ignite

How to Measure Results

for Tradeshows, Meetings & Events

ON TRADESHOW RESULT MEASUREMENT

MARCH 2016

GetSynchronicity

Contents

Introduction

Definition of a trade show or conference in trouble: one without clear, carefully honed objectives, with no system to effectively measure success, and with no real data with which to continually improve the effort or justify future spending. Only recently adopted by our industry, ROI (Return on Investment) has caught many event professionals short in their understanding of its benefits and methodologies. As a result, ROI is measured poorly (if at all) in a hasty attempt to defend a threatened budget. The company learns nothing truly useful, and at great cost.

When done properly, however, ROI proves the ultimate value of a trade show or large meeting. Strong ROI demonstrates accountability for expenditures, secures approval for the event, and allocates funding. It clarifies the business problems and the solutions resulting from the investment. It also significantly increases the value of event managers, who are able to achieve more credibility for themselves and their teams as business strategists.

This article explores why it's important to apply ROI processes, in whole or in part, to discover the actual monetary value of trade shows, meetings, and events and offers a basic framework for measuring ROI. Although a comprehensive discussion of this multifaceted subject is beyond the scope of this paper, additional resources are cited.

Why Prove ROI?

Contrary to the common perception, calculating ROI does not require a degree in finance or accounting, or even above-average math skills. ROI is process-oriented and something anyone can follow and learn. That is not to say that one can merely skate through the steps. Regardless of the subject of the analysis, ROI takes time.

Determining the bottom-line value of a show or an event requires foresight, planning, attention to detail, precision, and a willingness to question old ways of thinking and embrace new ideas. Along the way a few sacred cows may get put out to pasture, if the data warrants it. That may create discomfort for some stakeholders, but the benefits of calculating ROI far exceed the strains. An effective ROI process helps organizations to:

- clarify objectives
- become results focused
- improve event processes
- identify profitable events
- identify events that need to be restrategized or eliminated
- more effectively manage supply chain
- identify additional opportunities that would benefit from ROI analysis

> Along the way a few sacred cows may get put out to pasture, if the data warrants it.

Despite these and other benefits, the industry as a whole is ambivalent about ROI. Managers of tradeshows or meetings may feel vulnerable at the prospect of unfavorable data calling their efforts into question and jeopardizing their jobs. Certainly such possibilities cannot be discounted.

But those who embrace ROI processes become more knowledgeable about their companies. They are able to think and plan more strategically, raising their leadership value to the organization. Best of all, they know how to use the gathered data to make each subsequent event more measurably successful. In short, ROI makes them smarter and more valuable—measurably so, in fact.

> Decisions by default—"We've always done this event" or "We've always done it *this* way"—simply have no business in business.

Reality Check

Pursuing true ROI is time consuming; the required resources are extensive, the steps exacting. At some point in the process, even the most conscientious event managers may find themselves longing for a little less diligence and a lot more speed. And at times there may be merit in that attitude, for it's not necessary or even worthwhile to determine ROI for every meeting or event.

Some events are too small or inexpensive to warrant an ROI study. Some event objectives are so straightforward that little or no analysis is needed: "Did we meet our singular goal of getting 10,000 new subscribers, or didn't we?" And some events are simply not on the radar of senior leadership owing to their lack of impact on strategic initiatives.

Yet even when determining ROI isn't feasible, some process, however basic, should be in place to enable the business to understand the value of its efforts. Even rudimentary analysis can yield useful understandings about the audience, the appropriateness of the event, what is being learned, and other stakes-dependent factors. Such a process, with or without ROI as its goal, must begin with clear objectives

> Without specific and measurable event objectives, there are no gains to be had, and there is nothing against which to measure ROI.

Creating Specific Objectives

Choosing to invest resources at a trade show or a meeting is a serious matter. Decisions by default—"We've always done this event" or "We've always done it *this* way"—simply have no business in business. Before dollars are allocated for it, an event must present a compelling opportunity to solve a specific business problem or fulfill a strategic opportunity. Events that fail have failed to answer some essential questions: What are the goals of the business? What objectives must be established for the event to meet those goals? And how will we measure those objectives?

There are many benefits to developing specific objectives at different levels for meetings and events. First, they create a unified sense of purpose for the multiple stakeholders who are accountable for the event's success. Objectives define "success" by clarifying what is required at different time frames in order to be successful.

Objectives establish the anticipated outcomes of the event and provide the core criteria for the planner to monitor progress toward the goal. If speakers or breakout presenters are part of the mix, objectives enable them to target their material toward those ends. Clear objectives also have a motivational component; they energize the team, keeping it on purpose and on track.

Without specific and measurable event objectives, there are no gains to be had, and there is nothing against which to measure ROI.

In the book *Proving the Value of Meetings & Events*, the authors identify five levels of objectives that have some value independently but, when taken as a whole, determine ROI: Reaction Objectives, Learning Objectives, Application and Implementation Objectives, Impact Objectives, and ROI Objectives. This internationally respected system is known as the Phillips ROI Methodology.

> It's gratifying to know that audiences were engaged or entertained, but is that sufficient justification for the event? Increasingly, the answer is "no."

1:

LEVEL 1

Reaction Objectives

The most basic indicator of the success of an event is the level of audience satisfaction. Reaction objectives shoot for positive responses to questions such as: Did they find the event relevant to their needs? Did they like the activities, topics, and speakers? How attractive did they find the exhibit? Were they satisfied with the hospitality? Were they pleased with their accommodations? Would they recommend the experience to others? Without favorable responses to questions like these, the event has little chance of success by any definition of the word.

Reaction data is most reliable when it's "fresh," typically during and at the end of the event or meeting. At events featuring multiple speakers, exercises, and activities, feedback should be elicited shortly after each segment; an attendee surveyed at 5pm about the effectiveness of the breakfast speaker has had all day to forget about the experience. Analyzing the data as it comes in also gives the meeting team immediate feedback with which it can make any necessary adjustments.

It's important that audiences are able to give a "thumbs up" to any experience in which they've invested their time, money, or both. Many event planners, however, don't take attendee evaluations farther than Level 1 objectives. As a result, their data can wind up being as thin and general as

"Likes" on social media. All too often, the success of an event is based on criteria lacking substance. It's gratifying to know that audiences were engaged or entertained, but is that sufficient justification for the event? Increasingly, the answer is "no." The next level of data seeks answers to the more pointed question "What precisely did they learn?"

2.

LEVEL 2
Learning Objectives

Most trade shows, meetings, and events have some educational purpose, whether informing prospects and customers about new products, introducing employees to a new corporate strategy, or showing franchisees how to increase their profits. By defining specific learning objectives, meeting stakeholders have the basis for designing and managing the content for the event, from speaker selection to slides and everything in between.

The sooner the evaluation and reinforcement take place, the more the learning sticks.

Effective learning objectives are met when learners *demonstrate*—during and/or after the event—that they have the requisite knowledge or skills that the meeting was designed to impart. Here are a few examples of specific behavior-driven, and therefore measurable, learning objectives that could be targeted for attendees at trade shows, meetings, or conferences:

- Explain the 3 key differentiators between our company and the competition
- Score 80 or better on the policy and procedures quiz
- Operate the new software
- Identify 5 new opportunities in every sales call
- Name at least 3 subsidiaries of the brand in 8 seconds
- Explain the value of transparency in our accounting practices
- Identify the charitable partner organizations we support and the reasons for our alignment with them
- Name the 10 new requirements for state compliance

It is recommended that participants be shown their scoring results immediately after the evaluation. This gives them the opportunity to build confidence in what they've just learned as well as learn from any mistakes and make adjustments. The sooner the evaluation and reinforcement take place, the more the learning sticks.

Whereas Level 1 objectives measure learner reaction to an event, Level 2 determines their level of comprehension. Learning objectives can be met and measured through oral or written quizzes, self-assessments, role playing, surveys, interviews, focus groups, and gamification. Games have been proved to accelerate learning by linking the visual, aural, and tactile senses stimulated by the activity to the learning material. With more neurons firing, the brain retains more of the experience, including the core information imparted by the game. The players' scores reflect their comprehension, providing instant data capture for measurement. (See our white paper Gamification: Winning the Engagement Challenge at Tradeshows and Events.)

> Setting the performance bar is an act of leadership that should be made from within the organization.

Trade-show presentations can also become effective channels for measuring educational impact. Before the presentation—and then again immediately after the presentation—attendees can be surveyed on their knowledge or attitudes about the company and its products. The resulting data reveals to what degree the presentation "moved the needle" on the attendees' perceptions or understanding. Any messages or learning points that fail to connect with attendees can be retooled.

3:

LEVEL 3
Application and Implementation Objectives

Although learning objectives can be measured to show what was learned, they don't provide data on *whether* or *how* learners actually use the information. Application and implementation objectives are about action. They require meeting designers to be specific about what they expect learners to do with the learning (and in most cases by *when*).

Here are some examples of measurable application and implementation objectives:

- 75 percent of the user group will post at least 2 new best practices to the user website in the next 6 months
- 100% of managers will train all employees on the new safety regulations by October 21st
- 25 percent of attendees will send photos of themselves using our product in their homes within the year
- Customer service reps will verbally inform all customers and prospects about the changes to our terms and conditions
- Salespeople will immediately use the sales cycle planner provided in the meeting
- All participants will complete individual Action Plans at the conference and provide feedback on barriers and enablers to applying their Action Plans within 8 weeks

Application and implementation objectives are measured after the meeting or event. For some meetings, Level 3 evaluations say more about the meeting's success than the Reaction and Learning data, because they show whether the learners are "walking the talk": How successfully have they met the learning objectives established in the meeting? To what degree has their behavior changed? Have they had opportunities to use the skills, and in what situations? How has the meeting or event directly influenced their behavior (tasks, coping ability, work performance, etc.)? How much management support do they have for carrying out the objectives?

The least costly or time-consuming method of collecting Level 3 data is surveys. Surveys are most reliable when they permit the participant to be anonymous and when they let them know who will see their responses and how they will be used. When anonymity is not possible, the offer of confidentiality may be enough to engender the trust of the respondents.

Focus groups are effective for generating spontaneous, more in-depth feedback. They can also yield insightful real-world anecdotes about application and implementation that would be too lengthy to write in a survey. Few people have the patience to write a detailed, multilayered, insight-rich first-person anecdote, but they're happy to share it verbally in a fraction of the time it would take to write it.

To what degree has their behavior changed? Have they had opportunities to use the skills, and in what situations?

Another valuable form of evaluation is on-the-job observation conducted by a qualified company insider or independent evaluator, such as a mystery shopper. (Read about the use of mystery shoppers at tradeshows in our white paper Trade-Show Staff Training: How to Create a Lead-Generation Machine.)

During the meeting, attendee action plans can be a powerful way to encourage commitment to the application and implementation objectives. An action plan may be a single- or multiple-sheet document that directs participants to identify specific steps they will take to meet the objectives, with timelines. Equally valuable, it will later serve as an on-the-job log to note their progress as well as barriers to implementing the objectives.

The action plan may include substeps such as resources that will be required for fulfilling the objectives, or even sensory-related data, such as "What will you need to see/hear/taste/smell/feel in order to know you have met the objectives?" Action plans not only outline the steps participants will take but let them know that the application and implementation data they collect will eventually be gathered and measured. The participants become actively involved in the study, aware that the quality of their data makes a difference.

4.

LEVEL 4
Impact Objectives

While Level 3 objectives focus on the specific postmeeting activities undertaken, Level 4 examines the *consequences* of those activities—the bottom-line results—and the hard costs linked to them. Of the four levels covered so far, it is the most relevant for ROI analysis—and therefore of greater interest to top management.

Impact objectives are measured in two categories, hard data and soft data. Hard data is the easiest to measure in that it is based on facts and figures. Below are examples of hard data impact objectives. Provided the data and record-keeping data are good, the success of each objective can be determined without need of guesswork.

Responsible organizations take an interest in their impact on intangible benefits such as morale, attitude, loyalty, and public image, even if the impact of these on the bottom line may not be easily measured.

HARD DATA OBJECTIVES:

- Sales should increase 30 percent over the next two years
- The contacts database should expand 10 percent per month
- Homeowner awareness of the online coupons should increase 15 percent during the next calendar year
- Errors in conference registration should be reduced by 40 percent within the next calendar year
- Increase per franchise in pipeline activity over prior year, same period, should average 10 percent
- Sales cycle should be reduced 33 percent, from 6 months to 4 months

The soft data side of impact objectives is far more subjective. For example, it is difficult to convert attendee motivation, booth staff hospitality, or other feeling-based determinants to monetary values. This is not to suggest that soft data is unimportant. Responsible organizations take an interest in their impact on intangible benefits such as morale, attitude, loyalty, and public image, even if the impact of these on the bottom line may not be easily measured. No ROI is complete without a consideration of the intangibles.

SOFT DATA OBJECTIVES:

- Build our reputation as the partner of choice for channel distributors
- Improve investor perceptions
- Build positive relationships with key industry bloggers and journalists
- Reduce customer complaints
- Increase the user group's trust in our leadership
- Inspire a culture of caring for women living in poverty
- Prepare employees for the merger
- Reduce stress for conference staff
- Increase networking or collaboration

Soft data may at times seem "fuzzy and elusive," yet it can be measured. The most effective way to capture this data is through surveys. A scale-based survey directs participants to select the degree to which their application of the meeting content has positively affected their customer satisfaction, interpersonal effectiveness, brand awareness, confidence, or other intangible-but-important business measures.

Action Plans. Action plans were discussed as effective tools for application and implementation objectives. In Level 4, the action steps outlined in the action plans—having been subsequently applied and implemented—are now measured for their business impact. The participants who generated the data, being closest to the work and therefore credible, convert it to monetary values. They may also be surveyed to specify exactly how they arrived at these calculations, and even to what degree they feel confident in their assessments.

For surveys to reliably capture impact objectives, respondents must provide detailed and complete data. Return rates should not fall below 80 percent. When data is absent, the default implication is that there has been no improvement. Every response contributes to the accuracy and depth of the measurement.

While the primary aim of Level 4 objectives is to determine the monetary value of each improvement, not all improvements can be directly linked to the trade show or meeting. Suppose, for example, that a meeting planner is evaluating a 75 percent increase in attendee compliance with new federal regulations six weeks after a conference on the subject. It would be tempting for the planner to attribute all of the success to his or her conference. Yet there may be many variables to consider for the increase, such as:

- The conference was part of a larger campaign that included email blasts, newsletters, posters, etc.
- Word had gone out after the conference that individuals who were not in compliance with the regulations were issued severe penalties
- Rumors of anticipated company layoffs had inspired more cautious behavior, including strict adherence to the new regulations

Isolating Impact. As the example above shows, isolating the success or failure factors for certain objectives is essential for accurate measurement. And the most reliable sources to estimate these factors are often the participants themselves, who are most directly involved as implementers of the objectives.

In the same example, participants could be asked to estimate the percentage they feel each of the three bulleted factors contributed to their changed behavior. The results might show that 70 percent attributed the larger campaign to the high compliance rate, 30 percent to the fear of penalties, and 10 percent to the rumors of layoffs. Subjective? Yes. But still valuable data.

> Every response contributes to the accuracy and depth of the measurement.

Isolating impact is also critical for accurate trade-show measurement. An analysis might prove, for example, that the success or failure of the exhibit was due, in part, to show attendance, booth location, proximity of competitors, or the performance of the Wi-Fi.

In meetings, control groups offer an additional methodology to isolate the impact. Using this approach, an experimental group composed of the target audience attends the meeting while a control group (randomly created and as similar as possible to the first group) does not. Information given to the experimental group is withheld from the control group. The behavior of the two groups is then analyzed for contrast.

Control groups are not appropriate options, however, if the withheld or delayed information would negatively affect people's well-being or the business bottom line, even for a short period of time. For example, it would be recklessly bad for business if the experimental group improved its sales skills or improved its time management while the control group continued to struggle. Control groups are best reserved for initiatives that are not mission critical.

5:

LEVEL 5
ROI Objectives

A meeting or trade show could be labeled a success without converting to monetary values, just by using business impact data showing an amount of improvement directly attributed to the event. For example, a change in sales, quality, cycle time, market share, or customer satisfaction could represent significant improvements linked directly to the event. For some events, however, top executives need the actual monetary value and ROI calculation to justify spending. For them, the most important value is money.

The fifth level of objectives for meetings and events is the acceptable return on investment (ROI)—the financial impact. These objectives define the expected payoff from the meeting and compare the cost of the meeting with the monetary benefits. An ROI objective is typically expressed as an acceptable return on investment percentage that compares the annual monetary benefits minus the cost, divided by the actual cost, and multiplied by 100.

A zero percent ROI indicates a break-even trade show or meeting. A 50 percent ROI indicates that the cost of the event is recaptured, and an additional 50 percent "earnings" (50 cents for every dollar invested) is achieved.

ROI Calculation

$$\text{ROI} = \frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

Example

Costs of program = $230,000   Benefits of program = **$430,000**

$$\text{ROI} = \frac{\mathbf{\$430{,}000} - \$230{,}000}{\$230{,}000} \times 100 = 0.87 = 87\%$$

Monitoring every cost of the meeting or trade show is an essential step in developing the ROI calculation, because it represents the denominator in the ROI formula. It is just as important to capture costs as it is to capture benefits. The direct cost of the event is usually calculated in the initial proposal.

It is business-as-usual for trade show and meeting managers to calculate the myriad line-item costs such as signage, travel, exhibit rental, and food and beverage. What may escape notice, however, are indirect costs such as the time employees and executives spent away from the workplace at the trade show or meeting, the cost of each hour of delays or downtime, or the cost of an unplanned absence. These less-obvious factors too must become part of the calculation. Click here to see an edited version of a true ROI applied to an annual meeting.

Conclusion

ROI has been around for centuries. The need for it will continue as long as investments continue to be made in trade shows, meetings, and events and the need for accountability in these endeavors persists. If the process seems daunting, it is wise to remember that the process is incremental; peace of mind can be found by completing the requirements of every step in turn rather than becoming overwhelmed by the size of the effort as a whole.

It is helpful, too, to keep in mind that not every event requires ROI analysis. There can be value in doing a great job measuring just a few targeted pieces of a trade show or meeting … creating benchmarks … and making that measurement process consistent across events. Subsequently building additional measurements will improve processes and build confidence for taking on more complex evaluations.

The processes featured in this article are a blueprint. Greater familiarity with the Phillips ROI Methodology will make it easy to determine which events need only Levels 1 and 2 measurement, for example, which might be targets for a Level 3, and which, if any, need to go to Levels 4 and 5.

In the end, the more comprehensively that companies are able to justify their trade-show, meeting, and event investments, the better they are able to prioritize these and plan for the coming years, improving their value at every step.

GetSynchronicity

For more information, contact GetSynchronicity at
815.464.1252 | **GetSynchronicity.com**