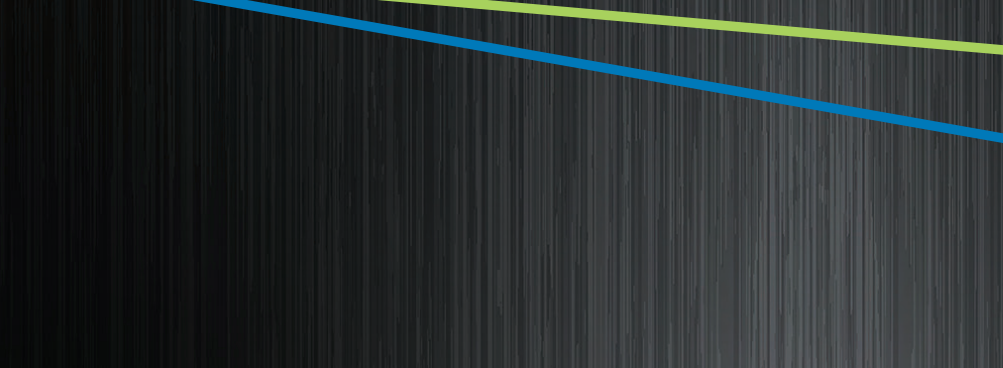
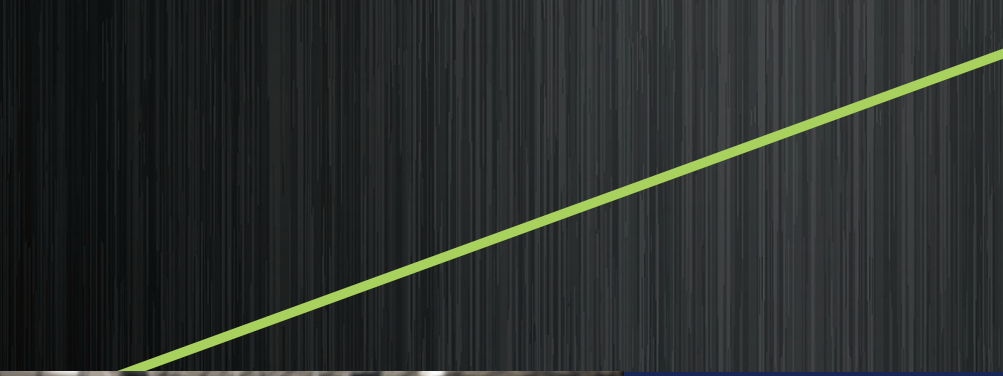


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**CORPORATE EVENT
& TRADE \$HOW
BUDGETING
& ROI ANALYSIS**



introduction

Budgeting for any event – whether it’s a trade show or corporate event is a critical and foundational part of the planning process. Without an understanding of budget, you may set yourself up for failure. Both common and hidden costs can sneak up when event planning and put your event at risk of not being successful.

Budgeting and ROI/ROO analysis are some of the most important elements to consider when planning. However, before we talk budgets and performance analysis, there are other important decisions that need to be made. These decisions will play heavily into your budget. Before you take the plunge and make the decision to exhibit at a particular trade show or host a corporate event, ask yourself the following questions.

a few common questions to ask before taking part in a trade show or corporate event:

- Why are you exhibiting or hosting the event?
- What are your goals and objectives?
- What are you trying to achieve as a result of exhibiting in the trade show or hosting the corporate event?
- Are you there because it is a must for the industry you are in?
- Are you introducing new products or solutions?
- Are you there to build more sales with existing customers?
- Are you investing to enter a new market channel and build new business?

setting goals

You may be asking yourself: how do I set goals, how do I know what to focus on? According to Trade Show News Network*, your exhibition goals should reflect your overarching marketing goals. To start accomplishing your goals, you need to know how to set them. To do this, follow the SMART® method for setting goals. SMART is an acronym for specific, measurable, attainable, relevant and timely. SMART goals bring trackability and structure into your goals and objectives. Creating SMART goals for trade shows will help you create effective, actionable and attainable goals.

specific

Specific refers to what exactly you want to achieve. You can be specific with your goal setting by asking yourself:

- What exactly do I want to achieve?
- Who should be involved to achieve this goal?
- Where will you be able to achieve this goal?
- What is the timeline for when you will be able to achieve this goal?

measurable

Measurable refers to creating goals that are able to be measured. There is great value in facetime, these events support to build relationships and business, quantifying it is the trick! Depending on your goal or objective, you can measure success by:

- Quantity of visits to your booth from people “qualified” as a customer or prospect/exposure to your brand overall/your products and services.
- Revenue/sales growth in a defined period of time from those customers/prospects who visited your booth/attended your event.
- Quantity of new qualified leads: obtaining new leads offers your company the opportunity to re-connect via phone, email and go into your marketing communications.

attainable

Don't risk setting yourself up for failure by creating goals that are unachievable. Focus on goals that you can realistically achieve, but are challenging and hold the team accountable to perform.

relevant

Your goals should be relevant to your business. Remember why you want to reach this goal and question if this goal will really achieve that.

timely

Set realistic deadlines and follow up on the progress and completion. It may be a wise idea to set smaller deadlines within the timeframe to help keep you on track as well as create urgency.

common trade show goals:

- Revenue/sales generation
- Lead generation
- Customer retention/growing customer sales
- New product or service launch
- Building brand awareness
- Thought leadership/industry leadership

common corporate event goals:

- Customer retention/growing customer sales and relationships building/networking.
- New product awareness/introductions
- Education/thought leadership



*<https://www.tsn.com>

budgeting for a trade show

Once you've established your exhibiting and event goals, it's time to break down the costs associated. Since different goals require different resources, it's important to outline your goals prior to establishing and finalizing your budget.

When it comes to trade show budget planning, it's common to separate your expenses into five categories:

1) exhibit related costs (45%)

Exhibit related costs include exhibiting space and exhibit design. Exhibiting your booth and assets typically accounts for about one-third of the budget, coming in at 33% of the total, on average. Exhibit booth materials and related design accounts for approximately 12%.

2) service costs (25%)

Service costs include show services, material handling, shipping and drayage. Contractors typically provide these services for show management. These can include set-up and dismantle labor, electrical, internet, AV, housekeeping, lead retrieval, rigging, carpet, etc. Show services typically account for roughly 13% of the budget. Drayage is the cost the exhibit hall services to deliver your shipment from the advanced/direct to show-site warehouse to your booth space and is usually an unavoidable cost. Shipping accounts for about 12% of the budget.

3) staffing costs (14%)

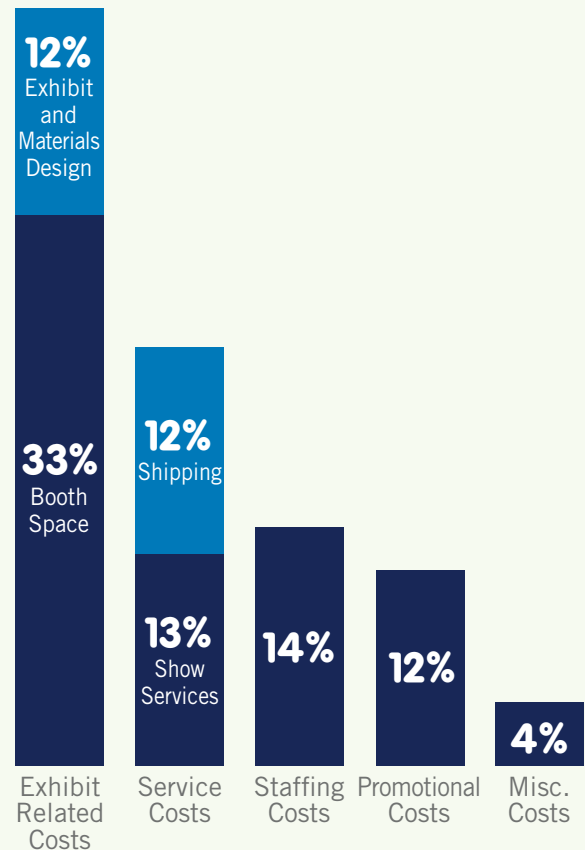
Staffing costs are an often overlooked part of trade show budgeting. The employees that staff your booth are critical to your show success. This category accounts for roughly 14% of your budget. This includes travel, lodging and food.

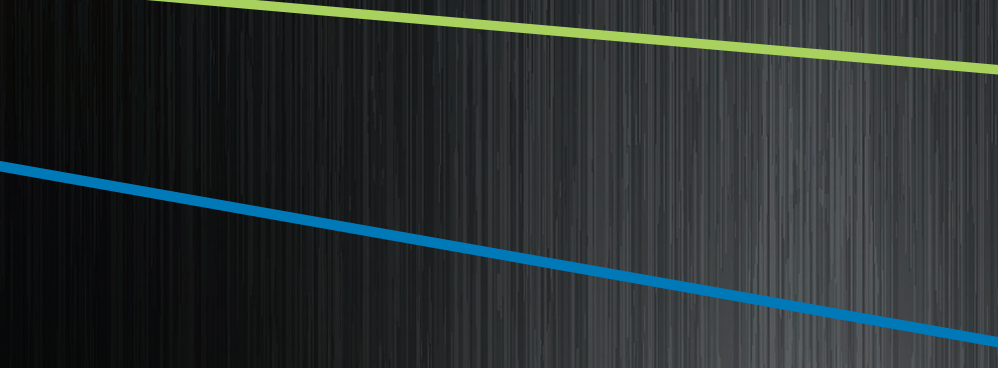
4) promotional costs (12%)

Promotional costs are typically 12% of the overall budget. Promotional costs can be broken down into several categories. Pre-show promotion, which is generating a pre-show buzz around your exhibit to entice attendees to visit your booth. Product giveaways, promotional items and apparel also fall into the promotional costs category. Make sure your sales team wears branded apparel with your company logo and that they are sporting company colors. Demos and giveaways are a great way to engage and delight attendees in the exhibit space and create an interactive and memorable experience!

5) miscellaneous costs (4%)

Miscellaneous costs are just that – miscellaneous. This portion will account for about 4% of your overall budget and can include hidden costs, going over budget in a certain area, etc.





budgeting for a trade show (cont.)

estimate your costs

Once you have organized your budget, it's time to estimate actual costs. In some cases, you may have a certain overall figure to work within, and in other cases, you may have to determine what that number is.

One of the most accurate ways to predict exhibiting costs is to analyze past expenditures for similar events and work off of that data. If you don't have it, ask for it. It will help you plan and budget accordingly. If this is the first time you are exhibiting, you have no reference point or historical data. In the latter instance with no previous data to reference, one simple way to calculate a rough estimate of what your trade show budget should be is to take the amount of money you plan to spend on your exhibiting space and multiply it by three.

If you plan on paying \$12,000 for a space at Trade Show XYZ, your budget should be around \$36,000.

If you are unable to determine your space cost at the moment, you can base your trade show budget estimate on the average national square foot costs for exhibit space which is about \$25 to \$40 per square foot.

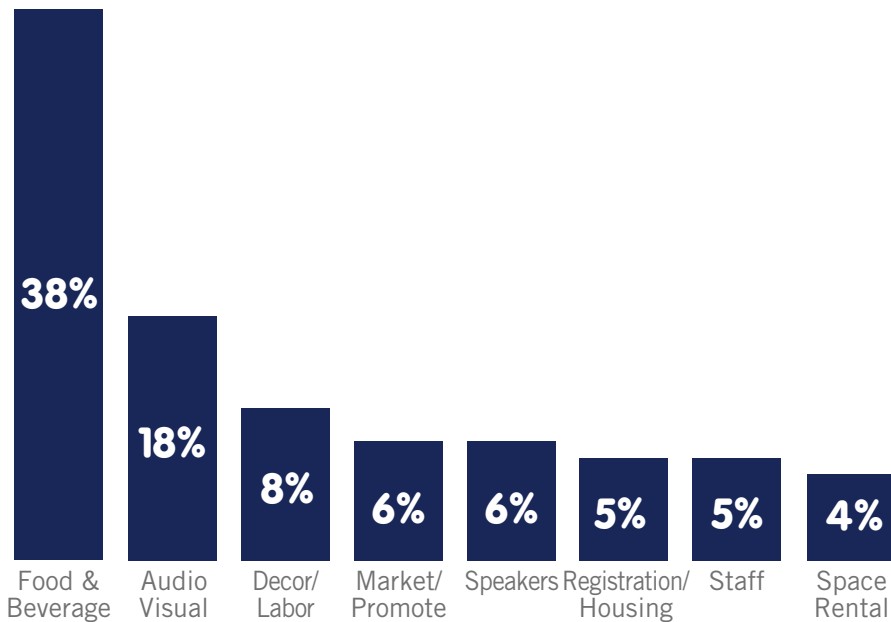
In this case, if you are exhibiting in a 10' x 10' booth space (100 sq. ft.), your calculated budget would be $100 \times \$25 \times 3 = \7500 .

Please note, these formulas are intended to assist in creating a rough ballpark estimate and are not exact figures.



budgeting for a corporate event

Looking to host a corporate event? Budget allocations will be slightly different than a trade show. According to a PCMA (Professional Convention Management Association)* survey, the following breakdown of budget was reported by respondents:



The goal for any corporate event is for the attendee experience to be excellent. According to the survey, food and beverage, entertainment and audio visual are the most important aspects to focus on to ensure a great overall experience.

The budget breakdown is an estimate and will vary according to your corporate event goals and needs. Many other factors come into play. For example, if your event will be held on-site at your location, you don't necessarily have to budget for space rental for the event or staff travel. Also, if the event takes place during working hours, there won't necessarily be any additional cost for staffing, unless there are outside vendors such as food server, etc.

* <https://www.pcma.org/meetings-industry-no1-challenge-meetings-market-survey/>

measuring success/roi

Exhibiting at trade shows and hosting corporate events is a healthy way to grow existing business and generate new business. Trade show and the corporate events industry have an addressable market of \$1.8 billion and is expected to grow to \$2.1 billion by 2023. In fact, according to Center for Exhibition Industry Research (CEIR),* 99% of marketers said they found unique value from trade show exhibits they did not get from other marketing mediums. The most valued aspects of trade shows reported were: 60% of exhibitors said they value the ability to see lots of prospects and customers at the same time; 51% of exhibitors said they value face-to-face meetings with prospects and customers, and 47% said they value the ability to meet with a variety of players face yo face, such as customers, suppliers, resellers, etc.

Although these are some promising statistics, you must set your own value for attending a trade show or hosting a corporate event. Taking the cost of exhibiting or hosting into consideration is important to measure your return on investment (ROI) and/or your return on objective (ROO).

roi - return on investment

ROI compares the costs associated with exhibiting to the actual revenue generated in sales. This could, in some cases, be a lengthy process depending on the sales cycle.

The ROI formula is: $\text{revenue} - \text{investment} / \text{investment}$.

Typically, you want a 4-6x ROI. For example, if you company generated \$100,000 in revenue per trade show participation and your cost was \$20,000, you had a 4x return on your investment!

roo - return on objective

ROO measures how well your marketing goals/objectives worked and how those efforts continue to influence the marketplace. When your goals are not directly tied to sales, there is no mathematical formula we can use to calculate the return. ROO can range anywhere from building brand awareness by a certain percentage to generating a certain number of qualified leads to a new product launch or demo.

Measuring success will be different for each objective. If your goal is to generate 200 new qualified leads, then you must examine the quantity and quality of the leads generated. To determine brand awareness return, you can keep track of the number of attendees that visited your booth, place in your CRM system, and keep track of the number of giveaway items distributed.

* <https://www.ceir.org/changing-environment-of-exhibitions-study/>



measuring success/roi (cont.)

lead generation

One benefit of trade shows for some companies, is that sales can be taken right on the trade show floor. The lead is qualified and placed into the pipeline at a later stage, allowing for a quicker close. It is critical to track leads that were obtained at a trade show. Your CRM system should enable you to label/tag and follow up with your leads with a notation where the lead was obtained, such as a specific trade show/event.

new product or service launch

According to the Center for Exhibition Industry Research (CEIR)*, 78% of exhibitors attend trade shows to showcase their products. Let your products shine by creating a dynamic booth environment that focuses on products or services you are highlighting at the event. One way to measure success of a product or service launch is to keep track of how many demonstrations were held for the specific product/service and the number of attendees for each demonstration.

brand awareness

A brand's foundation begins with consistent messaging and authenticity. The process begins with concise brand positioning, personality and promise. Your exhibit should convey your brand message in a unique and memorable way. A common way to build brand awareness during and post-show is through giveaways. However, it is important that this 'swag' is useful, relevant to your business and emblazoned with your logo to remind attendees of your brand long after the trade show ends.

customer retention/growing customer sales

A common trade show goal is to improve customer retention and help grow repeat sales. According to a study in the book Marketing Metrics*, businesses have a 60 to 70% chance of selling to an existing customer while the probability of selling to a new prospect is only 5 to 20%. When existing customers visit your booth at a trade show, try to brush up on some personal details about them and make them feel valued.

thought leadership/industry leadership

One way to stand out from the crowd at trade shows is to sign up to be a speaker on a specific topic related to your industry. Thought leadership activities will drive traffic to your booth, and help boost credibility. You are also subtly conveying the message that your company knows the business and that people can trust you. You can measure the success of driving traffic to your booth following the speaking engagement by keeping track of how many attendees mention that they came to your speaking seminar.

measuring corporate event success/roi

Determining a corporate event's success can be a little trickier. In many cases, you do not generate sales/revenue at a corporate event, but it is a means to grow more with that customer base. One way to determine event success based on a specific objective (s) is to survey event goers by email following the event. Say you had a specific event hashtag that you were using, you can determine if the hashtag was used and how many times. Also on the note of social media, you can measure if there were any brand mentions, did attendees post photos or comments, etc. Be sure to determine what your objective or goal is long before the event and make sure you have a way to measure the success.

corporate event goals/objectives

- **Customer retention and growth.** Of all of the people who are attending your event, your existing business customers are some of the most important. Hosting a corporate event allows you to further strengthen the relationship and can help solidify more long-term revenue opportunities. More often than not, your customers aren't aware of the full range of products or services that you offer. When they attend the event, they learn more about the company capabilities and this often leads to growth in sales.
- **New product/service launch.** You can determine the success of your new product or service launch by calculating the revenue generated from the sale of the product or service. You will have to pre-determine the length of time that you would like to use to measure sales.
- **Education/thought leadership.** Thought leadership is closely tied to influence. It seems everyone is trying to position themselves as an 'expert.' You are influencing a potential customer or current customer to trust you and purchase from you. Your education/thought leadership positions you and your company as the experts. You can measure thought leadership by tracking the number of event attendees that downloaded information, such as a white paper or e-book you mentioned or if your event attendees reach out to you for more information on the topic. You can also measure effectiveness by sales growth following the event.

* <https://www.ceir.org/attendee-floor-engagement/>

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guiding its customers in planning
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