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## **5 KEYS TO PROFITABLE EXHIBITING**

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Trade shows are a major marketing expense for exhibitors! In fact, the Center for Exhibition Industry Research (CEIR) documents that for firms who exhibit, the average expense for trade shows is a **whopping 22% of the entire marketing budget**. That's more than advertising, digital marketing, social media, direct marketing, PR and sales promotion – to name a few. This expense is also high due to the fact that firms average 10 shows per year. Of course, this number varies by the nature of the industry and size of company, and is distributed among large national shows and smaller regional or local ones.

In view of this significant expense, **justifying trade shows and measuring ROI is one of the most difficult tasks** firms face. The question is “So what did we get for all that money we spent at the show?” Certainly, by adding up the orders written is the most logical answer and typically where the analysis ends. If the gross margin on show sales exceeds the total cost of exhibiting, most exhibitors consider the show a success. Yet, that is only part of the value of trade shows as future results may be many times greater.

**Longer term results add to the ROI.** In addition to show sales there are several future results to that add to the overall success and measure of a show's success.

- There are leads to be contacted and sold before the total revenue from a show is achieved. As a bridge to actual revenue, some marketers attempt to calculate the “value of a lead”, but that's difficult.
- Seeing current customers is a value as seeing them at the show can serve as a sales call which research now shows is an average of \$600.
- Finally, there is a value of a new customer and the future orders. This lifetime customer value may, in fact, be the biggest revenue payoff.

In today's environment it is imperative to maximize exhibitor's profit and ROI from trade shows or they won't return. The average decay rate for exhibitors is 20%, and we have heard from some large shows that this rate is going up, particular for small and first time exhibitors.



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### **COST VS. REVENUE:**

There are obviously **two sides of the ROI equation**, and both are important. The leverage is on the revenue side as controlling and minimizing costs will only go so far before they can't be squeezed any more without impacting the effectiveness of the exhibit. Therefore, this white paper will deal mostly with how to improve revenue while not ignoring costs. But, before we dive into the revenue side, here is some information and resources on controlling exhibit costs.

### **The cost side of exhibiting:**

The industry's rule of thumb is that the cost of exhibiting is three times the booth cost. Let's assume \$12M for booth cost (a 20x20 booth at \$30/square ft.). This is multiplied by three to arrive at the \$36M cost of the trade show. Here's what Exhibitor Magazine shows for a breakdown of exhibiting cost allocation for the various expense categories:

Booth space	33%	\$11,880
Travel and expenses	18%	6,480
Booth cost and graphics	18%	6,480
Show Services (drayage, etc.)	12%	4,320
Shipping	9%	3,240
Promotion	8%	2,880
Miscellaneous	2%	720

As is obvious, **there is only so much cost reduction** that can be achieved. Here are several good reference sources for articles on controlling costs:

- Exhibitor Magazine
- Center for Exhibit Industry Research - CEIR
- Exhibit Industry Council

Keeping costs as low as possible is important; as they are spent before revenue is obtained and therefore is a cash flow concern.



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Now for **the revenue side of the equation!** The size and scope of many shows can be overwhelming, and achieving the desired results can be difficult. Certainly, some of what follows will not be new to many but as one marketing guru once said, it's never wrong to review the basics. On the other hand, hopefully there are some pointers and suggestions that are new and will hit home to produce an increase in sales. So here are the 5 keys to profitable exhibiting.

### 1. PRE-SHOW PLANNING

Every exhibitor does some level of pre-show planning, and the only question is what and how much. Most firms spend too much time and money on the booth design, construction and delivery. Certainly that is a key ingredient to show success as attendees who walk the aisles see the booth first – sort of like brand advertising. But once they are in the booth and engaged with a sales person, the booth design has done its job and become secondary to success. Therefore, most experts agree that the following elements are the most important aspects of pre-show planning.

- **Objectives** – the obvious start of any marketing activity, but all too often objectives are too general and lack the specificities to drive focused marketing and sales activities. Rather than go on about objectives and repeat what has been written and said for many years, here are two examples of trade show objectives.
  - To introduce our new product to current and potential customers and generate enough leads to pay for the show.
  - To introduce our new product to 20 customers and 45 new prospects, sell \$75M in orders and generate 25 qualified leads with a revenue potential of an additional \$85M in the next 12 months.

The first one is not bad, but the difference is obvious as the second objective will drive specific actions before, during and after the show. It's a "hard" objective and the measure of success is clear. Enough about setting objectives – it's just that many times we know exhibitors that have only "soft" objectives.



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- **Booth design** is another obvious element to pre-show planning. For this white paper it's not our purpose to get into much detail on booth design as there are many ways to approach design and construction of the trade show booth. Clearly, objectives impact booth design and should to be communicated to the design firm. There are many options and new technologies to consider and the best resource is Exhibitor Magazine and/or their show Exhibitor Live – the trade show for trade shows!
- **For additional insight**, both Exhibitor Magazine ([www.exhibitoronline.com](http://www.exhibitoronline.com)) and Skyline Exhibit's ([www.skyline.com](http://www.skyline.com)) websites have information on trade show planning.

## 2. PRE-SHOW MARKETING

Studies by trade show experts point out that the two elements that dramatically improve results are **pre-show marketing** and **post show follow-up**. Let's tackle the pre-show marketing first.

Why is this logical and necessary element so lacking with many exhibitors? Here are five of the reasons why pre-show marketing is overlooked.

- Most of the pre-show activity centers around booth design, logistics, travel arrangements, sales training, and other needed tasks and pre-show marketing to bring customers and prospects to the booth and pre-show marketing is not top-of-the-mind.
- Exhibitors rely on the organizer to fill the show with qualified buyers.
- There is no money for pre-show marketing, as most of the trade show budget is for exhibiting booth expenses.
- Exhibitors expect or believe their customers and prospects will be attending.
- They ask their sales staff or reps to invite customers to attend and don't insist on any pre-show input on if this has been done.



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The result is that the show could have been more successful if a pre-show marketing effort was expended. So what are the **most frequently recommended pre-show marketing activities** to bring more buyers to your booth?

- **Focus on setting customer meetings**

One of the important features of trade shows is the opportunity to meet face-to-face with many customers in a short period of time. This one-on-many feature leads directly to sales productivity. If you sell direct there is a cost to sales calls (the average cost per call is now \$600), and the more meetings held at the show, the more these call costs can be chalked up as savings.

If you sell through reps, then customer meetings might well take on a different level of importance, as these in-person meetings with customers can build relationships that do not normally occur when selling through reps.

This is doubly important for customers who buy online, as they don't see either your sales team or reps. Establishing a face-to-face relationship will always be a key to long term customer success and loyalty.

One large exhibitor commented that he and his sales staff had pre-scheduled 265 customer meetings over four show days. He felt that this alone was justification to exhibit, as he viewed it as an important element of his firm's sales success.

- **Target prospects and leads**

In addition to customer meetings, you probably have a list of prospects and leads from past marketing and sales activities, if not from prior shows. The same strategy applies here in setting up pre-arranged meetings at the show.

In addition, if you have profiled your customer base, an opportunity exists to rent outside lists that match the profile and promote to these firms as well. The key to this campaign would be to have an offer that is attractive for response for those who are not attending. In essence, a two-for-one lead pre-show campaign – booth visit and/or lead generation communication all-in-one.



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- **Use the pre-show registration list**  
Usually, the show offers some level access to the pre-show registration list. Either they send it to exhibitors and/or email to attendees through a fulfillment house. Most often this list can be segmented by a number of criteria including the size and type of firm who is pre-registered.
- **Promote on social media**  
In today's marketing world, social media assumes a larger role, and is effective for promoting trade show participation. The usual suspects like Facebook, Twitter and Pinterest should be used, but in B2B LinkedIn has been shown to produce the best social media results.
- **Create and promote a show special**  
Finally, part of pre-show marketing is developing a show "special" that can be used as the focus and reason for booth visits by customers, leads and prospects. These show specials take on two forms.
  - A discount or added value upon purchase, but only at the show.
  - A contest, premium or some other unique reason to stop by the booth.

While much of the preceding marketing recommendations are both known to most exhibitors and are logical, we find that many exhibitors underutilize pre-show marketing. It is one way to not only improve your show results, but also beat the competition as well.

### 3. BOOTHMANSHIP

"Boothmanship" or as some would say salesmanship is one of, if not the most important element, to show success. We all know that, but frequently don't train sales people specifically for manning a booth. Clearly the basic sales skills such as active listening are important in meeting and discovering if the attendee is a potential customer or prospect. On the other hand, many sales opportunities are lost due to poor "Boothmanship".

In addition to sales skills here are a few tips on training sales people on "Boothmanship":

- **Knowledge in direct support of the objectives** – product, pricing, deals, lead times, shipping, literature, etc. This obviously includes order writing. Attendees expect that any representative in your booth is knowledgeable and can place an order and



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answer questions. No attendee wants to explain their needs only to be passed off to another person and then repeat everything. Not good selling or brand image.

- **How to capture attendee information** either on the show's lead capture system or your own CRM tablets. This includes notes on the conversation so that an effective follow up can be done by someone else after the show. To expedite this, anticipate the most likely scenarios and code them so that the electronic entry is quick and not distracting to the attendee.
- **Rules of the road** such as eating in the booth, talking or texting on cell phones, sitting down, hours of duty, etc. Opportunities are lost when attendees view the "body language" of the booth staff as uninviting and/or uninterested.

Remember that energy levels of the sales staff are an important aspect of a first impression, and manning a trade show booth saps energy. Therefore, well thought-out schedules with frequent breaks will keep your sales people fresh.

Finally, if you remember Monty Python, then the name John Cleese will also be familiar. After the show ended John made a series of training videos and in 1974 (yes that's a long time ago), he recorded one titled *How Not to Exhibit Yourself* for Video Arts. In this 30 minute hilarious video he demonstrates the wrong way to staff a trade show booth. The video can be rented or bought from several companies, and is a wonderful way to bring the message home to sales people about boothmanship. Even though it's an old video, it is as applicable now as it was back then. Rent it and show it to the sales group before the show opens - it will pay dividends.

#### **4. LEAD CAPTURE**

At some shows orders are written but not all attendees are able or ready yet to order and therefore are leads. While the potential sales to any individual retailer are not known during the first meeting, leads can turn into not only large orders but long-term customers. Most exhibitors are focused on sales, and at times do not pay enough attention to leads.



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Two issues are key to developing an effective lead capture program:

- Asking the right questions to determine if the lead is qualified enough to become a customer of yours is the first key. Obviously, some specific questions are relevant to your business and products, but others are more strategic in nature. You're trying to determine if this individual (lead) is worth the follow-up effort. Admittedly, there may not be enough time to ask all these questions, but if so here are several that will help qualify the lead and set the priority of follow-up.

We're taking a page from the technology world and specifically IBM as they developed the BANT qualification rating. Simply, this stand for:

B - **Budget** or the financial resource to buy the product

A - **Authority** of the individual

N - **Need** for the product

T - **Timing** of the need or purchase

By knowing the answers to these four dimensions of a lead, you can then determine if this is an opportunity worth following up after the show.

If there are many leads for follow-up the generally accepted most important criteria that correlates to sales is "timing". So if you had to choose which leads to follow up for sales, the ones that expressed the need to move quickly would be best.

- The second key element is to record the information obtained. In days gone by, this was paper and pen but now it's usually on a tablet or some other electronic device. Typically the registration firm provides a tablet for rent that is linked into the badge information.

These tablets will automatically record the attendee's registration information, and that is a big assist in time. But, the answers to your other questions will need to be inputted separately and that is time consuming. So here's a tip. Develop a code to indicate what the answer or information is as that will allow for faster input and enable you to stay engaged with the prospect rather than trying to type.



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## 5. POST-SHOW FOLLOW-UP

Of all the keys to trade show success, post-show follow-up is the one that most exhibitors don't do well if at all. So much effort and expenses is focused on the show that once over it's a giant relief to just pack up and go home. This is true for everyone at the show including sales people. Yet, much of the value and results from exhibiting at trade shows is the potential business and leads generated at the show.

Clearly, fulfilling orders and customer requests come first, but after that the leads generated need to be promptly contacted and further qualified. Here are some guidelines to successfully qualifying and converting leads.

- **Do more research**

Here's why this matters, and certainly is critical when calling senior level executives. It is well accepted that **executives expect that you will have done some research on their company** that includes, but not limited to, visiting their website. Of course you know a little about them from the show but likely not much and the more you demonstrate your knowledge about their company the more you will open them up to do business with you. What's true for senior level executives will also work for others as well.

- **Follow-up promptly**

There is no question that a speedy follow-up converts more inquiries to leads and sales. We all tend to have short term memories in these days of content and communication overload, and there is likely to be spotty memory of their visit to your booth.

A good practice is to **send an email the night after you met or the first day upon return** if possible. Also, this gives you a chance to deepen the follow-up by providing information they may have requested or some other relevant content. By doing this, creditability and reliability is established and those aspects are important to making a buying decision.

- **Prioritize the leads**

Assuming you have set up a scoring model at the show, the best leads should be contacted first which makes sense. On the other hand, don't fail to contact all the



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leads within a week from the shows end. This process is normally an email communication. Continual contact will go a long way to convert a sale.

- **Don't ditch old leads – nurture them**

Only 10-20% of leads convert to sales within 2-3 months of the show and thus 80- 90% do not. In addition to buying from a competitor there are other reasons for lack of sales conversion and the big one is postponement of the decision and/or no decision. If you or the sales staff hears that the timing is “down the road” or some other reason for a “no decision”, then they should be put into a lead nurturing program. Some studies have shown that as much as 30-50% of leads do not convert for this reason.

Also studies have shown that a continual lead nurturing campaign might produce as many as 3-4 times the number of sales in a 12-18 month time frame. One key element in a nurturing campaign is to provide information of value to the potential customer and not just continually ask if they are ready to buy now. Building long term relationships will generate customers.

## **TO SUM UP**

Organizers need to be more responsible for exhibitor's success other than attracting the quality and quantity of attendance. The truth is that many exhibitors need information and knowledge to make their show participation worthwhile and produce an acceptable ROI. Hopefully this white paper provides not only a review of the basics, but also some tips and techniques that move this objective forward.

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John has partnered with Direct Hit Marketing and is responsible for adding new trade show clients and thought leadership. John is also Co-Founder and Partner of B2BMarketing.com. His background includes experience in both sales and marketing. On the sales side, John was a field salesman, national sales manager and executive in charge of both sales and marketing for three major B2B firms. On the marketing side, he was president of a B2B direct marketing agency for 10 years, was National Campaign Manager at IBM, Sr. VP of B2B at Rapp Collins Worldwide and President of Protocol B2B. John is also the author of *The Fundamentals of Business-to-Business Sales & Marketing*, published by McGraw-Hill. John's next book co-authored with Steve Juedes, President of DHM is titled *Data-Driven Trade Show Marketing & Sales for Organizers and Exhibitors* is due for publication in early 2016. He can be reached at [johnc@directhitmarketing.com](mailto:johnc@directhitmarketing.com) or by phone at 602-402-6588.