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# THE VALUE OF TRADE SHOWS

Why It Makes Sense for Today's Business  
A White Paper by Semaphore Display Ltd

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# Foreword



With the rapid growth of new digital marketing mediums, trade shows may seem to be a hallmark of previous generations' marketing strategies. But trade shows are more vital and important than ever.

In an increasingly digital world, business people, both buyers and sellers, require face-to-face interaction to access information, network, make decisions and close deals. Trade shows and events are in fact the original Social Media.

Consider how major corporate purchasing and partnering decisions are made today. First, research and information gathering starts on the web, and increasingly, final purchases are made online. Trade shows are critical in the middle of business-to-business purchase and partnering decisions.

Today's trade shows go hand-in-hand with digital marketing initiatives, and stand-out as a cost effective way for buyers to see many key companies and their people at once.

This white paper, drawing on extensive surveys of exhibitors and attendees, shows that both of these groups find significant value in trade shows, and expect to for many years ahead.

*John Marshall,  
Managing Director  
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# EXHIBITORS

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Companies and marketers value trade shows because they are effective in achieving a number of critical sales and marketing objectives.

The top reasons why exhibitors participate in conventions and trade shows are to raise awareness of company and brand, capture leads from new buyers and prospects, and create and/or strengthen industry relationships or partnerships. Additional key findings from an EXPO Magazine survey<sup>1</sup>, include:

- Exhibitors that responded to the survey planned on average to increase the number of events they exhibit in or sponsor from 21 events to 23.
- 63% of the exhibitors indicated their organisations' rate conventions, trade shows and conferences as "extremely" or "very valuable".
- A significant 79% of the survey respondents said that not exhibiting at key events in their industry may negatively impact organisational performance. Only 10% of exhibitors believe they will participate in fewer events.
- Exhibitors on average expect their total event budgets to increase by a significant 9.6%.
- The bulk of sales that result from show leads are started within the first three months following the event, although 21% of sales are started more than nine months after the shows end.
- Exhibitors are optimistic about the attendance outlook at their most important shows. They are expecting an increase of 7.5%.
- An extremely high 91% of exhibitors say that conventions, trade shows and conferences will remain critical to marketing over the next five years.

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<sup>1</sup> In December 2010 and January 2011, EXPO magazine sent an online survey to 6,156 exhibitors and event marketers. 320 responded for a 5.1% response rate.

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# ATTENDEES

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Today, attendees and buyers have even more ways to benefit from trade shows. Leading business events are improving the attendee experience by enhancing networking and educational opportunities.



Event producers and exhibitors

are helping business people be more efficient and allow them to focus on their primary reasons for attending – see new products, keep up with industry trends, and visit with many companies at one time.

- The executives and managers surveyed expect to attend about the same number of conventions, trade shows and conferences as they did last year.
- A significant 88% of attendees say that conventions, trade shows and conferences are an important part of their product sourcing and buying process. An even higher percentage (91%) agrees that conventions, trade shows and conferences are essential for comparing products and meeting suppliers.
- Seventy-three percent of attendees say their organisations rate conventions, trade shows and conferences as “extremely” or “very valuable.”
- Travel and event attendance budgets are expected to increase by an average of 4.1%.
- Sixty-three percent of attendees and buyers feel that not attending key events may negatively impact their future personal or organisational performance.
- Only 10% of attendees expect to reduce the number of events they attend over the next two years.

- Fifty-seven percent of attendees say they or their organisation make a major purchase, or finalise an important deal, within three months of attending an event.
- The most common actions taken at events by attendees are seeing product demonstrations and speaking with technical and sales employees.
- Nine out of ten attendees according to the survey feel that business events will continue to be critical to their product sourcing and purchasing over the next five years.

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## STAGGERING TRADE SHOW STATS

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B2B exhibitions were 39.2% of B2B marketing budgets in 2011, the largest amount of any other marketing channel. That number has held fairly steady over the past several years, demonstrating the resilience of trade shows. *Source: CEIR: The Spend Decision: Analysing How Exhibits Fit Into The Overall Marketing Budget*

81% of trade show attendees have buying authority. Which means more than 4 out of 5 people walking the aisles are potential customers for exhibitors. *Source: CEIR: The Spend Decision: Analysing How Exhibits Fit Into The Overall Marketing Budget*

78% of trade show attendees travel more than 400 miles to attend an exhibition, which means you are getting a national audience at many trade shows. *Source: CEIR report ACRR 1153.12*



99% of marketers said they found unique value from trade shows they did not get from other marketing mediums. Their 3 most valued aspects of trade shows were: 60% of exhibitors said they value the ability to see lots of prospects and customers at the same time; 51% of exhibitors said they value face-to-face meetings with prospects and customers, and 47% said they value the ability to meet with a variety of players face to face, such as customers, suppliers, resellers, etc. *Source: CEIR: The Changing Environment of Exhibitions*

The top 3 goals for exhibitors at trade shows are brand awareness, lead generation, and relationship building. *Source: Skyline Exhibits market research*

The average attendee spends 8.3 hours viewing trade show exhibits at a show or exhibition. That gives you plenty of opportunity to connect with your target audience. *Source: Exhibit Surveys, Inc.*

About 50% of the largest 200 shows in the USA take place in just 3 cities: Las Vegas, Chicago, and Orlando. *Source: TSN.com, The Trade Show News Network*

Average drayage rates have increased 488% from 1982 to 2010. Average drayage rates have gone from \$12.68 per hundredweight in 1982 to \$74.54 in 2010 – a 488% increase. Meanwhile, the % of Exhibit Design on the average budget has gone from 21% of the overall budget in 1982 to only 10% in 2010. The savings on drayage, (and shipping, storage, I&D, and refurbishing) from modular exhibit systems (that weight 60% less than traditional custom exhibits) and portable displays have helped keep trade shows affordable for many exhibitors. *Source: CEIR / E2MA*



83% of exhibitors agreed that “Building, expanding brand awareness” is a high-priority marketing-related objective for trade shows. The next two objectives tied at 63%: “New product promotions, launches” and “Brand awareness reinforcement.” *Source: CEIR Changing Environment Study*

The top 3 sales-related objectives at trade shows are related to relationship management and engagement. Above all else, exhibitors want to meet with existing customers, key customers, and prospective customers. *Source: CEIR Changing Environment Study*

67% of all attendees represent a new prospect and potential customer for exhibiting companies. This means trade shows are always rich in new business targets for you. *Source: Exhibit Surveys, Inc.*

45% of attendees visit only one exhibition per year. So when you exhibit at a show you will find unique prospects there you can't reach at other trade shows. *Source: CEIR Report ACRR 1152.12*

The #1 reason for attending (not exhibiting) trade shows is to see new products. 92% of trade show attendees say they are looking for new products. It has been the number one reason to attend for 25 years! So trade shows are a great place to introduce or feature your newest products. *Source: CEIR: The Role and Value of Face to Face*

46% of trade show attendees are in Executive or Upper Management. That's a lot of valuable attendees with top titles walking trade shows. They certainly have authority to make buying decisions! *Source: CEIR: The Role and Value of Face to Face*

Shanghai, China opened a 5 million square foot show hall in 2015. This means for exhibitors there is even more potential large shows to exhibit at in China. *Source: News media*

84% of exhibitors say “High quality of attendees” is the most important factor when deciding whether to exhibit or expand booth size. Also, 54% say “favourable return-on-investment,” is an important factor when deciding to exhibit or expand booth size, while 50% consider “Positive past performance” and important factor. *Source: CEIR: The Changing Environment of Exhibitions*

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# The ROI of trade shows

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So are trade shows all they're made out to be? Are they really that valuable? In short, the answer is yes. While value is subjective, a close examination of ROI, ROO or even the “buzz” created by participating in a trade show, indicates they can be very valuable. Trade shows are particularly valuable for companies

whose products require demonstration or need to be handled by potential customers. Consequently, trade shows are one of the most effective venues for introducing new or complex products and services.

In addition to more tangible measures of value (e.g. ROI, ROO, etc.), trade shows provide a myriad of ancillary benefits such brand enhancement, PR generation, and networking opportunity - which, while a bit more difficult to measure, are by no means insignificant or less valuable.

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## FACE-TO-FACE INTERACTION

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According to the The Role of and Value of Face-to-Face Interaction, a study produced by the Center for Exhibition Industry Research (CEIR), 48% of trade show attendees said face-to-face interactions at exhibits and exhibitions, conventions and annual meetings are more valuable today than two years ago, and 43% anticipate this setting will become more valuable moving forward. The same report suggests that no other face-to-face alternative comes close to providing these results. And while trade shows are subject to economic downswings and are impacted by online digital activity, CEIR Research Director Nancy Drapeau, PRC, says the impact is minimal.

With the advent of the Internet and proliferation of online communication technologies, the idea of virtual trade shows took hold - an online replication of the "bricks 'n mortar" trade show. However, notwithstanding its allure, the concept has proven to be ineffective and a very poor substitute for the live face-to-face event. In fact, many users have reported that virtual trade shows are more trouble than they're worth.

The National Association of Broadcasters (NAB) is one of the few organisations to have orchestrated full-scale virtual events before abandoning the effort. According to Chris Brown, executive vice president of conventions at NAB, for exhibitors, a virtual trade show is just like a live event, it requires staff training and quite a bit of coordinating - which many exhibitors aren't resourced for.

InfoComm International held a virtual show in 2010 but has no plans to repeat it, according to Jason McGraw, the organisation's senior vice president of expositions. While he hasn't elaborated on the reasons for not holding another virtual trade show, he did tell exhibitors thinking about participating in a virtual show it's a lot of work and not to expect to make a lot of money in return.

While new technologies and platforms for conducting online shows are in the works, many now focus on education rather than the buyer/seller exchange - which is reserved for face-to-face events. To quote Jason Chudnofsky, CEO of Portfolio Media Group, "The Internet can connect us, but large deals are not going to be made there."

As previously mentioned, trade shows are especially valuable for companies whose products require demonstration - but the unique face-to-face interaction that trade shows foster is valuable to just about any business. According to one CEIR report, "Attendees place high importance on face-to-face interactions at all pre-purchase stages, with two-thirds or more ranking these interactions important for investigating, evaluating and narrowing down choices before buying." Just as important as selling more product may be, maintaining relationships with vendors can be just as important. The same CEIR study reported that, "Post-purchase, 71% of attendees place high importance on face-to-face interactions to maintain relationships with vendors."

What better way to get the face-to-face a business needs with its customers, vendors and partners than industry events and trade shows?

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## LEAD GENERATION

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Even when a trade show doesn't result in a large number of immediate sales, a typical b2b show will generate about 80 to 90 leads for a company. This is especially true for companies whose products require a substantial cash investment or offer services requiring a long-term commitment or contract. If your business falls into this category, and you're basing your ROI on the total number of leads generated, then you may question the value of attending a trade show versus other less expensive forms of advertising. However, since show attendees are often looking to buy, leads generated from shows are often higher quality than those generated from other sources. And this often leads to an overall lower cost per sale depending on your sales process.



According to a CIER study, on average it requires 1.6 calls to close a trade show lead, compared to 3.7 calls to close a traditional field sales lead. Using these numbers and performing a simple calculation, we find that trade show leads can close at rate nearly 230% greater than field sales leads. If you're an organisation with an outbound sales team, a higher lead closure rate may result in significant savings on expense associated with closing a traditional field sales lead that often requires a face-to-face with the prospective buyer and has a long sales cycle.

In fact, lead generation is the number one reason that most companies exhibit at trade shows. And most savvy marketers know how to make sure they generate more leads than they'll need to pay for the cost of the show. There are several strategies that can be employed to turn what may seem like an expensive trade show into a very profitable lead generation endeavour.

It's also worth noting that some of the biggest deals made come from leads generated at trade shows.

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## NETWORKING

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For some organisations, networking is the most important aspect of a trade show. If you're serious about growing your business, you have to spend the time and money to get face-to-face with the people you want to do business with - and we're not just talking about customers. Trade shows provide the opportunity to rub shoulders with suppliers, manufacturers, agents, executives, and anyone involved in your field.



So what does it matter whether or not you have a "face-to-face" with the players in your industry? Simple. People want to do business with people they've met. If you never show your face at trade shows, you'll never develop the contacts or level of trust required to take your business to the next level.

Another aspect of networking at trade shows include establishing relationships with other businesses that support your industry, such as suppliers and vendors. A large majority of attendees say that conventions, trade shows and conferences are an important part of their product sourcing and buying process. An even higher percentage (91%) agree that conventions, trade shows and conferences are essential for comparing products and meeting suppliers.

Trade shows present a golden opportunity to meet the people you need to meet to be successful. More importantly, trade shows offers networking opportunity that can't be duplicated in any other arena.

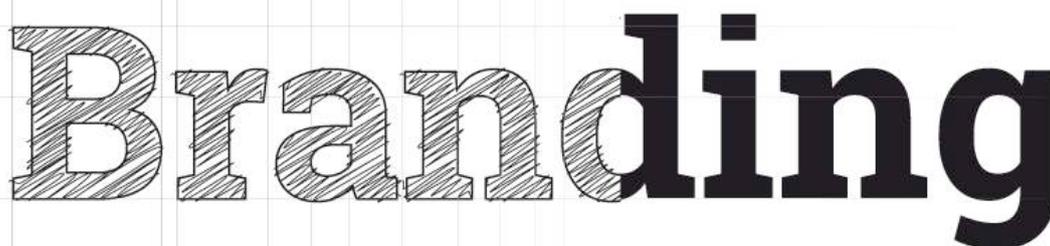
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## BRAND BUILDING AND AWARENESS

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According to the CEIR Changing Environment Study, 83% of exhibitors agreed that "Building, expanding brand awareness" is a high-priority marketing-related objective for trade shows. Coming in at a close second at 63% was "New product promotions, launches" and "Brand awareness reinforcement." There's no arguing the that brand building and brand awareness reinforcement are major objectives of trade show owners and exhibitors.

For industries that depend on trust and reputation, branding is a huge aspect of trade show attendance, exhibiting and promotion. Advertising and exhibiting at trade shows is an effective way of letting your industry know that your a serious player and large enough to maintain a consistent presence at leading events and conferences.



# Branding

Trade shows offer effective brand building opportunities to consumers. If you play your cards right, exhibiting at industry shows can be a useful strategy for positioning your company as a niche within your market. If you're a small to medium size company, at the next trade show you attend position your booth next to your industry's 'blue chip' companies and you'll create a powerful mental image that can help move your company from 'start up' to 'established brand' in the eyes of consumers.

In addition to traditional exhibiting opportunities, many trade shows offer sponsorship opportunities for companies looking to get a little more marketing

from their trade show experience. If used strategically, sponsorship can be an effective means of both building and strengthening brand awareness.

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# Conclusion

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Any new business is good business for most firms. Many companies are relying on industry trade shows to find opportunities to grow their customer list, establish partnerships, learn ways to improve operations and establish themselves as industry thought leaders. How does a company maximise its return on investment when appearing at these shows?

Trade shows present a range of valuable opportunities for companies that participate, including meeting potential customers, finding new and better ways of doing business and building a more impressive reputation within an industry.

But making a solid trade show appearance requires investing company resources, and given today's uncertain economic climate, it may seem difficult to justify the expense. However, most businesses can see significant returns even from a modest trade show investment - if they have the right strategy.

Since the primary purpose of exhibiting at trade shows is to generate more business, it's important measure the number of new customers that your participation at each show generates. In order to do this, review the list of leads generated from each show and track how many of these leads end up buying your produce or service. Then calculate the total revenue generated with those customers - and maybe how long it took generate that revenue. This will help you identify a key element of a trade show's ROI.

To get a complete measure of a trade show's ROI it's important to evaluate each of the many value centres that trade shows provides as a whole with respect to the cost of participating in the show. To maximise your trade show ROI it's imperative to fully take advantage of all value centres you can. Businesses and

organisations learn how to identify value, and accurately measure it, usually find that trade shows provide one of the best ROI's of any marketing investment.

Semaphore began life as a graphics production house in 1985, since then we have evolved with the innovations of display materials, techniques and technology.

Today our in-house graphic design team work with our clients or appointed design agencies to provide creative on brand results. The production teams knowledge and capabilities range from digital large format printing to signage, exhibitions, portable display systems, banners, vinyls and vehicle graphics. Combining in-house production and cross training, our staff, with the latest practices ensure we can easily deliver you those 'impossible' jobs.

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