

Measurement of Engagement in B2B Trade Show Exhibits



Summary Report

Experiential Marketing Council
January 17, 2008



Overall Objectives

- Develop a validated, cost-effective protocol for measuring the effectiveness of B2B marketing events for the the sponsoring brand.
- Include the investigation of measures or metrics (combination of measures) that:
 1. Capture the emerging concept of Engagement
 2. Are sales-validated
 3. Correlate with behavioral evidence of Engagement in B2B experiential environments
 4. Can be applied across other marcom channels

Issues We Will Explore

- Which dependent survey measure best predicts reported sales?
- Which Engagement measure(s) is the strongest driver of the reported sales indicator (dependent variable)?
- How does attendee participation in the exhibit relate to the sales indicator and brand metrics?
- Is there both an emotional and a cognitive component of Engagement and can they be combined into one “metric”?
- How are results influenced by customers and non-customers; do events impact customer retention and acquisition differently?
- How does the medium (show/exhibit) impact brand attitudes?
- How does ad awareness influence Engagement with exhibits? (Partial)

What We Did

- Surveyed four B2B events.
 - E-mail addresses of participants obtained from show
 - Interactive online survey conducted immediately before/after shows
 - Follow-up sales conversion survey 4-6 months after show
- Measured response to 3-4 participating exhibitors in each event – 14 total.
- Evaluated the utility of multiple potential Engagement metrics in an event context as input for advanced modeling.

Sales Validation

Sales Validation

- Issue: Which survey measure best predicts reported sales several months after event?
- Approach: correlated potential measures in post-wave survey with reported sales in conversion survey:
 - Purchase Intent
 - Emotional Connection
 - Purchase Consideration
 - Net Promoter Score*
 - Company/Brand Familiarity
 - Brand Fit

* Net Promoter is a trademark of F. Reichheld, Bain & Co. & Satmetrix

Sales Validation

- Finding: Purchase Intent is most positively correlated to reported sales.
 - Correlation +0.73 among purchasers
 - Other measures have positive correlations (particularly familiarity) but the value of that measure may be more brand-dependent.
- Conclusion: Purchase Intent should be used as dependent variable against which to test value of potential Engagement metrics as drivers.
- Once a brand establishes an intermediate measure (e.g., Purchase Intent) as a valid predictor of sales, it reduces the need for sales conversion surveys or tracking as part of an ongoing measurement process.

Sales Validation

- Question: Why don't we just use Purchase Intent as our Engagement measure?
- Answer: Because Purchase Intent is a result of Engagement but does not capture the concept of Engagement itself. Moreover, it is only one of a number of legitimate outcomes of messaging.

Sales Validation Takeaway

- Purchase Intent is validated as a reliable indicator of future brand sales.

Behavioral Engagement

Behavioral Engagement

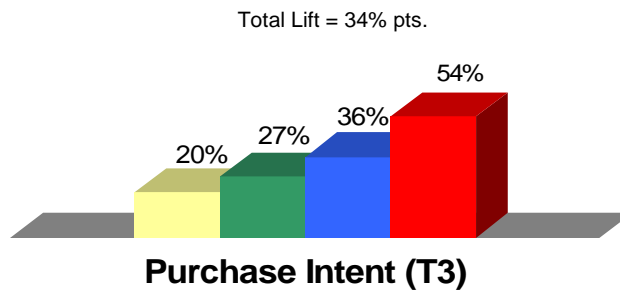
- B2B events provide a unique measurement opportunity.
- Levels of behavioral exhibit participation provide common sense indication of Engagement.
- Hypothesis: Increasing levels of behavioral participation in exhibits drive favorable Purchase Intent and potential brand Engagement measures.
- Approach: Calculated levels for all metrics against participation levels.

Audience Participation Levels

- Unaware (15%)
 - Not aware exhibitor is at the show
 - Range 2-30%
- Aware (22%)
 - Aware that exhibitor is at the show, but did not visit exhibit
 - Range 12-34%
- Passive Engagement (24%)
 - Aware that exhibitor is at the show but only looked at exhibit
 - Range 15-41%
- Active Engagement (28%)
 - Visited exhibit, talked to staff and requested information
 - Range 7-52%

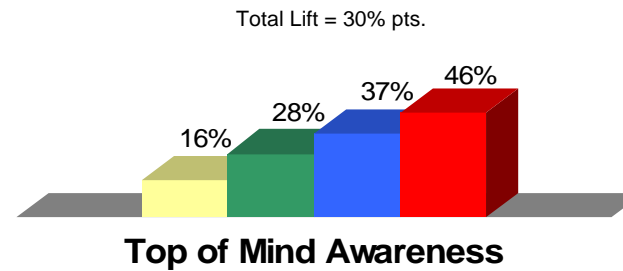
11% other or not classifiable

Measures by Participation Levels



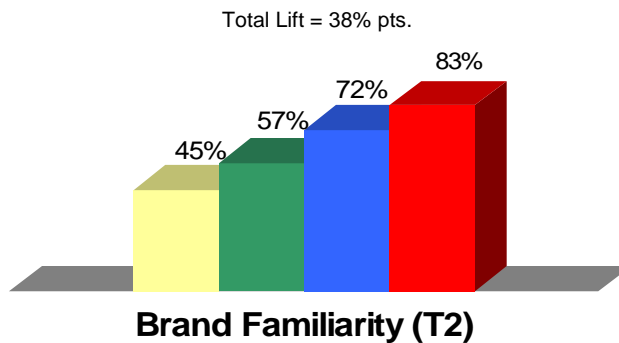
Unaware Aware Passive Active

Unaware to Active lift range: +7% pts. to +45% pts.



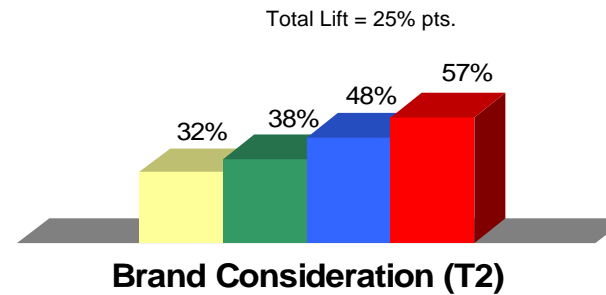
Unaware Aware Passive Active

Unaware to Active lift range: +2% to +55%



Unaware Aware Passive Active

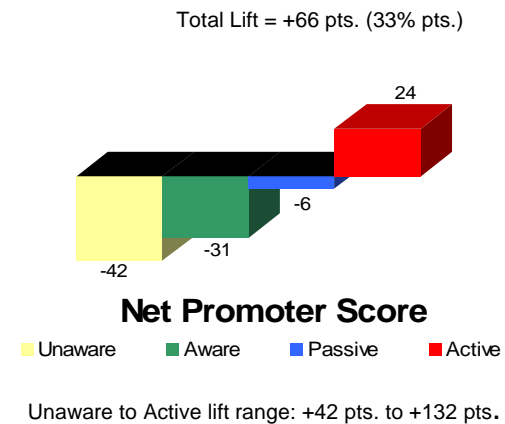
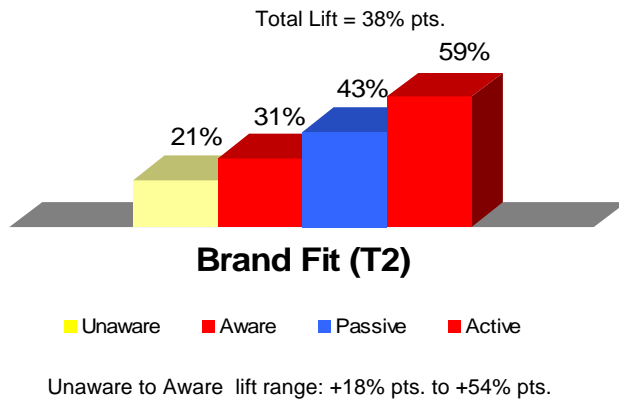
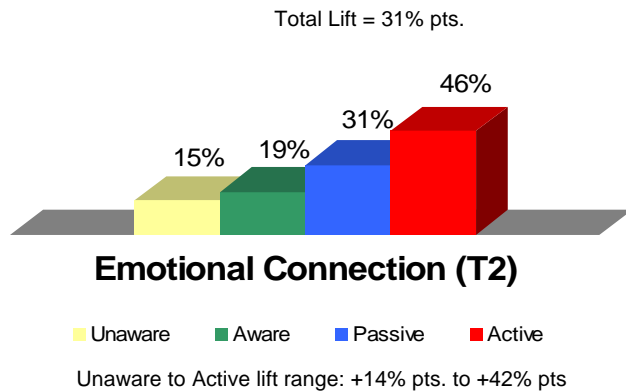
Unaware to Active lift range: +9% to +48%



Unaware Aware Passive Active

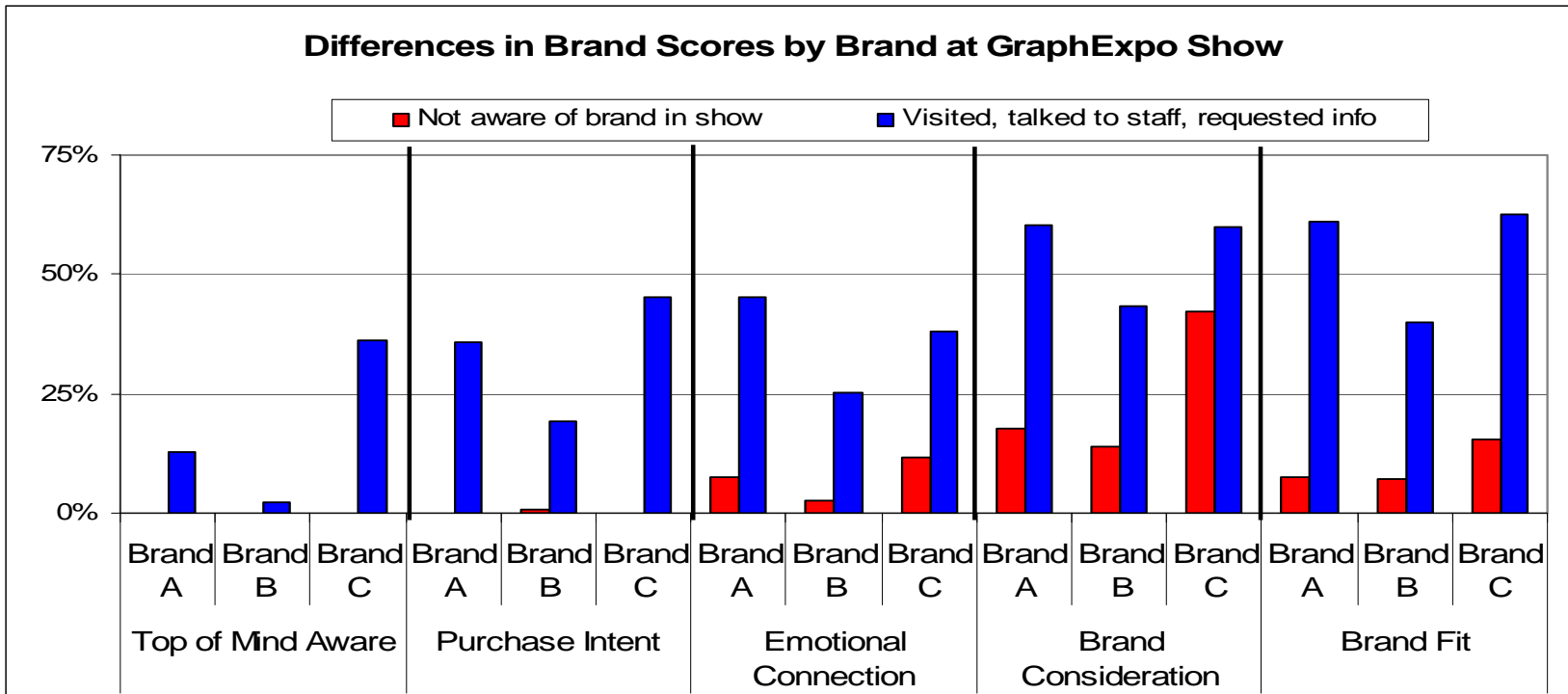
Unaware to Active lift range: +3% pts. to +42% pts.

Measures by Participation Levels



Differences by Brand Within a Show

- Measures are clearly sensitive to differences in effectiveness among exhibits within a show.
- Overall, large improvements are seen for measures among active exhibit participants.



Value of Behavioral Participation

- Question: Why don't we use Behavioral Participation as our main Engagement measure?
 - Fits common sense notion of experiential Engagement
 - Strong driver of Purchase Intent/Sales
- Answer: Because it can not be applied across marcom channels.
 - No analog with advertising, promotion, etc.
 - It is specific to experiential events
- Participation does provide logical validation of other survey metrics that relate to it.

Impact of Exhibit Participation: Takeaway

- Increasing behavioral participation with exhibits is associated with stronger brand output metrics.
 - Both Active and Passive Participation are strong drivers.
 - Talking to prospects makes emotional connection and drives purchase intent.
 - Looking at exhibit enhances brand perceptions significantly too.
 - Merely making attendees aware of presence has some positive effect.

Engagement Metrics

Emotional/Cognitive Metrics

- Hypotheses:
 - There is both an emotional and a cognitive component of Engagement.
 - Engagement is strongest when both emotional and cognitive drivers score high.
- Among the most highly correlated metrics...
 - Promoters (likely to recommend) and Brand Fit are most likely to have cognitive and emotional dimensions.
- What happens when we combine them?

Emotional/Cognitive Metrics

- Combination of top emotional/cognitive Engagement metrics is more powerful than one alone.
- 14-brand correlation with PI increases from .51 to .53 because two measures have high co-linearity.
- Need to consider both measures when evaluating individual brands.

		Likely to Recommend	
		Detractors	Promoters
Brand Fit	Hi	22% T3 Purchase Intent -0.08 correlation with PI 4.9 Mean PI	80% T3 PI +.53 correlation with PI 8.4 Mean PI
	Lo	3% T3 PI -0.37 correlation with PI 2.0 Mean PI	23% T3 PI -0.04 correlation with PI 3.3 Mean PI

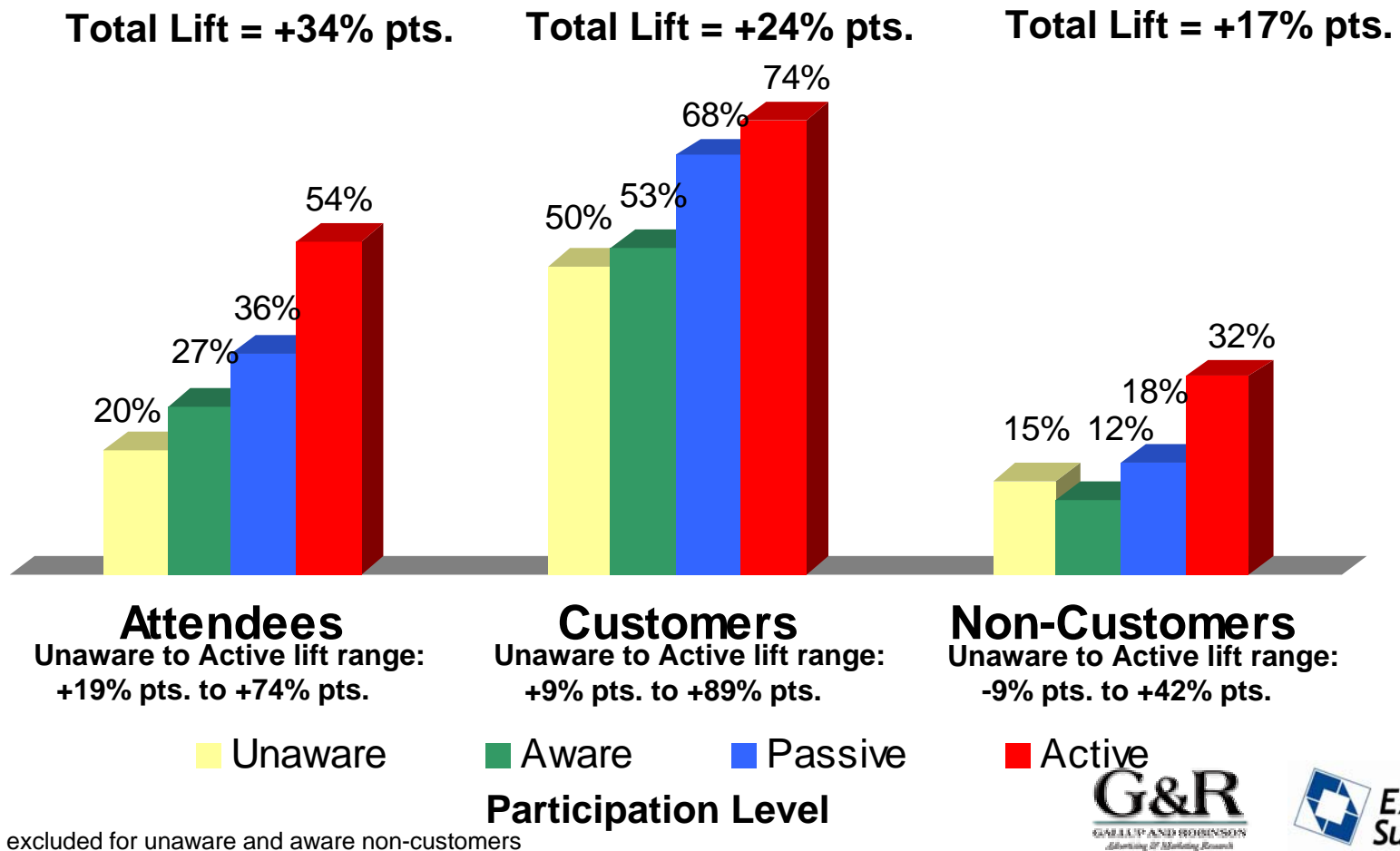
Engagement Metric Takeaway

- No one measure stands out as the Purchase Intent/Purchase driver. Like in other fields where engagement is used (e.g., customer satisfaction), a combination of measures is likely to be more effective than any one measure alone.
- Best combination of candidates overall reflect emotional vs. cognitive brand response:
 - Promoters– requires reasoned brand evaluation
 - Brand Fit– indicates resonance with brand image
- Complexity Analysis suggests drivers may be specific to brands.

Customer Retention and Acquisition

Customer vs. Non Customer: Purchase Intent

- Exhibits attract non-customers with PI for their brand.
- Same general pattern of lift as customers, though less.



* Small bases excluded for unaware and aware non-customers

Customer vs. Non Customer: Sales Conversion

- Customers represent the greatest opportunity for sales, but about 1/4 of company purchases and 1/3 of those personally involved in purchasing were non-customers at the time of the show.

Purchased from company 6-8 months after the show

	Company Purchased	Personally Involved in Purchase
All Attendees	27% Avg. Range = 2% to 51%	15% Avg. Range = 1% to 27%
Current Customers	20% Avg. Range = 2% to 38%	10% Avg. Range = 1% to 26%
New Customers	7% Avg. Range = 2% to 18%	5% Avg. Range = 0% to 15%

Customer vs. Non-Customer: Post Show Actions Taken

- Positive viral effect of exhibiting extends reach – 2-3X for Actives.
- Paper collateral is still important to some – literature high influence on purchases.
- Integrate web site with exhibit activity and fulfillment.

	Customers		Non-Customers	
	All	Active	All	Active
Discussed exhibitor's products seen at show with peers	17%	35%	9%	24%
Looked up exhibitor's web site	17%	28%	12%	24%
Read exhibitor's literature collected at show	16%	28%	10%	20%
Passed exhibitor's literature collected at show to supervisors	10%	20%	5%	14%
Passed exhibitor's literature collected at show to someone else	9%	16%	5%	10%
Recommended exhibitor's product(s) or technology seen at the show	9%	17%	4%	10%

Customer Retention and Acquisition Takeaway

- Trade shows offer opportunity to reach new customers / prospects – increase market share.
- Non-customers have positive brand attitudes and Purchase Intent – higher among Actives.
- Although the biggest opportunity for sales is with current customers, non-customer visitors can become new customers.
- Non-customers take positive post-show actions, a number of which are viral in nature that extend the reach of the brand (and the investment in the show).

Medium Impact

Medium Impact

- Issue: What is the relative impact of attitudes toward the show, the exhibit and the brand in driving favorable brand attitudes?
- Approach: Correlated liking measures to...
 - Purchase Intent
 - Brand Fit
 - Promoter

Show vs. Medium vs. Brand Liking

- Attitudes toward the brand are the most important drivers of key brand measures.
- However, attitudes toward the exhibit are significant drivers, too.
- Consistent with an earlier analysis, show attitudes are much less important.

Correlations

	Purchase Intent	Brand Fit	Promoter
Brand Liking	0.41	0.54	0.54
Exhibit Liking	0.26	0.30	0.33
Show Liking	0.05	0.06	0.05

Correlations to Reported Brand Purchase

- Rating of the show is not the same as attendance at the show.
- All metrics have stronger relationship to sales after attending show than before.
- Strong implication is that show attendance drives purchase behavior.

Correlations to Brand Purchase Among Purchasers

	Pre-Survey	Post-Survey
Brand Familiarity	0.32	0.75
Purchase Intent	0.43	0.73
Brand Consideration	0.28	0.69
Promoter	0.48	0.65
Emotional Connection	0.21	0.60
Brand Fit	0.38	0.49

Medium Impact Takeaway

- What is communicated about the brand in the exhibit is key.
- Quality of show can build target audience reach, but does not significantly affect PI; brand participation at the show does.
- Complexity Analysis shows that Exhibit and Show quality both drive the key factors that drive PI.

Ancillary Activities

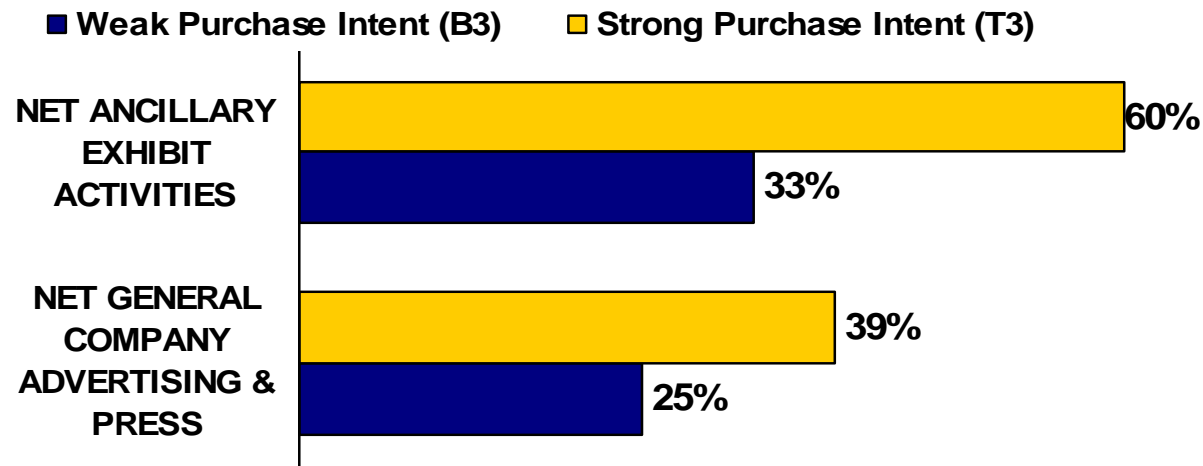
Maximum Reach Activities During Show (TURF)

Among Purchasers

	Cume Reach
Saw/read general advertising about products/company	41%
Saw/read advertising/promo about show or inviting to show	50
Read about company in press/Internet	55
Visited demo meeting off exhibit floor	58
Saw/read ads/promo at show outside of exhibit	60
Attended educational session given by person from company	62
Attended party hospitality function	62
Attended keynote given by person from company	62

Maximum Lift Activities During Show

- While event-attributed advertising provides more reach, event-related ancillary activities provide more lift.



Ancillary Activities Takeaway

- Event-attributed advertising provides more reach and event-related ancillary activities provide more lift.
- Both lead to levels of diminishing marginal returns and their effectiveness can be evaluated from that perspective.

Major Conclusions

Major Conclusions

- Brand Fit and Net Promoter, in combination, are the strongest overall attitudinal measures of B2B event Engagement.
 - Consistent with Engagement concept
 - Drive Purchase Intent/Sales
 - Correspond to behavioral event Engagement
 - Reflect emotional vs. cognitive processing of brand information
 - Can be applied to other marcom channel investigations
- Much of the value of pre-post lift designs can be approximated by advanced analysis of post-wave results, making pre-waves unnecessary for many applications.
- Purchase Intent is a valid indicator of future sales, making ongoing sales conversion surveys unnecessary.

Major Conclusions

- Several other attitudinal metrics are closely tied to Purchase Intent and to behavioral participation. The value of the measures and the strength of the relationships between them may be specific to brands and/or product categories.
- Trade shows contribute in important and unique ways to both customer retention and customer acquisition.
- Event-related advertising activities provide more reach and event-related exhibit activities provide more lift. Both lead to diminishing returns.
- The Web is an increasingly important follow-up component of trade show effectiveness.

Major Conclusions

- Reaction to the Exhibit is important to driving PI, more so than reaction to the Show. However, both are important in driving the drivers that drive PI (e.g., Brand Fit and Promoters).
- Trade shows have a unique viral effect. They influence the attendees, large numbers of whom also influence their peers, something that most advertising does not do. Like pass-along audiences in Magazines and out-of-home audience in TV, event reach calculations should go beyond just direct attendees.

Major Conclusions

- Just as web ad performance is no longer being thought of against the isolated performance standard of “click throughs” and even television is being driven to provide more than program audience reach and frequency numbers, event marketers should begin to adopt performance measures that bring them into the mainstream media tent.
- At a time when people are selective about the messages they receive and the brand relationships they invite, the unique opportunity that events provide to engage customers and prospects interested in learning more about the product or brand should be aggressively embraced.

Thank you!