BUILDING A BETTER TRADE SHOW

A step-by-step guide to finding new opportunities, creating a budget, and planning for success

Contents

We created this ebook to help marketing teams evaluate trade shows from a scientific, ROI-driven viewpoint. We hope that we can make trade shows and events a strong component of your marketing mix.

When you have a chance, sign up for our beta at Ellivent.com. We are working on really useful tools for event managers like you that automate mundane processes so you can focus on the things that matter.

Thanks!

Matthew Parry
President & Co-Founder
Ellivent

“Half the money I spend on advertising is wasted; the trouble is that I don’t know which half.”

John Wannamaker

The Case for Trade Shows

If you work for or own a small business or a startup, evaluating whether or not to spend thousands of dollars participating in a trade show can be a difficult proposition, especially when outcomes are not guaranteed. There are plenty of companies that choose to avoid trade shows altogether and opt for “safer” marketing channels - channels where ROI is more easily measured and the initial commitment is low. Certainly, a measured approach, especially when money is tight, is preferable but eliminating trade shows altogether could seriously be limiting your business growth.

Unfortunately, the vast majority of companies that already dabble in trade shows (and mostly attend the same events every year) don’t know whether or not the shows they participate in are the “right ones”. They typically go for one of three reasons:

1. Fear of missing out: they go “just in case” or because it is a big event
2. Emotional attachment: they simply “go every year”
3. They believe it “works”: but they can’t explain how

While we certainly would encourage repeating marketing or sales activities that actually work, the above scenarios are all potentially poor uses of marketing or sales dollars when there is no hard analysis before and after each event. The standard we advocate at Ellivent is having an understanding of the landscape (shows that are relevant to you), and knowing exactly what you expect to get out of it. Simply put, which shows have the best ROI? When you have a repeatable system, trade shows can become a measurable (and defendable) channel for generating sales.

1. Evaluating Trade Show Opportunities

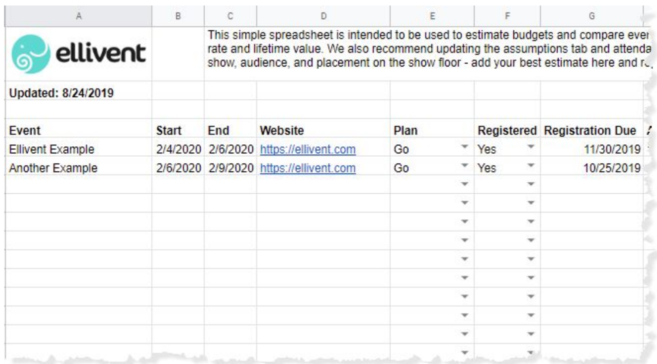
Creating a list is the best place to start and it should be your starting point to help you clearly identify which shows will give you the best chance of creating value. A side benefit to building this list is that it is also very useful for budgeting purposes - and for forcing trade-offs in organizations where marketing budgets are tight.

Start by creating a running list of relevant shows in your industry. Relevance in this case is measured by your target audience: which shows do your target audience attend? We recommend starting your list in the following way:

1. Identify which shows you have already been to or heard about
2. Ask your customers which shows they like to attend
3. Check which shows your competitors attend (most companies have an events page)
4. Do a web search for trade shows in your industry

It is important at this stage to not pre-judge or trim your list too much before even starting this analysis. In our experience it can be just as important to know why you aren't going to certain shows as it is to figure out which ones you want to go to (for when the CEO hears about a show from a friend and asks you why your company isn't already registered).

Tip: Don't keep lists in your head, use our worksheet.



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This simple spreadsheet is intended to be used to estimate budgets and compare ever
rate and lifetime value. We also recommend updating the assumptions tab and attenda
show, audience, and placement on the show floor - add your best estimate here and r

Updated: 8/24/2019

Event	Start	End	Website	Plan	Registered	Registration Due
Ellivent Example	2/4/2020	2/6/2020	https://ellivent.com	Go	Yes	11/30/2019
Another Example	2/6/2020	2/9/2020	https://ellivent.com	Go	Yes	10/25/2019

Download our spreadsheet at
https://ellivent.com/planning-worksheet

The next step is estimating the amount of value you would get from each trade show and the approximating the cost necessary to achieve that value. If you need help, we've provided some examples and estimates in our free worksheet. Every industry is a little different, so it is important to adjust your values and not rely too heavily on trade show averages.

While research and actual figures are helpful, you should not necessarily be striving for a perfect estimate of cost or potential ROI at this point. Your goal should be to create an equal playing field for evaluating all of your events. We are simply looking for the best set of options. Even if all of your events have a negative ROI estimate. The "best of" list are the shows that you will want to test first when you have enough budget to start testing trade shows.

2. Estimating the Cost of Attending a Show

Cost has many components that include, but are not limited to: event registration, floor space, shipping, furniture, labor, and travel for your employees.

The two biggest factors that influence cost are: the size and scope of your booth (if you have one) and the number of people attending the event. When these values change, your costs will go up or down dramatically, so pay attention to these numbers.

We like to break down cost in the following buckets:

- Direct event/booth costs
  - Registration for booth space (varies based on the size of the booth)
  - Costs from building a booth, renting, or shipping an existing booth
  - Electricity and internet
  - Furniture and flooring
  - Everything else (for things like giveaways)
- Travel
  - Hotels - the cost of an average room night
  - Flights - these will vary depending on whether that flight is international or domestic
  - Per Diem - expenses such as taxis and meals that are covered by the company

Fact: Co-workers are cruel and will make fun of your big calculator. Use our worksheet instead.

Don’t get too bogged down making these estimates perfect for each field, for each event, as long as your assumptions are reasonable, your estimates will generally be more accurate than you might believe - even if individual fields are over or under.

In our spreadsheet we’ve provided sample values for you with placeholder values based on industry averages. Every company is different, so your mileage will vary, but having a starting point is helpful for figuring out what cost estimates you really need (and which ones you don’t).

Finally, one additional consideration is your company policies and your needs - for example, some companies will place executive travel under a cost bucket called “General and Administrative” . If you are in charge of the marketing or sales budget, you may not have to budget or plan for it.

3. Estimating Trade Show ROI

There are five numbers to pay attention to when evaluating potential ROI: attendees, % target, reach, conversion rate, and lifetime value.

- Attendees is simply the number of potential buyers at a trade show. This is often the number that is prominently advertised in the prospectus; however, it is very unlikely that this represents your potential customers, so we must multiply this figure by % Target to actually understand who might purchase our products.

- % Target describes the segment of the show's audience that falls within your target market (people who would buy your product). Typically a show will provide two numbers: the percentage of attendees by industry, and the percentage of attendees by job title. We recommend adding each category and multiplying these numbers together.

- Reach describes how likely it is that you will get in front of your target audience. The larger your presence relative to the show, the more likely it is that you will actually get to talk to your target audience. For example, if you have a large booth at a small show, your chances of talking to a larger percentage of show participants increases.

- Conversion Rate is the likelihood that a lead will convert into a paying customer. This is the product of the various levels of your sales process and the drop-off that typically occurs within each stage.

15% Restaurants
10% Vacation Rentals
50% Hotels
15% Hostels
10% Campgrounds

15% CEO/Chairman/President
25% Owner/Partner/Associate
15% Senior Management
20% Middle Management
10% Coordinator
5% Administrator/Support

If you cater to independent hotels and hostels and sell your services to general managers your % Target would be 16.25% = (50% + 15%) X 25%.

% Ready to Buy	20%
% Schedule Appointment	50%
% Get a Demo	20%
% Closed	20%
Conversion Rate	1%

If this is what your sales process looked like, your conversion rate might be 1%.

- Lifetime Value is the value that you as a company get, on average, from a new customer. For an e-commerce company this might be the average sale multiplied by the number of sales over the course of a customer relationship. For a SaaS company, this might be your annual subscription multiplied by the average number of years a customer stays with you.

Your estimated ROI is the product of these numbers. If we take the following example:

- Attendees = 15,000
- Target audience = 16.25%
- Reach = 10%
- Conversion Rate = 1%
- Lifetime Value = $5,000

Then your expected value from this event would be 15,000 X .1625 X .10 X .01 X 5,000 = $12,187.50. As long as your cost did not exceed this amount then your event would likely have positive ROI.

Similar to estimating cost, there are several numbers that can make a big difference in your ROI calculation (assuming you have reasonable values for your conversion rate and lifetime value), these are % Target, and Reach.

Because % Target is most often provided by the event itself, these self-reported numbers may not be completely accurate or, in some cases, inflated because they open the event to the general public.

Finally, your Reach is influenced by factors such as the size of the show, the number of salespeople who attend the show on your behalf, your location on the show floor, the size of your booth, and how well you market your presence at a particular show to prospective attendees. What is important to know is that your decisions pertaining to cost will invariably have an impact on reach.

In our spreadsheet we link Reach to booth size since, as your investment in your booth increases, so will your potential reach. You should calibrate these values based on your particular audience (e.g. you might have an audience that actively seeks you out) and the number of leads you typically capture at a show given your level of attendance. In our previous example you would compare the number of expected leads (15,000 Attendees X 16.25% Target X 10% Reach = 244 leads) versus the actual number of leads gathered.

Conversion rate and lifetime value figures need to come from your business. Ask around if you don't have these figures (they are important). You can also approximate these values with the help of tools like Google Analytics (for example, you could start with the assumption that your trade show conversion rate is similar to your online conversion rates). Over time and with enough experience, you should be able to calibrate these numbers more precisely.

Like toe rings the sand of the Jersey Shore, there's probably more below the surface.

4. Finding Value Beyond Sales

We suggest using sales and direct ROI to compare trade shows, but there is typically value beyond direct ROI that may have a positive impact to your business but can't readily be quantified. For example, at a trade show you might make a key connection with a supplier, deepen an existing relationship (thereby preventing churn), or create additional buzz and awareness (maybe because you had a speaker at the event).

All of these circumstances provide additional value for your business and may even be strong enough reasons to participate in or attend a show without additional sales validation. This, of course, is totally fine - but in the grand scheme of things, we recommend an inside-out approach to preserve your budget and reduce the risk of wasting money on an event that didn't work on any level.

If you are using a list or spreadsheet to track your events, we recommend holding a meeting with leadership from sales and business development to discuss the expected value of attending specific events. What shows do they feel are "must go's", and what would they score these events on a sliding scale of 1-3 (3 being very important). Once you have a system in place, it becomes easier to start measuring the value-add of these events beyond sales.

Needless to say, if a show works from a sales perspective it is dead-easy to justify attendance/participation, but not so much from the other way around.

5. Budgeting & Trade-Offs

If you've follow along with this book, you should now have, in your possession, a complete list of shows that may produce meaningful results for your organization and an estimate of the value that those shows will produce.

In our example worksheet we use a toggle called "Go" or "No Go" that feeds into a separate spreadsheet that compiles a budget on your behalf based on the values that you used in your assumptions. Using a method like this is useful for planning your show schedule up to a full year in advance.

Unfortunately, in our experience, many companies don't take the time to budget ahead of shows - this invariably results in one or more of the following scenarios:

- Late Registration/Botched Execution - without a clear plan in place, it creates extra stress on your teams who must scramble to register your company for shows. This results in more expense (you miss early-bird rates), less than stellar placement on the show floor, and almost always things get forgotten (furniture isn't ordered, etc.).

- Missed Opportunities - without a plan or budget, there are fewer opportunities to be strategic.

"Hello - is it budget you are looking for?" - Pig E.

- Budget Drama - Avoiding the budgeting conversation might make for bigger surprises down the road. This may result in cutting budget from other channels or using cost-saving shortcuts that may undermine effectiveness (yes, we have seen companies try to stretch a 10x10 booth to cover a 10x20 space).

The beauty of creating a budget and a set list of shows is that you can force your company to create any necessary trade-offs ahead of time. For example, if your eyes are bigger than your stomach (or in this case budget), you may need to trim back your show schedule. Having a clear list with expected ROI and the priorities of business development in one place facilitates this process. We recommend hosting a meeting with all the stakeholders in one room (virtual or otherwise), for this discussion.

Unfortunately, we can't help you with the organizational inertia that might prevent you from getting an approved budget and a set list of shows for the year. Some organizations simply don't want to behave in organized ways and/or would prefer to avoid budget talk until it's too late. If you do find yourself in this situation, we advocate creating your list anyway and publishing it in such a way that your plans are clear even if you can't get explicit buy-off.

6. After the Show

Budgeting and planning is a continuous process. After each show, you should do all of the following: solicit feedback from participants and key stakeholders, review the differences between expected performance and actual performance, and calibrate your models based on the changes you've made.

At a minimum level, you can solicit feedback using communication tools like Slack or setting up an internal survey. These methods however, don't allow for a true discussion to occur, so we recommend having in-person or video conference meeting post-show. This is especially important if a core reason for show participation was not sales based (e.g. your business development person felt the show was critical to attend although from a sales perspective the case was not very strong). This also the time to look for ways to improve for future periods - how might you reach more attendees? Should our materials change to resonate with this particular audience?

Tracking actual performance is tricky - partly because the sales process is almost never fully linear. How much value should you place on an interaction at a trade show with someone who was already a lead? Would they have converted without talking to you at a show? Even in the world of digital marketing, where tracking is pervasive, there are ongoing debates about first click vs. last click attribution, and all the models in-between. As any marketer can (and should) tell you is that the "right" attribution model is the one that your company can agree to.

"I'll take the survey later" - Nance

Discussing attribution brings out the worst in people.

Getting stuck debating attribution models doesn't help anyone, so we recommend starting as simply as possible - attribute as much as you can to the event even if it means that you run the risk of double-attribution. That is, if a website lead visited your trade show booth or talked to a salesperson at a show, attribute the eventual sale to both the website (or whatever channel brought them there) AND the trade show. While this may not be valid for revenue-modeling purposes (in which case choose one source of attribution), this is the clearest way of determining which shows actually drive value - even if it is not completely clear *how much* value they added.

If you insist on making more complicated models, you can run a sensitivity analysis or compare performance over time. Chances are, you won't have enough data to make a meaningful analysis, so we recommend using simple formulas to avoid a false positive (believing a show does not work because your models discount the projected value).

If you are using a CRM (and you probably should), you will most likely need to upload the leads gathered at the show to a campaign (this is how it works in Salesforce) that can track a cohort of leads to their eventual sales. We recommend allowing some time to pass after the show before pulling the final show numbers. This time should be equivalent to a little more than your average sales cycle to give those new sales an opportunity to close.

Finally, we recommend continuing to refine your models based on the costs that you incur, and the results you see from the events you participate in.

Conclusion

Creating a framework for evaluating trade shows requires upfront work and a lot of estimates, but with the right framework in place, you will generate a cohesive and sensible plan for growing your trade show program like other marketing channels where ROI is more readily apparent. As you experience success with the trade shows you attend, you will have a plan in place for expanding and improving upon those early successes.

We believe that it is important to attempt to get get a holistic view of the trade show landscape that is specific to your industry or audience, whether those shows are nearby or far away, and using a consistent approach to evaluating opportunity that takes emotion (and fear) out of the planning process. Similarly, having conversations about budget and trade-offs early in your processes will prevent the issues and costs that often come about due to last-minute decision-making.

Finally, the last, and most important consideration, is that each show should continuously get better - with each show you get more experience and are able to refine your framework so that it is more precise.

Thanks for Reading Our Ebook

We hope you enjoyed our take on building and evaluating trade shows as part of your marketing mix. If you want to see more content like this, make sure you sign up for our mailing list to get updates.

Ellivent is a suite of tools that helps you execute amazing trade shows and events. With a database of thousands of trade shows and vendors, a suite of bespoke tools, and an active community of event planners – Ellivent brings together everything you need to be successful.

Our product is currently in beta. Sign up to get on our beta and be the first to access our tool. Learn more at ellivent.com.