

EVENT MARKETING IN THE IT INDUSTRY

AN OVERVIEW OF FACE-TO-FACE MARKETING IN THE IT INDUSTRY

The technology sector has historically been highly dependent on events as a way of reinforcing relationships, building brand awareness and introducing new products. However, with budgets under pressure and physical product innovation taking second place to the more complex selling of 'solutions', technology companies are re-evaluating their event strategy.

To help them do this The George P. Johnson Company (GPJ) has published this white paper. It draws on GPJ's latest research completed from March-November 2003 among 36 leading technology companies* in Europe, the analysis of a further 400 European companies* in other industry sectors, and its expert evaluation of 20 leading IT industry events. The result is a detailed assessment of the role events are playing in the IT marketing mix – and the issues companies must consider if their event strategy is to stay relevant to the 21st century audience.

A George P. Johnson Company

WHITE PAPER

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ON OR OFF THE AGENDA

Despite many trade show and conference organisers admitting difficulties in delivering audiences, over half of the events audited last year met or exceeded their audience targets.

True some experienced a significant down-turn in audience quantity and – indeed over the last three years, two have achieved drops of between 30%-40%. However this has not resulted in technology companies switching their marketing allegiance to alternative elements of the mix.

In fact, 44% of respondents in the high tech sector studied by GPJ report that event marketing is increasing in importance for them.

As a result events have secured a 45% share of the overall marketing budget and this share looks set to grow.

EXTERNAL EVENTS

Technology companies spend almost five times more money on events for their external audiences than their internal audience, and this trend looks to continue with a massive 37% of the total marketing budget being devoted to them. However our research shows that companies looking to get the maximum return on this investment need to reassess how they manage their presence at external events.

In particular they need to consider:

» GETTING UPFRONT & PERSONAL » EVENT STRUCTURE » BALANCING BRAND
VISIBILITY WITH EXPERIENCE » INTEGRATION » LEAD MANAGEMENT » MEASUREMENT

GETTING UPFRONT & PERSONAL

With visitor numbers under pressure, successful events have to truly understand the needs of the audience. As attendees become increasingly selective, they need to know they will be getting value for money and, even more importantly, value for time by attending.

Companies planning their own events or attending a major trade show should therefore research the audience's needs in advance – and be prepared to reshape their approach to match. One size no longer fits all.

They need to engage with the audience well in advance and based on that upfront dialogue make sure that they have a 'just for me' experience to offer each and every attendee. This means marketing collateral that talks my problem or my situation.

There are real dividends to be had from this hard work, as the IT player who is able to offer this level of 'customisation' at events will equally be the one who is best placed to win the lucrative – but hitherto unloved and highly fragmented – small and medium sized business sector. This is because, as other industry sectors have found, SMEs respond best to companies prepared and able to tailor their offering to their very specific needs.

EVENT STRUCTURE

In the IT industry's heyday physical product launches drove most events. Today there are still, of course, some new technologies unveiled at shows but for the majority the 'sell' is far more complex – it's software, service and solutions.

For this type of sale, attendees need a different type of treatment. They still want to touch and experience products and to engage in discussions about features and benefits. But they need peer group reassurance, and detailed debate about where your solutions could take their business.

Events therefore need to offer a mix of keynotes, breakout sessions plus a mainstream exhibition. The successful events offer this mix – and the successful exhibitors ensure that their brand is 'plugged into' all of these elements. They host a forum, sponsor a round table, field a speaker and of course have a stand.

LEAD MANAGEMENT

Although many of the event producers examined in our study offer companies the chance to electronically capture leads and visitors onsite, GPJ estimates that around 85% of companies are still capturing leads on paper and managing leads through a manual system which often does not allow for qualification and quick response. At conferences – where the environment is more one of information exchange rather than making sales – exhibitors find it particularly hard to know at what point a delegate discussion has become a sales discussion. As a result few details or discussions are data captured.

Even the companies who take up the offer of an at-show visitor scanning system fail to manage the data after the event.

Our assessment found that in most instances follow up is at best limited to an email or even nonexistent. This obviously means the sales and relationship building opportunities are missed. However it also means companies running proprietary events, are not getting that all important feedback on what the delegate thought about the event – whether they would be interested in further events, whether they will come again next year and what would make it work better for them.

Addressing this issue will become increasingly important as the focus for return on investment deepens, the shift from a product to a solutions focus grows, and audiences become even more selective about what they will or won't attend.

ANALYSED IT EVENTS IN 2003

EVENTS ANALYSED	MONTH	LOCATION	AUDIENCE ORIENTATION	ATTENDANCE 2003	% ATTENDANCE CHANGE 2001-03
3GSM	February	Cannes	Europe-wide	26.000	+ 18 %
SAP Forum	March	Milan	Italy	7.200	+ 20 %
CeBIT	March	Hannover	Europe-wide	556.248	- 34 %
InfoSec	April	London	UK	8.851	+ 24 %
EuroCIS	May	Dusseldorf	Germany	4.479	0 %
ECR	May	Berlin	Europe-wide	2.709	0 %
Retail Solutions	June	Birmingham	UK	5.000	+ 10 %
Government Computing	June	London	UK	-	-
Linux User Conference	June	Birmingham	UK	5.000	New
Stockage	October	Paris	France	3.760	+ 25 %
Linux Expo	October	London	UK	5.312	+ 6 %
Systems	October	Munich	Germany, Eastern Europe	71.790	- 40 %
Linux World	October	Frankfurt	Germany	14.800	+ 11 %
SMAU	October	Milan	Italy	380.000	- 19 %
ITU Telecom	October	Geneva	WW	100.840	-
Storage Expo	October	London	UK	2.821	+ 28 %
EBIF	October	Frankfurt	Europe-wide	7.300	0 %
GITEX	October	Dubai	Middle-East-wide	75.760	+ 50 %
SIMO	November	Madrid	Spain	280.000	+ 3 %
Gartner ITxpo	November	Cannes	Europe-wide	3.000	0 %

INTEGRATION

Over the past 10 years there has been a trend towards consolidated advertising across Europe and this is beginning to creep into event marketing. IT companies looking to cut costs while maintaining market share are looking for ways to leverage their current marketing investment.

For instance our study of a mix of companies throughout Europe found that 56% will keep their traditional print and broadcast advertising budgets constant, while nearly a quarter will reduce their spend in these areas. This means the onus is increasingly on an event to do more – to convey the messages, creative look and feel

which would normally be conveyed in conventional ad campaigns.

As a result we expect to see more event programmes being integrated on the top level into the company's overall marketing strategy.

BALANCING BRAND WITH VISIBILITY

As events are becoming more multi-faceted, so the opportunity for brand visibility simply through a stand presence is diminishing. In response – and in a bid to drive up revenues – organisers are now confronting exhibitors with a raft of additional promotional ideas.

However exhibitors need to tread carefully when assessing the multiplicity of new brand opportunities open to them. In GPJ's assessment of 20 leading European IT events, we saw companies being offered sponsorship packages ranging from logos on the website and conference guide through to banners, sponsorship of awards and so forth. Companies taking up all of the opportunities would typically need to double their average spend at an event.

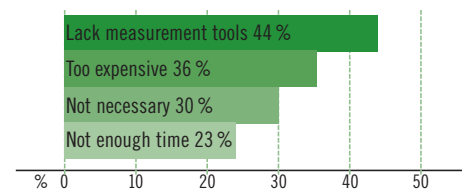
Such sponsorship can provide brand visibility but there is the real risk that they offer no extra 'experience' of the brand itself, and our research shows that awareness is just a small part of the many objectives driving all companies' attendance at an event.

Consequently companies must work with organisers to see if the opportunity for additional brand visibility can't also deliver experience too. For instance, if a company is specialising in SME solutions, rather than simply sponsoring an SME clinic, it should look to provide the experts to deliver the advice too. This way delegates experience the expertise behind the brand.

MEASUREMENT

With tough budgeting decisions being taken, events have had to fight for their place in the marketing mix. As a result, measurement is a growing issue. In our study of all types of companies across Europe we found that around 4% of event budgets are routinely allocated to measurement – with 74% of the measurement being handled internally.

Against this measurement regime, seminars, tradeshows and conferences are seen to deliver the best return on investment compared with all elements of the marketing mix, indeed event marketing comes second only to direct marketing in terms of ROI. Yet there is a significant slice of companies who, for a variety of reasons, do not measure the effectiveness of events for themselves.



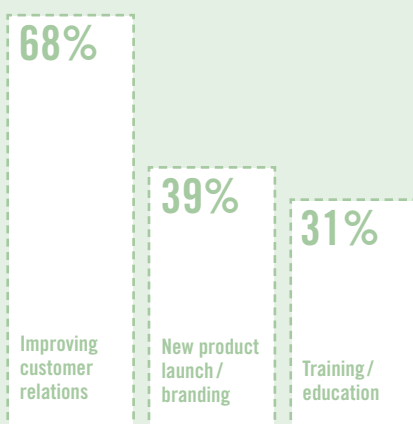
Source: consolidated UK and Germany Event Marketing Trends 2003

Why they don't measure ROI of events: These exhibitors leave it to the organisers to verify the effectiveness of a show. Yet our research shows that leading organisers are confining themselves to quantitative measurements of limited value. For shows and bespoke events they measure the number of attendees. Trade show organisers will also include the number of exhibitors. Whereas for large technical conferences the number of sponsors will be another measure that's used. Some provide more qualitative data based on content and the propensity of a visitor to attend again, but these measures are of limited value to exhibitors.

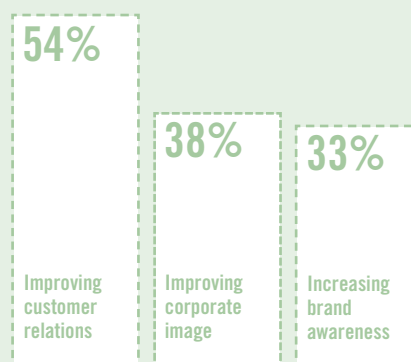
In contrast the most successful IT companies do their own event evaluation – and apply far more rigorous measures. They do not simply look at sales leads created through an event, but also drill down in their data to gauge a deeper measure of the real sales opportunity behind each lead.

MOST IMPORTANT EVENT OBJECTIVES FOR GERMAN & UK COMPANIES

UK COMPANIES



GERMAN COMPANIES



Source: consolidated UK and Germany Event Marketing Trends 2003

TOP 10 TRENDS ACROSS IT INDUSTRY EVENTS

» 1. AUDIENCE NUMBERS

Events do deliver. Find out how to seize opportunities and learn how to improve your own numbers.

» 2. AUDIENCE NEEDS

To create an event that is value for money and value for time, find out how to build an agenda that delivers solutions to audience needs.

» 3. EVENT STRUCTURE

It is no longer only about product demonstrations. Successful events will offer a mix of elements.

» 4. BRAND VISIBILITY

Sponsorship packages that offer lots of brand visibility do not necessarily deliver a positive brand experience. Find out how to leverage sponsorship to reach your goals.

» 5. CAMPAIGN INTEGRATION

Consolidation of marketing activities drives efficiency, improves brand experience and can increase event attendance.

» 6. CONTENT AND DELIVERY

Content is essential to attendees and therefore to success of events. Investing in the right delivery is key as focus has moved away from physical products.

» 7. CUSTOMER EXPERIENCE

Engineered experiences deliver positive brand experiences. GPJ engineers experiences for their clients' customers.

» 8. LEAD MANAGEMENT

Few companies have effective tools in place. GPJ has a variety of web-based technologies to support lead management and follow-up efforts.

» 9. FOLLOW-UP

Few companies follow-up post event. Abundant opportunities for continuing the communication exist that can be leveraged efficiently and effectively.

» 10. MEASUREMENT

Few event owners evaluate events as part of a portfolio and with a view to investment decisions. Few measure achievement of objectives or return on investment. GPJ is helping clients across all sectors put measurement techniques in place.

INTEGRATED EVENT MARKETING

The George P. Johnson Company is the world's largest Event Marketing Agency. For over 90 years we have successfully delivered event-related solutions to marketing and communications challenges for major enterprises across key industry sectors such as IT, Telecoms, Automotive, Pharmaceutical, Media, Public Sector and FMCG. We regularly publish overviews and consultative white papers.

To receive a FREE copy of a white paper, contact Ingrid Brown:

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or complete the enquiry form in the resource centre on our website. In addition we have a series of case studies which are available online.

WHITE PAPERS

TRENDS IN EVENT MARKETING

This provides a comprehensive understanding of how events are currently being used within major UK companies.

INTEGRATED EVENT MARKETING

This provides an overview on the practice of Integrated Event Marketing in which trade-shows, proprietary events, sponsorships and channel events converge to form a single integrated event portfolio.

MEASUREMENT & ROI

This paper outlines the seven ways to measure events and tradeshow as well as some proven industry practices for designing your measurement programme.

PROPRIETARY EVENTS

As companies focus their marketing spend to increase business with existing customers and use events more strategically to gain new ones, this paper outlines the reasons why and how to create your own events.



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Integrated Event Marketing

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