Inside YOUR Exhibiting Numbers

Budgeting, Managing Costs, Measuring & Reporting Exhibiting Performance, Value & ROI

Jefferson Davis, Competitive Edge
NAFA Commitment
to Exhibitor Value, Knowledge & Success

* Exhibitor Toolkit:
  - Live and Re-playable Webinars
  - How-to Exhibiting Article Series
  - Exhibiting 101
  - Exhibitor Magazine Resources
  - Ask the Tradeshow Expert Email Q&A

* Bookmark, Share & Access at:
Jefferson Davis, President
Tradeshow Productivity Expert

- Consultant, trainer, speaker and author
- 30+ years exhibiting experience
- Exhibited at over 200 tradeshows
- His E3 team has evaluated over 24,000 exhibitors in action
- Intensely results-focused
- Developed practical, workable processes to address critical exhibiting success factors
- Helped clients generate over $800,000,000 in tradeshow results.

- Subscribe to my Tradeshow Turnaround Blog
  http://www.tradeshowturnaround.com/tradeshow-productivity-blog/

- For a complimentary Tradeshow consultation
  CALL 800-700-6174 in US or 704-814-7355
  EMAIL: jefferson@tradeshowturnaround.com
3 MAJOR Questions Executives Ask About Tradeshows

1. Was the show a success?
2. What impact did the show have?
3. What was the show ROI?

If your boss walked in and asked you these questions today, could you answer?
An Effective Exhibit Program Should...

- Support Business Objectives
- Deliver Value Beyond Cost
OBJECTIVES FOR EXHIBITING AND METRICS FOR SUCCESS

IMPORTANCE OF OBJECTIVES FOR EXHIBITING

- Reach/Identify new customers/sales leads: 95%
- Build product/company awareness: 94%
- Meet with existing customers: 89%
- Need to be there - have presence: 82%
- Network with colleagues/professionals: 73%
- Launch/promote new products or services: 76%
- Demonstrate thought leadership in industry: 70%
- Product interaction/experience promotions: 69%
- Shorten the cycle to close a sale: 50%
- Identify distributors for products/services: 46%
- Research and development: 44%
- Close sales at the show: 40%
- Participate in educational offerings: 38%
- Recruit employees: 11%

*Percentage assigning a 4 or 5 using a 1 to 5 scale where 1 = Not at All Important and 5 = Very Important
Budget for Exhibiting Success

- Apply tradeshow budgeting rule of thumb
  - Floor space cost $x 3 to 5
- Track & Benchmark where your dollars go
- Budget more for:
  - promoting to drive qualified booth traffic
  - delivering a quality visitor experience
  - booth staff training
- Use zero-based budgeting to justify all expenditures
- Look at each line item and ask:
  - “Is this really necessary?”
  - “How can we do this at a lower cost and get the same or higher value?”
- Avoid cutting costs in customer facing areas
Know Where the Tradeshow Dollar Goes

www.ceir.org
Track & Control Exhibit Spending

FREE Exhibit Budgeting & Cost Control Tool spreadsheet available online at the Exhibitor Toolkit under “How to Exhibiting Article Series by Competitive Edge”.

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<table>
<thead>
<tr>
<th>Company Name</th>
<th>Tradeshow Budget</th>
<th>Tradeshow Name</th>
<th>Tradeshow Dates</th>
<th>Tradeshow City</th>
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</table>

<table>
<thead>
<tr>
<th>Service</th>
<th>Budget</th>
<th>Actual</th>
<th>Difference</th>
<th>Difference %</th>
<th>This Year’s Budget As % of Total</th>
<th>This Year’s Actual As % of Total</th>
<th>Average Cost % Benchmark</th>
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<tbody>
<tr>
<td>Booth Space</td>
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<tr>
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<tr>
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<tr>
<td>OTHER</td>
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<td>0.0%</td>
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<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
</tbody>
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EXHIBIT DESIGN:

| Design        | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Construction  | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Refurbishing  | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Graphics      | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Packing       | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Storage       | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Insurance     | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Display Materials | -   | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| Installation & Dismantle | - | - | 0.0% | - | - | - | 0.0% |
| Insurance     | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |
| OTHER         | -      | -      | 0.0%       | -            | -                               | -                               | 0.0%                   |

Subtotal:

<table>
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<tr>
<th>Budget</th>
<th>Actual</th>
<th>Difference</th>
<th>Difference %</th>
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NAFA
Fleet Management Association

Competitive Edge
“exhibiting excellence”
**Money Saving Tips**

### Exhibit
- Consider buying a pre-owned exhibit
- Consider renting an exhibit
- Negotiate a discount with exhibit house for upfront payment
- Shop material options – matte graphics panel vs. high gloss

### Graphics
- Design strategically – strive for 10-20% of show-specific messaging, re-use remaining graphics
- Consider a freelance designer/animator and stock photos
- Price out graphics to local advertising or sign shops
- Switch to digital signage

### Staffing & Travel
- Don’t bring too many staffers – rule of thumb is 1 staffer per 50 square feet (or 2 for a 10x10 exhibit)
- Reward frugality – to encourage staffers to spend less, offer a percentage rebate to those who stay under their allotted per diem

### Audit Invoices!
Common errors:
- Missed early bird discounts
- Incorrect multipliers, such as rate per hour for electrical, or straight vs. overtime rates for labor, or incorrect square footage of your exhibit
- Charges for supplies you brought yourself.

### Installation & Dismantle
- Skip the rigging – talk with your exhibit designer to see if you can use up lighting to illuminate your overhead elements
- Number your crates according to content, attach a diagram and include detailed construction instructions, along with electrical requirements and repacking instructions
- Avoid weekends and overtime – try to negotiate with show management to install your booth on a weekday if possible

### Transportation
- Switch to models – if you have heavy products, consider a lightweight 3-D or digital model
- Use double-duty components – some crates can be repurposed as desks/tables
- Store strategically – if you have multiple shows in the same city/region, store some of your properties near that area
- If you do several shows, use the same freight carrier and negotiate volume discounts

### Show Services
- Read the exhibitor service kit. Pay careful attention and meet all deadlines
- Order booth accessories and services in advance
- Look for early-bird registration
- Bring your own supplies, such as electrical tape, surge protectors, cleaning supplies, trash cans, etc.

### Promotions
- Take advantage of show advertising packages when available
- Order promotional items and giveaways well in advance to avoid rush fees and expensive shipping costs
- Print all your pre-show and at-show marketing materials at the same time to get quantity discounts
- Promote your participation using low-cost marketing methods, such as social media, your website, submitting press releases

### Additional Sources:
Exhibitor Magazine CEIR Industry Insights Series, Trade-Show-Adviser.com

### Audit Invoices!
Common errors:
- Missed early bird discounts
- Incorrect multipliers, such as rate per hour for electrical, or straight vs. overtime rates for labor, or incorrect square footage of your exhibit
- Charges for supplies you brought yourself.
Inside YOUR Exhibiting Numbers

Q & A

Type Question in Question Box
Press Send Button
Let’s Talk About Tradeshow ROI

- Can tradeshow ROI be measured?
- Do you measure?
- What/How do you measure?
- What factors most limit your ROI?
  - Please submit via your Question tab
Measuring Exhibiting Value & ROI

Benefits of Measuring

✓ Accountability for and justification of exhibiting investment.
✓ Develop benchmarks for comparison and improvement.
✓ Bigger seat at the budgeting table.
✓ Determine level of investment in a show.
✓ Identify program strengths and weaknesses.
✓ Determine continued participation in a show.
So What are Exhibitors Measuring?

Metrics Used to Evaluate Outcome of Exhibiting

- **ROI Metrics used by 62% of Exhibitors**
  - Sales revenue to cost of exhibiting, 45%
  - Sales revenue potential to cost of exhibiting, 43%

- **Most Popular ROI Metrics Used**
  - Sales revenue to cost of exhibiting, 45%
  - Sales revenue potential to cost of exhibiting, 43%

- **Where Users Say Exhibitions Perform Best**
  - Sales revenue/potential to cost of exhibiting, 59%

- **Intermediate Performance Metrics used by 86% of Exhibitors**
  - # of leads in general, 68%
  - # of qualified leads, 62%
  - Quality of leads, 60%
  - # of meetings w/prospects, 57%
  - # of meetings with customers, 55%

- **Most Popular Intermediate Metrics Used**
  - # of leads in general, 68%
  - # of qualified leads, 62%
  - Quality of leads, 60%
  - # of meetings w/prospects, 57%
  - # of meetings with customers, 55%

- **Where Users Say Exhibitions Perform Best**
  - Lead performance metrics, 60%
  - # of meetings, 46%

[www.ceir.org](http://www.ceir.org)
# Two Types of Tradeshow Metrics

<table>
<thead>
<tr>
<th>Financial Performance</th>
<th>Exhibit Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Budget vs Actual</td>
<td>1. Exhibiting Goals &amp; Results</td>
</tr>
<tr>
<td>2. Cost Per Interaction (CPI)</td>
<td>2. Exhibit Interaction Capacity &amp; Utilization</td>
</tr>
<tr>
<td>3. Cost Per Lead (CPL)</td>
<td>3. Exhibit Attraction Efficiency</td>
</tr>
<tr>
<td>4. Potential Revenue Value of Leads</td>
<td>4. Staff Interaction Rate</td>
</tr>
<tr>
<td>5. Soft Dollar ROI</td>
<td>5. Lead Goal/Actual</td>
</tr>
<tr>
<td></td>
<td>7. Brand Awareness Impact</td>
</tr>
<tr>
<td></td>
<td>8. Attendees Passing &amp; Entering</td>
</tr>
<tr>
<td></td>
<td>9. Exhibit Property Interaction</td>
</tr>
<tr>
<td></td>
<td>10. Visitor Dwell Time</td>
</tr>
<tr>
<td></td>
<td>11. Customers Attending/Met With</td>
</tr>
<tr>
<td></td>
<td>12. Prospects Attending/Met With</td>
</tr>
</tbody>
</table>
FREE Exhibiting & Financial Performance Metrics Tool spreadsheet available online at the Exhibitor Toolkit under “How to Exhibiting Article Series by Competitive Edge”.

Measure Financial & Exhibit Performance

<table>
<thead>
<tr>
<th>PERFORMANCE:</th>
<th>RESULT</th>
<th>BENCHMARK</th>
<th>FAVORABLE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit Interaction Capacity/Utilization</td>
<td>70%</td>
<td>80-100%</td>
<td>No</td>
</tr>
<tr>
<td>Exhibit Attraction Efficiency</td>
<td>24%</td>
<td>45%</td>
<td>No</td>
</tr>
<tr>
<td>Lead Goal - Quantity</td>
<td>15</td>
<td>20</td>
<td>No</td>
</tr>
<tr>
<td>Interaction Conversion to Lead</td>
<td>31%</td>
<td>25%</td>
<td>Yes</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>VALUE &amp; RETURN ON INVESTMENT:</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cost Per Interaction</td>
<td>$208</td>
<td>$596</td>
<td>Yes</td>
</tr>
<tr>
<td>Cost Per Lead</td>
<td>$687</td>
<td>$165</td>
<td>No</td>
</tr>
<tr>
<td>Potential Value of Leads/ROI</td>
<td>750%</td>
<td>100%</td>
<td>Yes</td>
</tr>
<tr>
<td>Return on Investment-Soft Dollar ROI</td>
<td>186%</td>
<td>100%</td>
<td>Yes</td>
</tr>
<tr>
<td>Return on Investment-Hard Dollar ROI - Gross Margin</td>
<td>50%</td>
<td>100%</td>
<td>No</td>
</tr>
</tbody>
</table>
Exhibit Interaction Capacity (EIC)

- Exhibiting Hours: 7
- (x) Full-Time Exhibit Staff: 2*
- (=) Total Staff Hours: 14
- (x) Interactions Per/Hr/Staffer: 3-5**
- Exhibit Interaction Capacity: 42-70

* 50 sq. feet/ staffer
** 3/conservative 4/moderate 5/aggressive
Exhibit Interaction Capacity Utilization (EIC/U)

- Actual # of Exhibit Interactions: 58
- (/)Exhibit Interaction Capacity: 70
- Exhibit Interaction Capacity Utilization: 83%

Target: 90 to 100% +
Exhibit Attraction Efficiency (EAE)

- # Exhibit Interactions 58
- (/) Profile Matches 483
  - Job Function
- Attraction Efficiency 12%

- Benchmark 45%
  Source: Exhibit Surveys
Lead Goal/Actual, Quantity and Quality

- **Lead Goal** 20
- **Total Leads Captured** 16
- **Achievement** 80% of goal
  - % - A Leads 50% - 8
  - % - B Leads 31% - 5
  - % - C Leads 19% - 3
Cost Per Interaction (CPI)

- Total Show Investment $7,350
  (10x10 Affiliate booth space cost x 3)
- \( \div \) # Exhibit Interactions 58
- **Cost Per Interaction** $127

➤ Average Cost of a North America B2B Field Sales Call: $596-$1,114
Source: CEIR
Cost Per Lead (CPL) or Cost Per Qualified Lead (CPQL)

- Total Show Investment $7,350
- (/) # of Total Leads 16
- **Cost Per Lead** $459

- Average Cost of a North America B2B Tradeshow Lead: $283
  Source: Exhibit Surveys
- Compare to Average Value of a Customer or Sale Amount
Potential Revenue Value of Leads

- Total # (or A/B) Leads: 13
- (x) Average Sale Amount: $5,000
- Potential Lead Value: $65,000
- (/) Show Investment: $7,350
- Soft Dollar ROI: $8.84 to $1
Setting Exhibiting ROI Targets

- **GOOD**: 1-1 payback or 100% ROI
- **BETTER**: 3-5 payback or 300-500% ROI
- **BEST**: As high as you can go!
Two Types of ROI

• **Hard Dollar ROI**: Revenue received that can be credited in full or in part to the show, typically in the form of at-show and/or post-show sales.
  - Can be measured in top line revenue or gross margin.

• **Soft Dollar ROI**: Value received that can be quantified/expressed in numeric terms, typically in the form of money saved or opportunities created.
Return on Investment
HARD Dollar Top Line Revenue Formula & Example*

- Revenue From At/Post Show Sales $50,000
- Less Show Investment - $7,350
- Net Revenue $42,650
- Divided by Show Investment $7,350
- Top Line Revenue ROI $5.80 to $1

*This example calculation is not a promise of a specific ROI, but simply an illustration of a method for calculating exhibiting ROI.
Return on Investment
HARD Dollar Gross Margin Formula & Example*

• Revenue from At/Post Show Sales $50,000
• Less Cost of Sales (50% Gross Margin) - $25,000
• Gross Margin $25,000
• Less Show Investment - $7,350
• Net Exhibit Profit $17,650

*This example calculation is not a promise of a specific ROI, but simply an illustration of a method for calculating exhibiting ROI.
Return on Investment
HARD Dollar Gross Margin Formula & Example*

- Net Exhibit Profit $17,650
- (/) Show Investment $7,350
- Return-on-Investment $2.40 to $1

Gross Margin ROI

*This example calculation is not a promise of a specific ROI, but simply an illustration of a method for calculating exhibiting ROI.
Cost Per Interaction (CPI) Savings

SOFT Dollar ROI*

- Total Show Investment $7,350
- (/) # Exhibit Interactions 58
- **Cost Per Interaction** $127
- Compared to a Field Sales Call $596
- Less Cost Per Interaction - $127
- **CPI Savings** $469
- Times # of Exhibit Interactions x 58
- **Soft Dollar ROI Contribution** $27,202 = $3.70 to $1

*This example calculation is not a promise of a specific ROI, but simply an illustration of a method for calculating exhibiting ROI.
Sections to Include in Your
Exhibiting Performance & ROI Report

1. Executive Summary
2. Show Information
3. Exhibiting Objectives Set and Progress Made Toward
4. Exhibit Interaction Capacity/Utilization - Cost Per Interaction
5. Leads: Goal/Actual, Cost Per Lead, Potential Value of Leads
6. Pre & At-Show Marketing: Media, Reach/Response and Effectiveness
7. Public Relations and Media Exposure
8. Exhibit Design and Effectiveness
9. Demonstrations/Presentations
10. Hospitality and Sponsored Events
11. Key Customers and VIPs Met
12. Competitive Summary
13. Show Budget vs Actual w/Benchmarks and R.O.I.
14. Lessons Learned & Recommendations for Next Show
Type Question in Question Box
Press Send Button

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