

Tradeshow Tip Sheet

This month: Tradeshow R.O.I.

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Tradeshow Return on Investment –What to Look For

How do you judge your tradeshow ROI? What numbers do you need to crunch – if any? Can you determine a more ‘gut-level’ judgment, such as that of ROO – Return On Objective? Is ROI really that important?

For years its been repeated that tradeshow marketing is one of the most effective methods because there is no other type of marketing where you can find hundreds or even thousands of potential clients all gathered in one place with the intent of examining what’s new in the marketplace. The cost per sales interaction at trade-shows is lower than a typical sales encounter. Depending on the industry, sales call costs can range from around \$100 to \$1,000 or more. Yet

when you run the numbers on the average cost to talk to buyers, CEO’s and company reps at a tradeshow the cost per interaction is usually less than a typical sales call.

And what about that Return On Objective? If your objective is something less direct as making a sale, can you track the actual return? If you’re branding a new business or launching a new product, can you count the number of people who stop by your booth, or are exposed to your company? Of course. It takes little more legwork, but coming up with those numbers is not impossible.

So let’s jump in and look in to finding out the Return on Investment on tradeshow marketing.

What’s it All Cost?

According to **Julia O’Connor**, author of **The Trade Show Reader**, you should be tracking these major cost items: booth space rental, on-floor costs (electricity, etc.), display and accessories (graphics), freight and drayage, staffing, travel and entertainment, pre-show promotion and post-show promotion and follow up.

Without those numbers, it’s hard to know how much you’re spending. Most of the numbers are easy to track, based on receipts and expense reimbursements if you’ve done the show before. If not, finding out the costs for space rental, drayage, hotels and travel is a matter of a few phone calls.

After assembling the numbers, add them up. Track the leads and sales generated over a year from each appearance and add those numbers up. How much did you spend? And how much did you make as a result? That’s a simple calculation



and while it is not the final answer to your ROI question, it should give you a cursory examination of your overall tradeshow marketing budget.

Tracking your major expense item categories gives you an insight into where your money goes—and helps track resultant sales



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Your ultimate goal is to increase sales—but often it's a goal achieved through branding, education and networking

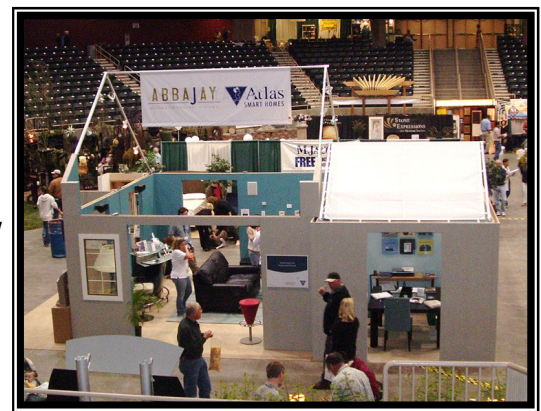
Decrease Spending, Increase Sales: Increase ROI

Once you have your numbers in place for expenditures, you can improve on your ROI easily by doing a couple of things: cut your cost and/or increase your sales. By cutting your cost, your investment is lower so your return will increase even if all other things stay the same. Cutting costs comes in many ways, such as taking fewer people to the show, staying in less expensive hotels, booking flights earlier, re-using graphics instead of splurging on new ones you don't really need. You might consider not renting a car if shuttles are available, or replacing some of your heavier booth items with lighter weight versions, such as using fabric graphics instead of a solid substrate-mounted graphic.

To increase your sales numbers, you either need to sell to more people, or sell more products to

your current customers –or both. It's a pretty simple equation. A tradeshow can help with both. First, it can introduce your company to more potential customers, and it can show your current customers new product offerings.

While the process sounds simple, there are trade-offs with every choice. That means you'll have to be judicious with where to cut expenses and decide if you're cutting corners unnecessarily or making a wise choice that helps roll back expenses in a common-sense way.



Measuring Your 'Return On Objective'

Some companies we've worked with go to specific shows not with the intent to make an actual sale, but to strengthen relationships, build their brand and improve their visibility in the marketplace. And while they may add a few items to the 'sold' ledger, that's not the real reason for them being there. Success at a particular show is not necessarily measured in dollars and cents.

Your business may, for example, attend a health-related show to help educate that market about the health benefits of your product. Doctors, nurse practitioners, nutritionists and others who attend the show may not be end users, or even represent much of a potential market, but your presence there can significantly improve your

market position by educating them. As a result, they may recommend your products or find them mentioned in the media.

Determine your objective, figure out what it will take to meet that goal, find the audience and the appropriate show. You can then see gains in the marketplace – and ultimately more sales because you've chosen a specific objective and met that objective through an appearance at a tradeshow you may not have previously considered.

Bottom Line

While crunching numbers on your ROI is important, it's only a starting point. How else may you show off your company, your products and your services by appearing at specific shows? Brainstorm ways to reach people that can influence your target market, research what shows they

attend, and attend a few of those shows to see if it's a good match. You may find that one of the most unlikely of groups can hold a great influence over your overall sales – which is what it's all about!