



The Complete Guide to Calculating and Maximizing Event ROI

How telemarketing can boost event ROI by 863%

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Executive Summary

In today's digital marketing landscape, the power of face-to-face events is unmistakable. As many B2B marketers recognize, event marketing is a fundamental component of the marketing mix. Events enable marketers to generate leads, improve customer engagement, and enhance brand-building.

Despite the opportunity that events afford, many marketers find difficulty in making the most of their events and generating a compelling ROI. Studies show that the top objective for tradeshow exhibitors is lead generation, while the top challenge in event marketing is lead follow-up. Industry studies show that marketers fail to follow up on as many as 80% of leads generated at events.

What's more, marketers find that their event budgets are being examined with a critical eye, and dollars are slashed when events don't produce results. On the whole, events are an inherently expensive marketing platform, so marketers must prove their value. Generating a high quantity of leads is essential.

In this white paper, we'll examine event budgets in detail and show how B2B telemarketing not only improves the effectiveness of events but also boosts ROI. When integrated into event marketing before, during, and after the event, telemarketing increases event awareness, improves attendance and follow-up, and ultimately provides a compelling ROI for every event.

Challenge Building a Case for Events

On the whole, B2B executives understand the importance of events. But getting them to sign off on large event budgets is often a different story. This is particularly true when event marketing objectives and ROI are difficult to define and measure.

The Advertising Research Foundation confirms the effectiveness of events in improving customer engagement. “Emotion is fundamental to engagement, and in the event space, it goes beyond the symbolic associations and influences attributed to the brand via advertising and marketing communications, but also includes a participant’s experience at an event [and their memory of it].”¹

That’s all well and good, but how do you pin the hopes of a million-dollar tradeshow budget on emotion, symbolism, and experiences? Events give customers and prospects the opportunity to interact with the brand in a meaningful way and develop a human touch experience. But when budgets are being examined, a solid ROI for events must be built around leads and sales conversions.

Of course, for any event marketing ROI to stand up to scrutiny, every line item must be detailed and point directly to primary objectives. In many B2B organizations, event ROI is tenuous at best. Business cards for quality leads end up in sales reps’ pockets, several expenses are simply not documented, and long-term measurement of nurtured leads doesn’t point to the event as the source.

Budgets are even more questionable when an organization fails to follow up on leads generated at the event. Too many marketers pack up and go home, doing little more than passing a list of names on to the sales organization. Typically, the vast majority of these leads never receive follow-up. The general industry belief is that as many as 80% of leads are never contacted by the organization after the event.

There are two solutions to this tradeshow ROI predicament: 1) develop a detailed, itemized budget, and 2) incorporate B2B tele-marketing to boost lead generation and sales conversions.



Solution

Develop an Event Budget that Withstands Scrutiny

Many B2B marketing organizations don’t have the luxury of setting their tradeshow budgets. Often, budgets are inherited from previous marketing executives, or they are estimates based on what has been spent in the past. Rarely are budgets realistic and adequate to achieve compelling results.

¹ Experiential Marketing, A Master of Engagement, Advertising Research Foundation, January 2008

Generating a ballpark estimate

There are several ways to develop an effective tradeshow budget. If no previous numbers exist, it's helpful to determine a ballpark budget. Typically, the total tradeshow cost ("standard") is about three times the cost of the exhibit space. For example, if exhibit space costs \$3,000, the total tradeshow budget, including staffing, travel, and other factors will be about \$9,000.

When exhibit costs aren't available or when specific tradeshow haven't yet been defined, an estimate can be based on square foot cost. The cost per square foot for B2B tradeshow booths at large events in major metropolitan areas ranges from around \$30 to \$38. If we assume the mid-point of \$34 per square-foot, a 100-square-foot booth would cost:

$$100 \text{ square feet} \times \$34 \text{ per square foot} \times 3 \text{ (three times the exhibit space)} = \$10,200$$

We used 100 square feet as an example, for simplicity's sake. But most B2B tradeshow generate large amounts of traffic, so it's important to determine the exact space required. It's a general rule that every person staffing the booth needs 50 square feet of unoccupied space. That means two people can carry two separate conversations simultaneously (four people altogether) in a 10 x 10 booth (100 square feet).

For a large show, with tens of thousands in attendance, the booth may see as many as 1,000 visitors per day. Assuming an approximate 60 visitors per hour and an average ten-minute conversation for each, the booth would need to accommodate ten staff members at all times.

$$60 \text{ visitors/Hr} \div 6 \text{ Conversations/staff member} = 10 \text{ staff members}$$

With ten staff members requiring 50 square feet each, the booth would need to be 500 square feet total. Plus, products and displays take up a certain amount of space, so the total booth size may be closer to 600 or 700 square feet.

Keep in mind that this is just a ballpark figure. It's a general rule that the total tradeshow cost is about three times the exhibit space, but there are certainly instances where this won't hold true. And each show will have a different number of attendees. So for marketers whose event budgets are under intense scrutiny, it's best to create a detailed, itemized budget based on actual numbers.

Creating a detailed, itemized budget

There are many factors involved in a detailed tradeshow budget, and it's important to consider how these numbers can change. The table below examines every factor involved in tradeshow budgeting, including everything from exhibit space and travel to furniture and flowers. All numbers are based on a B2B tradeshow ("top") in a major metropolitan area and 750 square feet of exhibit space.

Cost Description	Unit Costs	Subtotals
EXHIBIT BOOTH		
Build and design	\$10,666	
Refurbishing	\$1,100	
Crates and packing	\$605	
Storage	\$440	
Subtotal		\$12,811
TRANSPORTATION		
Shipping	\$4,070	
Drayage	\$330	
Subtotal		\$4,400
LABOR		
Electrician	\$286	
Installation and dismantle (I&D)	\$3,850	
Riggers	\$286	
Machine operators	\$143	
Subtotal		\$4,565
PROMOTION		
Advertising	\$3,300	
Mailings	\$5,500	
Printing	\$3,850	
Postage/courier	\$165	
Sponsorships	\$1,650	
Premiums	\$2,420	
Talent	\$1,650	
Literature	\$550	
Prizes/giveaways	\$2,750	
On-site (billboards, marquees, etc.)	\$1,320	
Subtotal		\$23,155
SHOW SERVICES		
Utilities	\$500	
Space rental	\$25,500	
Furniture/carpet rental	\$4,950	
Badges	\$330	
Cleaning	\$770	
Lead-retrieval system rental	\$1,375	
Florist	\$495	
Water coolers	\$275	
Catering	\$1,925	
Internet connection	\$2,195	
Subtotal		\$38,315
ANCILLARY EVENTS		
Hospitality suite	\$0	
Entertainment	\$0	
Event costs	\$5,500	
Subtotal		\$5,500
BOOTH STAFF		
Per diem allowance	\$4,920	
Staff costs	\$21,120	
Hotel	\$3,300	
Travel	\$4,400	
Ground transportation	\$1,980	
Group dinners	\$3,300	
Subtotal		\$39,020
Total exhibit cost		\$127,766

For the sake of clarity, we'll explain a few of these items:

Booth build and design: While this is usually a one-time cost, it's important to spread it out over the number of shows where it will be used. This accurately reflects all costs of the booth. This also helps to spread out the costs when a new booth needs to be built. We arrived at \$10,666 by dividing a \$160,000 booth over three years and five events per year.

Storage: Storing a booth costs approximately \$2,200 a year. Our \$440 figure spreads this cost over five events per year.

Catering: This accounts for breakfast and lunch for meeting rooms housed within the booth. These meeting rooms are used for VIP customers and prospects.

Ancillary events: Many companies like to recognize their existing customers or put on a good show for prospects. Ancillary events like VIP dinners or cocktail receptions are included in the total tradeshow budget. We're estimating \$5,500 for a dinner for 50 people.

Per diem and staff costs: While you may be inviting your sales reps to man the booth, their salaries typically come from other budgets. The same is true for per diem allowances. These costs should be factored into the tradeshow budget. For staff costs, we've accounted for 20 employees for three days at \$352 per day. Per diem allowance is based on \$82 per day for 20 people x 3 days.

Hotel and travel: Again, we're accounting for 20 people.

Group dinner: This group dinner is a one-time cost to feed all staff members.

Total: With every factor included in the budget, the total exhibit cost is \$127,766.

Determining ROI

After identifying the total exhibit cost, we can determine the number of booth visitors, leads, closed deals, and more to determine the return on investment. Previously, we mentioned that including tele-marketing in the event activity can significantly boost attendance and lead follow-up. We'll examine ROI with and without telemarketing to illustrate the benefit.

Without telemarketing

First, we'll determine an ROI based on results achieved without telemarketing. Imagine that a show brings 19,000 visitors and 665 leads in the booth. Dividing the total exhibit cost (\$127,766) by the number of leads yields a cost per lead of \$192.13. If we assume that 33 deals were closed (5% conversion) at an average B2B deal value of \$95,700, the total number of sales dollars achieved from the event is \$3,158,100. Our total ROI is 2,371%, and the total cost of sales is 4.04%.

WITHOUT TELEMARKETING	
Event visitors	19,000
Leads at the booth	665
Cost per lead	\$192.13
Closed deals	33
Average deal value	\$95,700
Total investment	\$127,766
Total sales	\$3,158,100
ROI	2,371%
COS	4.04%

Telemarketing before the event

With so much invested in an event, generating awareness and encouraging attendance is crucial to the success of the event. It's important to ensure a good number of attendees while also making sure that the company's most valued customers and prospects attend. B2B telemarketing helps achieve several objectives before the event:

- Invite customers and prospects in a personal way to boost attendance and help them remember the company at the time of the event
- Improve attendance from VIPs or key decision-makers within the targeted organization
- Remind prospects with reminder calls two or three days before the event
- Schedule one-on-one appointments for prospects and sales reps to make the most of the time at the event

For our ROI illustration, we'll add \$26,400 for pre-event telemarketing, bringing the total investment to \$154,166. With this in mind, our total number of leads jumps 10% to 730, and closed deals increases by 33% to 44. Again with an average deal value

of \$95,700, but our total sales value is now \$4,210,800. Our ROI jumps to 2,631%, and the cost of sales decreases to 3.66%.

TELEMARKETING BEFORE THE EVENT	
Event visitors	19,000
Leads at the booth	730
Cost per lead	\$211.19
Closed deals	44
Average deal value	\$95,700
Total Investment	\$154,166
Total sales	\$4,210,800
ROI	2,631%
COS	3.66%

Telemarketing before and after the event

As mentioned above, as many as 80% of leads gathered at events are never contacted after the event. When follow-up does occur, it often takes place weeks after the event ends. Plus, among the 20% of leads that do receive follow-up, most receive random, untargeted information since the company didn't take the time to understand the needs and interests of the lead at the event.

Telemarketing dramatically changes this by ensuring proper follow-up. Post-event telemarketing accomplishes several objectives:

- Ensure every lead receives a follow-up call
- Follow up quickly while the show is still top of mind
- Ensure relevant, personalized follow-up with communications tailored to the prospect's interests
- Take the opportunity to reinforce the company's messaging and position the company as a thought leader

For post-event telemarketing, we'll add \$22,000 to our previous number. So with telemarketing before and after the event, the total event cost is \$176,166. Our total number of leads remains at 730 (with pre-event telemarketing), yet our closed deals jump to 55, an increase of almost 25%. Our total sales volume in this scenario is \$5,263,500, which generates an ROI of 2,887% and a cost of sales of 3.3%. The cost per lead does not change as the additional investment goes toward transforming the lead into a sale.

TELEMARKETING	
Event visitors	19,000
Leads at the booth	730
Cost per lead	\$211.19
Closed deals	55
Average deal value	\$95,700
Total Investment	\$176,166
Total sales	\$5,263,500
ROI	2,897%
COS	3.34%

Telemarketing for lead nurturing

Every event will generate a certain number of leads that just aren't yet ready to buy. Many of today's sales organizations, focused on the next big opportunity, are quick to dismiss event leads unless they are ready to buy right away or in the very near future. Nurturing every lead with telemarketing helps ensure that the company stays top of mind after the event. This creates year-round strategic nurturing and relationship building.

For our ROI illustration, lead nurturing will add \$7,150 for 12 months. This brings our total event cost to \$183,316. Our total number of closed deals increases to 63, and in this case, our average deal value rises to \$97,019 since nurtured leads tend to spend more when they're more familiar with the company and have established a relationship over time. So our total sales volume is \$6,112,197. Altogether, our ROI is 3,234%, and our cost of sales is 2.999%.

This represents a significant improvement over our first scenario without telemarketing. Comparing the two scenarios, our ROI jumped by 863%, and our cost per sale dropped from 4.04% to 2.999%.

TELEMARKETING BEFORE AND AFTER THE EVENT, PLUS LEAD NURTURING	
Event visitors	19,000
Leads at the booth	730
Cost per lead	\$211.19
Closed deals	63
Total investment	\$183,316
Average deal value	\$97,019
Total sales	\$6,112,197
ROI	3,234%
COS	2.99%

Conclusion

There's little doubt that events hold great promise for generating quality leads for B2B marketing organizations. They also prove effective in improving customer engagement and building brand awareness. However, these benefits are difficult to measure, and without proof of value, event budgets are often called into question. A detailed, itemized budget withstands scrutiny by quantifying the exact dollars to be spent on a particular event.

What's more, B2B telemarketing can transform event ROI, ensuring that customers and prospects receive personalized attention before and after the event and throughout the lead nurturing cycle. Ultimately, telemarketing enables marketers to maximize every event and drive tangible, meaningful results to the company's bottom line.

About 3D2B

Established in 2003, 3D2B provides B2B telemarketing and lead generation services to help foster customer relationships and boost sales across all industries. With offices in Rome, Italy and Tampa, Florida, 3D2B assists sales and marketing organizations across the globe.

Founded on the principle of providing quality, specialized B2B telemarketing and lead generation services, 3D2B prides itself in the fact that its agents are highly educated, natively speak the languages they cover, and have industry-specific experience. For more information about 3D2B, visit www.3D2B.com.

Learn More

To learn more about how 3D2B can help you generate leads and improve the effectiveness of your sales and marketing organizations, contact us at **+1 813 320 0500** or **+39 06 978446 60 (EMEA)** or visit us at www.3D2B.com.

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