

Marketing News

Making your trade show count in tight economy

Marketing in today's challenging economy is difficult and sometimes gut-wrenching, but not impossible. When times get tough, most companies begin making cuts from the marketing budget, even though marketing can be the lifeline that sustains sales activities in an economic downturn. When the slashing does begin, statistics and trends over recent years reveal that trade show and event plans take large hits. The greater tragedy of cutting trade shows from budgets is that these events generally represent the lowest-cost method for generating new business. In fact, the Chicago-based Center for Exhibition Research (CEIR) says it costs 56% less to close a lead generated from a trade show than from traditional sales methods in the field.

For those shows that do remain on the marketing plan, demonstrating a strong return on investment (ROI) is crucial. Every dollar must be viewed as an investment with no margin of error for choosing the wrong show or making a half-baked effort in the right event. The days of using such excuses as "That last show was a waste of time and money" and "Trade shows are worthless" are over.

Marketers can no longer enter a trade show without a well-developed plan for success. Savvy marketing and event managers will take steps to ensure a solid show strategy and plan of attack.

Start with preshow planning

Entering any trade show without planning is a suicide mission. Begin by bringing together everyone in the organization who will have something to do with the next trade show. This meeting will flesh out the show objectives, major theme and messaging, the staff to represent the company at the event and all logistical issues. In this meeting, determine roles and responsibilities with assignments, milestones to be met and follow-up plans. The marketing staff should prepare a budget and manage it properly through the show, and this and other steps are mapped out during the preshow planning. Skipping this planning session spells disaster and wastes valuable marketing dollars for the next event.

Develop an ROI model

Executive management is already scrutinizing every dollar spent, so you better develop a model to demonstrate a solid payback from your show. Let's assume the total show cost is \$120,000 and you come away from the show with 300 leads. Out of these, you find 10% meet your buying profile, based on the prequalification process. This leaves you 30 leads. Next, assume you actually win 30% of the deals represented by these leads. You now have nine new customers. Finally, if your average new sale is \$20,000, your gross revenue from the show is \$180,000, a \$60,000 gain over the show investment cost.

But don't stop there. Look at the lifetime value. If the average customer stays with your company three and a half years and represents \$25,000 of annual revenue per year, this equates to \$87,500 per customer. Multiply this by nine new customers and you'll quickly see a nice gain of \$787,500 in gross revenues from an initial show investment of \$120,000. Not a bad return and an even better reason to develop your ROI model.

Making your trade show count in tight economy (cont'd)

Prepare your team

When a team is told to "be there" for a trade show without any prior preparation, the result is obvious. To avoid failure, select the personnel who can properly represent the company as a team and prepare these individuals by conducting preshow meetings that clearly communicate the goals and objectives of the event. Each member should be assigned responsibilities for the entire show. You'll want personnel who can articulate the company's offerings and serve well as ambassadors in front of a captive audience. You do not necessarily have to have salespeople, but you need those who can interact well with visitors to your booth. Since you will likely be operating on a tight budget, leave the big spenders at home; surround yourself with company representatives who act responsibly with expenses.

Promote your show presence

Exhibiting at a show without telling the attendees how to find you makes little sense. Consider ways you can promote your company's presence at the show without breaking the bank, such as taking advantage of a free show directory listing that includes your company name, description and booth number. For just a couple hundred dollars, you can usually bold your listing and have a link on the show Web site. Check preshow advertising rates they're often quite reasonable. If you have a few dollars set aside for a preshow mailing, consider a postcard mailer to a select group of preregistered attendees highlighting your company. Doing nothing at all often means poor visitor traffic and lots of excuses.

Follow-up, follow-up, follow-up

The statistics that reveal the complete absence of trade show lead follow-up are embarrassing. There is no greater shame than to operate with limited marketing dollars, invest in a trade show, then fail to take the proper actions afterward. To make the show a true success, you must have a disciplined and well-thought-out approach to qualifying and cultivating trade show leads. You'd be amazed at how many companies say some of these activities have turned into sales months after a show. But this is where your ROI becomes real. Develop a follow-up plan before the show and you will increase your chances of having a successful show.

When the economy gets tight, then tighten up your trade show planning. Don't let budget cuts and market challenges defeat you. The winners during economic uncertainty will be those that create and execute trade show plans that include solid objectives, goals and a well-developed ROI model.

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