one point in time and instead developing a continuous and life-long relationship with the customer. It's these kinds of innovative approaches — approaches that build on but take event planners further away from their roots — that make it an exciting time to be in the event marketing industry.

#### About This Study

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. Now in its fifth year, 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.

#### SAMPLE SIZE



Between May and June 2006, almost 900 individuals in marketing management positions from North America, Europe and Asia Pacific in industries including automotive, high technology, healthcare, and financial 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. The results of the 2006 survey have a +/- 3% margin of error.

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Since 1984, the MPI Foundation 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 20,000 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 one of the foremost integrated event 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 premiere companies bring their brands, services and products to prospects and customers around the globe. GPJ provides integrated event marketing strategy, creative, data, and execution services through 14 offices in Detroit, Los Angeles, Stuttgart, Sydney, Boston, San Francisco, London, Tokyo, Beijing, Shanghai, Singapore, Seoul and Bangalore. 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 their 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.