

# **Experiential Marketing: A Master of Engagement**

Research on How Engaging Events Pay

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ARF Event Engagement Consortium  
Study Findings  
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## ACKNOWLEDGEMENTS

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## EXECUTIVE SUMMARY

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The pressure on marketers to demonstrate the value of *marketing* continues unabated in today's business world. Successful CMOs need to be well versed in analytics, and introduce new techniques and metrics to demonstrate the value marketing represents to the company. In addition, they need to be able to fully integrate with sales and other functions of the organization. It is in this environment that the ARF study on B-to-C and B-to-B event, trade show, and sponsorship engagement emerged.

Events and sponsorships are tools for experiential marketing that focus on customer/consumer experiences, and treat people as emotionally and rationally driven within a holistic framework of experience. Experiences consist of sensory, emotional, cognitive, behavioral and relational elements that replace or enhance functional (product) values. Event marketing uses promotional activities designed to communicate with attendees and add value to the experience; events provide an opportunity to engage with a company, its brands, and the community/industry. Events also create a business/social setting for attendees and help raise their involvement level. Marketing wisdom tells us that attendees are apt to be more receptive to marketing messages and images associated with the event than they are to those presented via other methods.

An unending debate is whether sponsorships and events are primarily sales-building or brand-building tools. Ideally, they should improve profitability by increasing both short-term sales and long-run brand demand. Given that most sponsorships and events are time-delimited, the tendency is to think they only have short-term impacts. On the contrary, the power of experiential marketing is shown in this study to go beyond short-term effects to generate a longer term brand value.

Brand demand, a positive response and outcome of brand engagement, is an overall indicator of the 'goodwill' associated with a brand. This is reflective of past marketing performance and customers' experience with, and perception of, the brand. It has components that companies can study individually, to diagnose contribution to market share over time. Knowing a brand's equity relative to competitors – and what drives it – enables a marketer to develop and implement stronger marketing programs. By quantifying the direct and indirect impacts of a sponsorship or event *specifically* on brand demand, a marketer can develop a clearer picture of event and sponsorship's effectiveness as a brand-building tool.

In fact, many marketers believe that live brand events are highly engaging – potentially more so than other tactics. But sponsorship and event marketers have found their budgets increasingly scrutinized, and feel that other marketing activities are getting a larger portion of the budget. Last year, a group of event marketing executives, led by Dan Belmont of The Marketing Arm, concluded that experiential marketing lacked a comprehensive method for measuring the full impact of its effectiveness. They judged that this lack of measurement put events at a disadvantage when evaluated as part of the overall marketing strategy. They asked the ARF to help them find a more definitive way to:

- Measure the effects of a live brand experience on target/prospect engagement with the sponsoring brand
- Ensure the metric is feasible as an industry-wide standard for evaluating event effectiveness
- Develop a scorecard of engagement to turn 'research into action' in terms of creating, measuring, and evaluating the impacts on brand demand.

Through an extensive screening process, the consortium chose Harris Interactive to study the Business-to-Consumer sponsorship events, and a partnership between Gallup & Robinson and Exhibit Surveys to study the Business-to-Business events.

Here is what we found:

- Event engagement is driven by a unique combination of emotional and brand elements that can create significant positive outcomes, such as likelihood to recommend and purchase intent.
  - In some cases this purchase intent is highly predictive of sales<sup>1</sup>
- How people *feel* about the brand experience, their emotional connection to the brand, and aspirational fit or brand fit are impactful elements that work together in the event and sponsorship engagement experience.
- Attendees may trust claims in ads, but they *socialize and learn* more at events to further enhance that trust and motivate their purchase consideration and decisions.
- Specifically from the B-to-C studies, driving awareness of the brand/event is *almost* as valuable as driving attendance
- Specifically from the B-to-B studies, 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. However at some point, both influences eventually manifest diminishing returns.
  - The Web is an increasingly important follow-up component of trade show effectiveness.
  - Reaction to the Exhibit is important to driving Purchase Intent, more so than reaction to the Show. However, both are important in driving the factors that influence Purchase Intent (e.g., Brand Fit and whether the participant is a 'Promoter' of the brand).
  - 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.

Action outcomes from the research reveal that the measurement of event/sponsorship efforts should:

- Focus on capturing measures of emotional and engagement-rich activities that create awareness, attract and bring people into events
  - Intelligence: Develop metrics that proscribe the connection between brand, event, and experience
  - Strength: Capture the strength and variability of the connections, and develop multiple metrics for best results
  - Reach: Account for viral effects (even if they are estimates)
- Capitalize on understanding socialization, learning and experience (to reinforce the emotional, self/cultural-fit, and brand elements) outcomes of the events and in follow-up contacts with event participants (as part of a repertoire of relationship tactics). Key scorecard metrics should include:
  - Likelihood to recommend and intent to consider or purchase

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<sup>1</sup> Although the evidence is compelling, The ARF recommends that firms look carefully at their business, industry, competition, and sales dynamics and test the engagement and purchase intent link before fully subscribing to the predictive findings of these studies.

- Brand demand measures
- Exhibit and event experience, attitudes, and perceptions
- Ad/brand awareness and customer/prospect ‘connection’ measures
- Specifically test the engagement-purchase intent link to ensure that it is sufficiently predictive for your industry, product(s), sales dynamics, and competitive situation.
- Stress follow up and pricing/availability on the back end to develop the brand and make the sale.
  - Track sales conversion to relate post event metrics with predicted and actual sales
  - Dashboard/scorecards should generate a debrief for learning and improvement of events and sponsorships

The leading firms sponsoring this event engagement study included AOL, Cadbury-Schweppes, Carat, CEMA, Cisco Systems, Coca Cola, Ebay, Free-Car Media, Frito-Lay, IBM, Intel, Jack Morton Worldwide, Microsoft, Oracle, ProMotion, State Farm, Texas Instruments, Toyota, Xerox, and The Marketing Arm. The preliminary results were presented at re:THINK, the ARF annual convention in mid-April, 2007 and an update was given at the Audience Measurement 2.0 conference in June, 2007. This White Paper is the culminating document of this important research initiative, and will be available from the ARF in January.

## PURPOSE OF THE RESEARCH

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THE PURPOSE OF THE STUDIES WAS TO DETERMINE TO WHAT EXTENT AND HOW B-TO-C EVENT SPONSORSHIPS AND B-TO-B TRADE SHOWS INTEGRATE WITH OTHER MARKETING ACTIVITIES IN CREATING BRAND DEMAND.

## BUSINESS TO CONSUMER

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Harris Interactive was tasked to design and execute the studies for B-to-C event engagement. Using their proprietary Customer Connection® model, the analysis was designed to understand:

- Do events drive a strong connection/are they more engaging than traditional channels?
- If so, among what groups of people? How far out does the circle go beyond participants?
- In what ways do events drive the connection? How can that be leveraged?
- Does that engagement quality affect behavior toward the brand? If so, how can that be leveraged?

Harris began by conducting online interviews immediately after an event was completed and within the geographic footprint in which the event occurred. They collected relatively large samples, over 900 completed surveys per event. Brand image, brand fit, likelihood to recommend, intent to purchase, and customer connection questionnaire items were collected for each of these sample groups:

- Aware of sponsorship/event and participated in it
  - Active Brand Interaction: indicated involvement in the event/activity and positive behaviors toward the brand
  - Passive Brand Interaction: were positive about the brand, but not as active in behavior toward the brand
- Aware of event and did not participate in it
  - Favorable to type of event
  - Not favorable to type of event
- Not aware of event

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## HIGHLIGHTS FROM THIS RESEARCH

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- Event engagement includes a unique combination of emotional and branding elements that can create significant positive outcomes, such as likelihood to recommend and purchase intent.
- How people *feel* about the brand experience, their emotional *connection* to the brand, and the aspirational *fit* they ascribe to the brand are measurable elements that work together in event and sponsorship engagement experience.
- Attendees may trust claims in ads, but they *learn* more at events to further enhance that trust and motivate their purchase consideration and decisions.

Action outcomes from the research reveal that sponsorship event efforts should:



- First, focus on emotional and engagement-rich advertising activities to attract and bring people into events.
- Then bring learning and experience (to reinforce the emotional, self-fit, and brand elements) to bear at the events and in follow-up contacts with event participants (as part of a repertoire of relationship tactics).
- And finally, focus on follow up by re-engaging the emotional connection via brand communications, and actively working pricing and product/service availability on the back end to make the sale.

## BUSINESS TO BUSINESS

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Gallup & Robinson and Exhibit Surveys (G&R/ESI) were tasked to design and execute the studies for Business to Business (B-to-B) trade show engagement. The B-to-B studies used a carefully prepared pre- and post- test panel design and a sales conversion measure. The analysis was designed to provide clarity on four key issues:

- Do trade shows drive a strong connection/are they more engaging than traditional channels?
- If so, among what groups of people? How far out does the circle go beyond participants?
- In what ways do trade shows drive the connection? How can that be leveraged?
- Does engagement quality drive behavior toward the brand? If so, how can that be leveraged?

G&R/ESI began by conducting pre-surveys via online interviews immediately before the event. Then, they completed post event surveys among a separate sample of people who had attended the event. Respondents to both the pre and post show surveys were contacted again approximately 120 to 180 days after each event to determine sales conversion.

G&R/ESI obtained relatively large samples, with between 200-800 completed surveys per event (depending on event size). Top of mind awareness, brand consideration, brand familiarity, purchase intent, likelihood to recommend (promoters), brand fit and emotional connection metrics were collected for each of the sample groups:

- Aware of brand's exhibit at trade show and participated in it
  - Active Brand Interaction: talked to exhibit personnel, requested follow-up
  - Passive Brand Interaction: only looked at exhibit
- Aware of brand's exhibit and did not participate in it
- Not aware of brand's exhibit at the trade show

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## HIGHLIGHTS FROM THE RESEARCH

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- Brand Fit and Likelihood to Recommend (Promote), in combination, are the strongest overall attitudinal measures of B-to-B event Engagement.
- Much of the value of pre-post lift (research) designs can be approximated by advanced analysis of post-wave results, making pre-wave measures unnecessary for many applications.
  - That said, firms should carefully evaluate their industry dynamics, product(s), and sales processes to determine if a pre-wave is redundant.

- Purchase Intent is shown, in this study, to be a valid indicator of future sales, which suggests that measuring ongoing sales conversion may be unnecessary.
  - But this decision should be based on a careful analysis of a firm's business, products, sales process, and industry
- Several other attitudinal metrics are closely tied to Purchase Intent and to behavioral participation. The value of these measures and the strength of the relationships between them may be specific to brands and/or product categories.
- All brand metrics have much stronger correlation to actual sales after attending the exhibition than before. The strong implication is that show attendance drives purchase behavior.
- Increasing behavioral engagement with exhibits is associated with stronger brand output metrics. Both Active and Passive interaction are strong drivers. Talking to customers and prospects makes emotional connections and drives purchase intent.
- Trade shows contribute in important and unique ways to both customer retention and customer acquisition.
  - Event-related advertising and promotion provides more reach and ancillary event-related exhibit activities (e.g., session speakers, off-the-exhibit floor meeting/demo rooms, etc.) provide more lift. However both influences eventually manifest diminishing returns.
  - Reaction to the Exhibit drives Purchase Intent, more than reaction to the Show. However, both the Exhibit and the Show context are important in driving the factors that affect Purchase Intent (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.
  - The Web is an increasingly important follow-up component of trade show effectiveness.
- Event marketers should begin to adopt performance metrics that are comparable across marketing channels and bring them into the mainstream media tent, just as web ad performance is no longer being thought of against an isolated performance standard of "click throughs" and even television is being driven to provide more than program audience reach and frequency numbers (e.g., engagement).
- At a time when people are increasingly selective about the messages they receive and the brand relationships they engage in, marketers should aggressively embrace the unique opportunity that events provide to involve customers and prospects interested in learning more about the product or brand.

B-to-B trade show research suggests the following action outcomes:

- Quantify size and value of target audience among total audience to make show selection and investment decisions. If a large enough target audience exists, effective exhibit engagement can accelerate the sales process significantly to optimize return on investment.
- Determine where exhibitions versus other types of corporate proprietary events fit into the overall event marketing-mix strategy. Trade shows deliver both customers and new prospects, and exhibit engagement can accelerate the sales process among both. If gaining

new customers is a primary corporate initiative, exhibitions should be an important element of the event mix.

- There is both a cognitive and an emotional component of exhibit engagement that drives results, and both are more powerful when combined. Creating an “experience” for the visitors that is relevant to and reflective of positive brand attributes is as important as the cognitive-related tactics typically associated with exhibiting such as demonstrations, presentations, sampling, graphics, availability of collateral, knowledgeable exhibit staff, etc.
- Active engagement (one-on-one/face-to-face interaction) is critical in driving Purchase Intent and ultimately sales. Bringing a sufficient number of knowledgeable and engaged staff to the exhibition can increase return on the total show investment significantly.
- Merely being noticed by attendees at the show can contribute to engagement. Exhibits should visually communicate brand messages without direct staff interaction.
- Simply making attendees aware of brand presence at a show through pre and at-show promotion also contributes to engagement to a degree. However, Active engagement should be the ultimate objective.
- Because exhibit engagement accelerates the sales process and feeds the sales pipeline, active involvement and buy-in by sales management in show selection decisions, planning (setting objectives and strategy) and tactical execution is likely to improve sales conversion results significantly.
- An integrated approach to exhibition participation is valuable in driving results. Trade show specific advertising, promotion and sponsorships, as well as ancillary activities (e.g., speakers at sessions, off-the-exhibit floor meeting/demo rooms, special pavilions, hospitality, etc.) create increased reach and/or lift in results. However, both can experience diminishing returns if over-used in any one particular event.
- Similarly, corporate web sites and micro-sites should be integrated into the exhibit’s strategy, particularly for post-show fulfillment. It has become the main source of attendee follow-up. However, sales support collateral/literature is still rated highly important in making purchase decisions.
- Cost effective measurement systems enhance management’s ability to make evidence-based marketing decisions. The recommended measurement method for exhibits includes:
  - A post-event survey construct adhering to the principles of good sampling, questionnaire design and analysis can be employed very effectively in most situations. Pre-post methods, with their additional costs, are not always necessary.
  - Purchase Intent metrics are generally valid indicator of future sales. Sales conversion studies can isolate their value for a particular brand, but they are not always necessary or practical.
  - Measure traditional brand metrics (e.g., awareness, familiarity, brand image) but introduce new metrics as well to get at the shows contribution to the emotional connection/brand engagement.
    - Determine specific brand metrics that drive Purchase Intent (can vary by brand and event).
    - Measure specific exhibit objectives (e.g., build awareness)
    - Compare exhibit results to other marketing channels

- Assess tactical and experiential elements of exhibit to identify strengths and weaknesses that drive results.
- Measure Word of Mouth impact of exhibition participation. Based on this study, the viral effect of exhibitions is strong and increases the reach calculations of exhibits.
- Use research to help justify exhibit budgets by demonstrating the impact of exhibit engagement in driving brand metrics that accelerate the sales process and ultimately conversion to sales.

## INTRODUCTION TO THE STUDY OF EXPERIENTIAL ENGAGEMENT

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**Background:** Trade shows and sponsorships are big business – and growing. Spending on sponsorships in North America is expected to reach nearly \$15 billion in 2007.<sup>2</sup> Total trade show spending is increasing around 5-6% a year, according to Veronis Schuler Stevenson.<sup>3</sup>

Trade fairs and shows have been around since the Middle Ages, flourishing during the rise of the merchant class in Europe. They remain one of the most important venues for bringing businesses, customers, and prospects together for personal interaction. In fact, trade show expenses currently are the second largest item in the business marketing communications budget after advertising.

Corporations use sponsorship (primarily sports events but also entertainment, festivals, and the arts) and trade events for three reasons: to reach customers and prospects (generate awareness and sales), to reach the trade (incentivize middlemen), and to motivate their own employees and sales force.

**Sponsorship:** Sponsorships involve the acquisition of rights to associate with a product, event, or organization for the purpose of deriving monetary and image benefits. Many 'rules of thumb' describe how firms can succeed at sponsorship. For example, organizations should have a clear idea of what they want to accomplish. As well, sponsorships can be a "lever" used by marketers to engage customers.

While the sponsorship literature has grown in recent years, scholars have only begun to assess the strategic implications of sponsorships. Thus far, the research offers insights into four key issues:

- Relatedness: Consumers better recall a sponsor's product when that product is related to the sponsor
- Target market: Research has generally identified those consumers who are most apt to respond to sponsorships. Lower-income, older consumers indicate that they buy more of a sponsor's product than do other consumers
- Attitude toward sponsors: Consumers have better recall of a sponsor's product when they had a preference for that product prior to the sponsorship
- Managers' views of sponsorships: Managers generally have positive opinions about the impact of sponsorships.

**Event marketing:** Event marketing is defined as the practice of promoting the interests of a firm and its brands by associating them with a specific activity. Recall that a sponsorship may relate to an activity or to an organization. Event marketing often involves sponsorship; but this is not always the case. Compared to sponsorship, which involves payment for the association with an activity,

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<sup>2</sup> IEG Sponsorship Report. (2007). IEG, Inc.: Chicago, IL.

<sup>3</sup> Veronis Suhler Stevenson Communications Industry Forecast and Report. (2006). Veronis Suhler Stevenson: NY.

individual, or organization, event marketing refers to the staging of an event and/or efforts by a firm to associate with another entity's event with or without paying a sponsorship fee.

Firms use event marketing to accomplish a variety of goals. Brand awareness, sales, and image enhancement are the common reasons for participating in event marketing. The types of goals that firms hope to accomplish do not account for event marketing's appeal; instead, its popularity is based upon the distinctive way it helps firms accomplish their communications goals via consumer interaction.

The unique appeal of event marketing is the sponsor's ability to blend its message into a gathering that intrinsically engages consumers. Message and media elements are usually linked and imagery is delivered by association with particular activities and events. The skillful sponsor inserts messages into the medium while engaging the consumer during and after the event. If the sponsor carefully plans and implements the promotional activity, consumers may view the sponsor's message as part of the event rather than as a marketing-oriented communication.

Event marketing offers an additional advantage, in that it actively engages the consumer with the brand and its personality. Firms investing in event marketing have the means through which they may create a hands-on experience for their target market. The event attendee decides whether, when, and how this interaction occurs. By contrast, using traditional media the consumer passively receives a firm's message.

The power of this marketing activity is important, as managers are increasingly under pressure to measure return on investment (ROI) from marketing activities. For example, a survey of over 200 decision-making marketing executives in U.S. corporations with recorded sales exceeding \$250 million was conducted by Meeting Professionals International (MPI). The sample covered automotive, healthcare, high-tech, and financial sectors. The main finding was that event marketing offers the potential to achieve better ROI than any other marketing communications medium. The study finds that in terms of ROI, face-to-face event marketing outperforms public relations, internet advertising, sales promotion, direct marketing, and print and broadcast advertising.<sup>4</sup>

**Sports marketing:** Sports marketing refers to sponsorships or event marketing that involves athletes or an athletic event. Sports marketing is an important method of promotion: roughly two-thirds of the sponsorships in the United States are associated with athletic events.<sup>5</sup> The research investigating sports marketing mirrors that of sponsorship and event marketing in many ways, with distinct research findings that include:

- **Exposure:** Research indicates that consumers remember sponsors who promote athletic events. Also, exposure to sports marketing favorably changes attitude toward the sponsor.
- **Fit:** Consumers have a more positive image of the sponsor if they believe that the sponsor's image "fits" the image of the sporting event sponsored.
- **Objectives:** In the past, "image-building" was the main reason for engaging in sports marketing. Now, sport marketers also seek measurable "bottom line" results.
- **Evaluation:** While managers prefer bottom-line objectives, they are uncertain how to determine whether their sports-related promotions are successful.

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<sup>4</sup> MPI Foundation. "As Events Unfold: Event Trends 2004." MPI Foundation/The George P. Johnson Company Report on the Changing Role of Events in Corporate America's Marketing Mix, 2004.

<sup>5</sup> Harvey, B., Gray, S., & Despain, G. (2006). Measuring the Effect of True Sponsorship. *Journal of Advertising Research*. Vol. 46, No. 4 (December).

When marketing occurs via a sporting event, the fit of the attendee with the type of event (i.e., sports) is likely to be an important consideration. Research has not addressed, however, how an event attendee's involvement in or enthusiasm for sports relates to how he or she perceives the sponsorship of a sporting event.

**Trade Shows:** Despite the ubiquity and potential value of trade shows, there is little academic research that definitively quantifies their marketing value. Typically, the justification has been through ad-hoc approaches (such as updating last year's spending). The use of trade shows to improve selling efficiency is also linked to "bottom line" measurements, as firms strive for competitive advantage by treating marketing expenditures as investments. These two issues—the enhancement of selling effectiveness and the accountability of trade show expenditures—are becoming increasingly important. Although some research exists on the interaction effects between advertising and personal selling, there is no research that documents possible synergistic effects of trade shows on advertising effectiveness and personal selling activity.

Considering the importance and dollars spent, it is surprising that there has not been more academic research about the payoff or drivers of effective events and sponsorships. Prior to the last decade, many of the decisions made about expenditures were justified by habit ('this is what we did last year') and rhetoric ('our competitors will be there and we will look bad'), with little attention to quantification or measurement, perhaps beyond looking at top line sales that could be ascribed to the activity after the fact. A perceptible shift has taken place to develop a more fact-based, or quantitative, basis for event marketing allocation, but it still lags traditional media and direct marketing expenditures that compete for the same dollars.

Part of the reason for that lag in event marketing research is that evaluating the impact of sponsorship and events is confounded by a number of factors. First, participation in events results in attitudinal or cognitive effects (e.g., creating product awareness or interest – influencing image, relationships, and reputation), as well as direct sales impacts. Second, the trade show or sponsorship event is typically intertwined with other elements of the marketing mix, in particular, direct mail, advertising, and personal selling. In addition, the time from awareness and interest to actual purchase may range from weeks to many months. In this intervening time period, other marketing activities may emerge and interact to influence the purchase decision.

Business to Business branding practices differ from the typical *consumer* dynamics. B-to-B is oriented towards transactions, since some B-to-B judge that branding is less relevant. Quite the opposite is true. Corporate credibility, trust, familiarity, and quality are closely associated with the brand and influence purchase consideration and decisions. While the marketing mix in B-to-B may differ from B-to-C, both the emotional and rational sides of the equation are important. In the event and sponsorship world, of course, a third dimension – experience – is added.

High tech brands in B-to-B have a distinguishing characteristic: products tend to change rapidly because of technological innovations. Research on best practice B-to-B branding strategy suggests two guidelines: 1. Establish brand awareness and rich brand image; 2. Create corporate credibility associations.<sup>6</sup> The ARF research project reported here underscores the importance of these branding principles.

The ARF Event and Sponsorship Engagement studies were launched to get at critical questions:

- What is the role of the sponsorship or trade event in the marketing communications mix?

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<sup>6</sup> Keller, K.L. (2003). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Prentice Hall: Upper Saddle River, NJ.

- How can we determine the effectiveness of sponsorship and trade show investments?
- Is there evidence that trade shows and sponsorships have a positive return on investment?
- What are the critical drivers we can identify that contribute to sponsorship and trade show effectiveness?

The overriding objective of the studies was to explore a way to measure ‘engagement’ and provide methods that could be used to research and analyze this important facet of events and sponsorships.

## NEED FOR THE ARF STUDIES

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Many marketers believe that live brand events are highly engaging – potentially more so than other tactics. But sponsorship and event marketers have found their budgets increasingly scrutinized, and feel that other marketing approaches are getting a larger portion of the budget. In light of this, the ARF research studies have been designed to determine the extent to which attitudinal effects generated by the trade show are measurable beyond the effects generated by personal selling and/or other sales activities commonly deployed in the event space.

To that end, a group of event marketing executives met last year and concluded that experiential marketing lacked a comprehensive method for measuring effectiveness. They judged that this lack of measurement put events at a disadvantage when evaluated as part of the overall marketing strategy. They asked the ARF to help them find a more definitive way to:

- Measure the effects of a live brand experience on target prospect engagement with the sponsoring brand
- Ensure the metric is feasible as an industry-wide standard for evaluating event effectiveness
- Develop an action plan to turn the research into useful strategies and tactics: create a ‘scorecard’ of engagement to measure and evaluate the incremental impacts or dynamics of sponsorships, events, and trade shows.

Through an extensive RFP process, the consortium chose Harris Interactive to study the Business-to-Consumer events, and a partnership between Gallup and Robinson and Exhibit Surveys to study the Business-to-Business events.

The leading firms sponsoring the event engagement study included AOL, Cadbury-Schweppes, Carat, CEMA, Cisco Systems, Coca Cola, Ebay, Free-Car Media, Frito-Lay, IBM, Intel, Jack Morton Worldwide, Microsoft, Oracle, ProMotion, State Farm, Texas Instruments, Toyota, Xerox, and The Marketing Arm. The preliminary results were presented at re:THINK, the ARF annual convention in mid-April, 2007 and an update was given at the Audience Measurement 2.0 conference in June, 2007.

This paper synthesizes and extends the research from both streams and is presented as follows: Description of the Studies, Findings, Synthesis, Results, and Conclusions.

## THE B-TO-C EVENT SPONSORSHIP STUDIES

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THE PURPOSE OF THE STUDIES WAS TO DETERMINE TO WHAT EXTENT AND HOW B-TO-C EVENT SPONSORSHIP IS INCREMENTAL TO OTHER MARKETING ACTIVITIES IN CREATING BRAND DEMAND.

## STUDY AND FINDINGS

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Harris Interactive was tasked to design and execute the studies for B-to-C event engagement. Using their proprietary 'customer connection' model, the analysis was designed to understand:

- Do events drive a strong connection/are they more engaging than traditional channels?
- If so, among what groups of people? How far out does the circle go beyond participants?
- In what ways do events drive the connection? How can that be leveraged?
- Does that engagement quality drive behavior toward the brand? Why and how can that be leveraged?

Harris began by conducting online interviews immediately after the event within the geographic footprint in which the event occurred. They collected relatively large samples, over 900 completed surveys per event. The following data was collected for each of the sample groups:

- Aware of event and participated in it
  - Active Brand Interaction
  - Passive Brand Interaction
- Aware of event and did not participate in it
  - Favorable to type of event
  - Not favorable to type of event
- Not aware of event

The questionnaire design consisted of the following:

- Section 1:
  - Unaided (top of mind) brand awareness
  - Advertising awareness
- Section 2:
  - Unaided (top of mind) event awareness
  - Aided event awareness
  - Questions about participation in the show
  - Questions about how one feels as they interact with the brand (active/passive)
- Section 3:
  - Brand Imagery
  - Purchase Intent
  - Questions about Emotional & Aspirational Fit with Sponsor and/or cause
- Section 4:
  - Questions about Word-of-Mouth

Harris discovered that indeed events do motivate engagement with the brand. Most important is that they drive it in a relatively wide circle. That is, awareness of the event among those favorable to the *type* of event can also drive engagement. This has major implications for advertising sponsorships and for calculating ROI, since these brand impacts are tangibly affecting predisposition and intent.



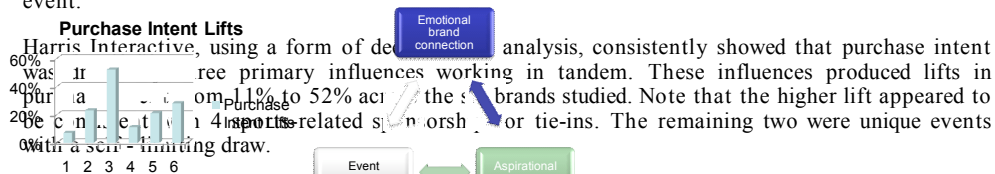
**The research found that aspirational fit and emotional connection with the event are the primary drivers of purchase intent.** Specifically:

- The largest overall driver for purchase intent is emotional connection with the brand.
- For those with strong emotional connection with the sponsoring brand, the next most important driver is aspirational fit with the brand.
- For those with strong emotional connection and strong brand fit, the next most important driver is aspirational fit with the *event*.
- For those with low brand emotional connection who are event-aware, the next driver is emotional connection with the event.
- In situations where *event* variables are drivers, the proportion of respondents who report high purchase intent is larger for those with weaker event ratings.

As Harris discovered in further modeling of the results, there is an incremental gain in intended behavior toward the brand due to the event. These results were presented in the form of incremental lifts on intent, and introduced at ARF workshops and events in 2007.

As we know, awareness is a key element of advertising efficacy. In the event world favorability toward the event itself is a key ingredient in driving awareness. The surveys confirmed prior research that said finding the “right” event is critical. This degree of ‘rightness’ had two elements: fit with the event and fit with the brand in the event. Both worked in tandem. Indeed, among those aware of the event, and particularly those favorable to the type of event, there is a major opportunity to strengthen the bond with the brand and drive behavior. **As Harris concluded for B-to-C events: “In other words, driving awareness can be *almost as good as driving attendance.*”**

A final area of discovery focused on the finding that many non-participants were quite favorable to the event. This favorability can be nurtured and tapped via identification, outreach, and communications that will raise awareness and generate interest, even if a person does not attend the event.



**FIGURE 1: Harris Complexity Modeling Results**

In the B-to-C event and sponsorship space, metrics that emulate the engagement measurement model used by Harris will provide a solid foundation for evaluating what works and the potential effectiveness of the event to drive the bottom line.

## THE B-TO-B TRADE SHOW STUDIES

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THE PURPOSE OF THE STUDIES WAS TO DETERMINE TO WHAT EXTENT AND HOW B-TO-B TRADE SHOWS ARE INTEGRATED WITH OTHER MARKETING ACTIVITIES IN CREATING BRAND DEMAND.

## STUDY AND FINDINGS

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Gallup & Robinson and Exhibit Surveys (G&R/ESI) teamed to design and execute the studies for B-to-B trade show engagement. Using a carefully prepared pre- and post- test panel design (with a sales conversion follow-up), the analysis was designed to understand:

- Do trade shows drive a strong connection / Are they more engaging than traditional channels?
- If so, among what groups of people? How far out does the circle go beyond participants?
- In what ways do trade shows drive the connection?
- Does that engagement quality drive behavior toward the brand?

The research program studied 4 diverse B-to-B events, collecting information on 14 brands from over 3,400 online pre and post interviews. A sales conversion study was also conducted among both the pre and post event respondents to close the loop on capturing the event marketing to intent to sales cycle. Top of mind awareness, brand consideration, brand familiarity, purchase intent, likelihood to recommend (promoters), brand fit and emotional connection were collected for each of the sample groups:

- Aware of brand's exhibit at the trade show and participated in it
  - Active Brand Interaction: talked to exhibit personnel, requested follow-up
  - Passive Brand Interaction: only looked at exhibit
- Aware of brand's exhibit at the trade show and did not participate in it
- Not aware of brand's exhibit at the trade show

A battery of questions was asked, including those around consideration, emotional, brand fit, likelihood to recommend, and purchase intent questions (see Figure 2).

Independent Test Variables			Dependent Outcome Variables
Brand Related	Media/Event/ Message Related	Personal	
Awareness/ Saliency	Overall rating of event	Attitudes towards media	Awareness/Saliency
Familiarity	Rating of brand exhibit	Attitudes towards advertising	Brand consideration set
Brand value attributes	Activities performed at brand exhibit	Attitudes towards brands	Company consideration
Recommend to friends	Likelihood of discussing event with others	Purchase influence and cycle staging	Brand purchase intent
Brand affinity	Ad awareness/liking (one event only)		

**FIGURE 2: B-to-B Test Variables**

One objective of the studies was to develop a validated, cost-effective protocol for measuring the effectiveness of B-to-B trade shows for the sponsoring brand. This included the investigation of measures or metrics (combination of measures) that:

- Capture the emerging concept of Engagement
- Are sales-validated
- Correlate with behavioral evidence of Engagement in B-to-B experiential environments

A vital piece of this research was the potential for application of the measures across other marketing communication channels. Additional questions that G&R/ESI grappled with included:

- 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 when we look at customers versus 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?

An interesting finding was that the pre-event survey was unnecessary for most aspects of this analysis. We found little overall lift between pre and post waves (in total) and significant or directional lift between pre wave levels (total) and post wave “actives” and between pre wave “plan to visit exhibit” and post wave visitors (actives and passives). This suggests that for some studies, the use of a pre wave survey may be unnecessary. While it is tempting to jump to a global conclusion here, we feel it more prudent for companies to be sure that they understand the particular dynamics of their business, products, and sales processes before jettisoning potentially critical metrics. In some cases (new products for example), a pre-wave survey still may make sense.

**Sales Validation** was the first area of study. Which survey measure best predicts reported sales several months after event? Using correlated potential measures in the post-wave survey with reported sales in the conversion survey, G&R/ESI studied the following:

- Purchase Intent
- Emotional Connection
- Purchase Consideration
- Net Promoter Score<sup>7</sup>
- Company/Brand Familiarity
- Brand Fit

The finding was that Purchase Intent is most positively correlated to reported sales. The correlation was +0.73 among purchasers. Other measures have positive correlations (particularly familiarity) but the value of these measures may be more brand-dependent. As a result Purchase Intent should be used as a dependent variable against which to test the value of potential Engagement metrics as drivers.

This finding has interesting implications, but not without caveats. For example, once a brand conducts sufficient research to establish that Purchase Intent is a valid predictor of sales, it may reduce the need for sales conversion surveys or sales tracking as part of an ongoing measurement process. In its place, the company can compare predicted to actual (sales), determine gaps and draw insights from that perspective. That said, it is wise to consider all aspects of your business, product dynamics, and sales processes before jettisoning what may be a critical piece of measurement.

Some may ask: “why not just use Purchase Intent as our Engagement measure”? The reason is 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.

**Behavioral Engagement.** B-to-B events provide a unique measurement opportunity. The levels of behavioral “exhibit participation” provide a common sense indicator of Engagement. Thus, it should hold that Increasing the levels of behavioral participation in exhibits drive favorable Purchase Intent and could support potential brand Engagement measures.

G&R/ESI calculated levels for all metrics against participation levels. These levels were: Unaware, Aware, Passive (aware of brand, only looked at exhibit), and Active (aware of brand, interacted with exhibitor). As clearly indicated in Figure 3, levels increase with participation *in all cases*.

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<sup>7</sup> Net Promoter is a trademark of F. Reichheld, Bain & Co. & Satmetrix

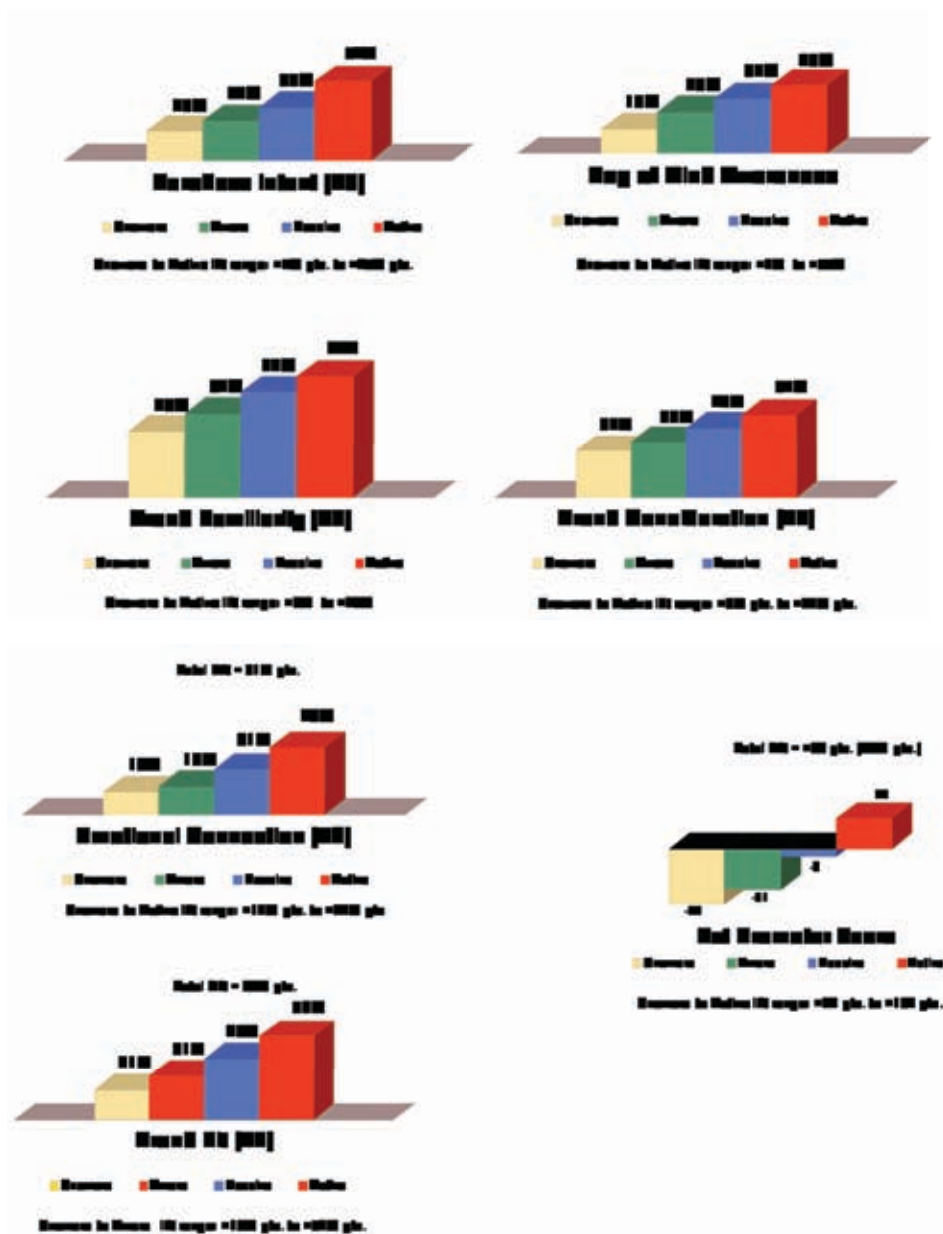


FIGURE 3: Participation Level Impacts

In addition, total lift (the difference between Unaware to Active Participation) across all outcome measures is relatively consistent.

<u>Outcome Metrics</u>	<u>Unaware</u>	<u>Aware Only</u>	<u>Passive (Look Only)</u>	<u>Active (Interact)</u>	<u>Total Lift</u>
Purchase Intent	20%	27%	36%	54%	<b>+34% pts.</b>
Consider Using	32%	38%	48%	57%	<b>+25% pts.</b>
Emotional Connection	15%	19%	31%	46%	<b>+31% pts.</b>
Brand Fit	21%	31%	43%	59%	<b>+38% pts.</b>
Net Promoter*	29%	35%	47%	62%	<b>+33% pts.</b>
Brand Familiarity	45%	57%	72%	83%	<b>+38% pts.</b>

**FIGURE 4: Participation Level Lifts**

Again, one may ask: “Why don’t we use Behavioral Participation as our main Engagement measure”? This indeed fits a basic notion of experiential Engagement and appears to be a strong driver of Purchase Intent/Sales. However, it cannot be applied across marketing communication channels: it is somewhat unique to events. There is no analog with advertising and promotions; it is specific to experiential events.

That said, participation” does provide logical validation of other survey metrics that relate to it. Increasing behavioral participation with exhibits is associated with stronger brand output metrics, such as:

- Both Active and Passive Participation are strong drivers.
- Talking to prospects creates an emotional connection and drives purchase intent.
- Looking at exhibits enhances brand perceptions significantly, too.
- Merely making attendees aware of brand presence has some positive effect.

**Engagement Metrics.** Which potential Engagement measure or combination of measures is the strongest driver of Purchase Intent? To address this, G&R/ESI correlated potential Engagement measures with Purchase Intent. These included awareness, emotional connection, likelihood to recommend, brand fit, and brand familiarity. The expectation was that:

- 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, it was found that Promoters (likely to recommend) and Brand Fit are most likely to have cognitive and emotional dimensions, thus the broadest application.

What happens when we combine them? The combination of top box emotional/cognitive Engagement metrics is more powerful than one alone. When we look at the correlations of all 14 brands, the correlation with Purchase Intent increases from .51 to .53. This suggests that there is a slight interaction effect based on the covariance of the measures. The take away is that marketers need to consider both measures when evaluating individual brands.

		Likely to Recommend	
		Detractors	Promoters
E F F E C T I V E N E S S	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

**FIGURE 5: Multiple Elements Affect Purchase Intent**

Figure 5 is very instructive. Note that 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. Indeed, the best combination of candidate metrics overall reflect emotional vs. cognitive brand response:

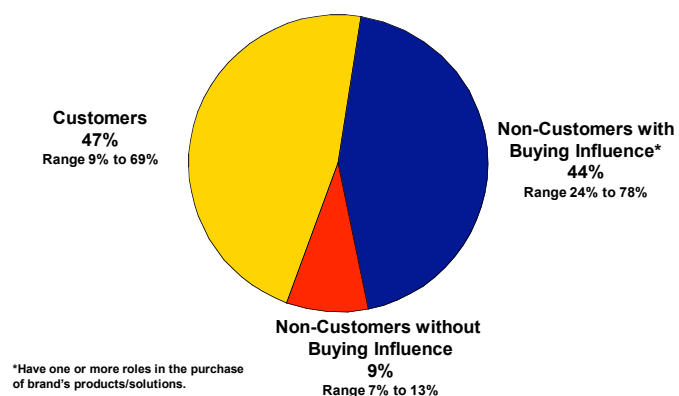
- Promoters – requires reasoned brand evaluation
- Brand Fit – indicates resonance with brand image

Note that Complexity Analysis (see Technical Appendix) also suggests that these multidimensional drivers may be specific to brands.

**Customer Retention and Acquisition.** The next portion of the analysis looked at the influence of being either a customer or a non-customer: “do events impact customer retention and acquisition differently”? To approach this, G&R/ESI compared customers to non-customer visitors on the following variables:

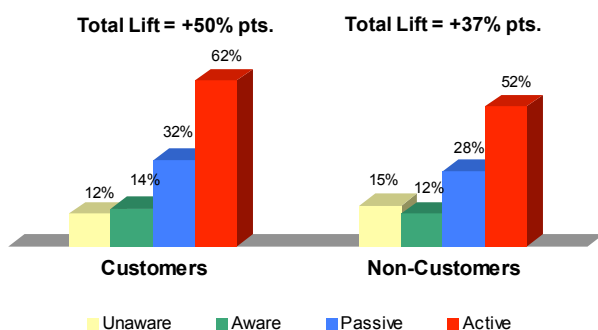
- Purchase Intent
- Drivers (Brand Fit and Promoters)
- Purchasers
- Exposure/reach – level of engagement
- Ancillary exhibit activities and promotions
- Post-show actions

A primary takeaway was that trade shows provide the opportunity to reach non-customers who are prospects. Figure 6 shows that both customers and non-customers can be reached at trade shows.



**FIGURE 6: Prospects Can Be Engaged**

The percentage taking one or more post-show actions was significantly higher for both active customers and non-customers (Figure 7).



**FIGURE 7: Active Customer and Non-Customers Take Post Show Actions**

Figure 8 presents specific post show actions taken. Note that the positive viral effect of exhibiting extends the reach two to three times for “Actives”. Paper collateral is still important to some – literature has a high influence on purchases. Integrating the web site with exhibit activity and fulfillment has a positive effect.



	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%

**FIGURE 8: Specific Post-show Actions Taken By Active Customers and Non-Customers**

In summary, the research suggests:

- Trade shows offer the opportunity to reach new customers/prospects, e.g., to increase market share.
- Non-customers have positive brand attitudes and Purchase Intent – particularly among Actives (32% Purchase Intent).
- Although the biggest opportunity for sales is with current customers, non-customer visitors can become new customers (5% converted to sales).
- Non-customers take positive post-show actions, a number of which are viral in nature. This has the potential to extend the reach of the brand (and maximize the investment in the show).

**Impact of the Medium.** “What is the relative impact of attitudes toward the show, the exhibit and the brand in driving favorable brand attitudes”? The approach to this sub-analysis correlated “liking measures” to Purchase Intent, Brand Fit, and Promoter Scores.

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

*Correlations between Items*

	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

**FIGURE 9: Show vs. Medium vs. Brand Liking**

Basically, the rating of the show is not the same as attendance at the show (e.g., experiencing it). All metrics have stronger relationship to sales after attending the show. This implies that show attendance drives purchase behavior (see Figure10).

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

**FIGURE 10: Correlation to Brand Purchase**

In the B-to-B event space, what is communicated about the brand in the exhibit is key. The quality of the show can build target audience reach, but does not significantly affect Purchase Intent; however, brand participation at the show does. Complexity Analysis shows that both the Exhibit and the Show quality both support key factors that drive Purchase Intent.

A Total Unduplicated Reach and Frequency (TURF) Analysis was performed on the Ancillary Event Activities to determine what the incremental reach of these elements were beyond general advertising. The analysis found that event-attributed advertising provides more *reach* and event-related ancillary activities provide more *lift*. Both lead to levels of diminishing returns if overused.

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

**FIGURE 11: TURF Analysis Results**

**Advertising Impact.** Does advertising contribute incremental value to exhibit participation? Although only one event was studied, the following question was explored:

- Within the past month have you seen any foodservice advertising directed at business people like yourself and those who attend this show from any of the following companies?

G&R/ESI correlated ad exposure vs. non-exposure for four behavioral levels against Purchase Intent. The results indicate that increasing participation is associated with increasing exposure to brand advertising (see Figure 12).

Sample Distribution

Participation Level	Saw Brand Ads	Did Not See Ads
Unaware	13%	87%
Aware	42	58
Passive	45	55
Active	58	42

**FIGURE 12: Increased Participation as a Result of Increased Exposure**

In tandem with this effect, ad exposure incrementally drives Purchase Intent at all participation levels to some degree. Figure 13 indicates that those who recall brand ads, regardless of participation level, are affected in terms of Purchase Intent.

Correlation with Purchase Intent

Participation Level	Saw Brand Ads	Did Not See Ads
Unaware	.15	-.26*
Aware	.27*	-.07*
Passive	.19*	.03
Active	.26*	.14*

\* Statistically significant correlations (.01 level)

**FIGURE 13: Purchase Intent Influence by Brand Ads**

A relatively small, but interesting, segment of attendees reported that they trust claims made in ads more than in trade shows. These so called “Ad Trusters” have more positive attitudes after the show than the total sample in several key areas, particularly “Likelihood to Discuss” (see Figure 14).

	Total	Ad Trusters
Purchase Intent	37%	43%
Emotional Connection	30	41
Promoter	31	38
Likelihood to Discuss	20	35

**FIGURE 14: Ad Trusters Have Important Positive Attributes**

This finding suggests that advertising *can* influence attitudes and perceptions, and carry over in the form of buzz/word of mouth, regardless of whether the person is a customer or not, or a passive or active participant. Trust is also a key element of engagement.

#### Major B-to-B Conclusions

- Brand Fit and Net Promoter, in combination, are the strongest overall attitudinal measures of B-to-B 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, but not all, applications.
- Purchase Intent is a valid indicator of future sales, and *may* make ongoing sales conversion surveys unnecessary for some firms or industries.
  - With the caveat that a company thoroughly understand its business, industry, competitors, sales dynamic, and product attributes
- All brand metrics have much stronger correlation to actual sales after attending the exhibition than before. Strong implication is that show attendance drives purchase behavior.
- As expected increasing behavioral participation with exhibits is associated with stronger brand output metrics. Both Active and Passive interaction are strong drivers. Talking to customers and prospects makes a emotional connection and drives purchase intent.
- 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. However, both lead to diminishing returns if overused.
  - The Web is an increasingly important follow-up component of trade show effectiveness.
  - Reaction to the Exhibit is important to driving Purchase Intent, more so than reaction to the Show. However, both are important in driving the factors that influence Purchase Intent (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.
- 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 (e.g., engagement), 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.

In the B-to-B trade show area, metrics that were used by Gallup & Robinson/Exhibit Surveys will provide a solid foundation for a company or brand evaluating and improving what works and understanding its effectiveness in achieving show objectives and overarching marketing goals.

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## SUMMARY AND RECOMMENDATIONS

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The purpose of this White Paper was to distill the data and learnings from multiple studies on B-to-C and B-to-B event engagement. The general conclusions of the individual studies were upheld, and the meta-analysis of the aggregated survey results validated the concepts of engagement, emotional connection, fit, trust, recommendation, and intent in the event engagement world.

## PRINCIPLES FROM THE RESEARCH

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To provide deeper, relevant context to our discussion, we have reached outside the usual marketing research channels and explored recent thinking and research on emotions, memory, and motivation (e.g., psychological and physical studies). The ARF studies support these principles and cross-validate what we discovered in the primary research we conducted.

***Emotion underlies engagement which affects memory of experience, thinking about the experience, and subsequent behavior:*** Emotion is not a peripheral phenomenon but involves people completely. Emotions have motivational properties, to the extent that people seek to maximize the experience of positive emotions and to minimize the experience of negative emotions. 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 (although that is important) but includes a participant's experience at an event or sponsored activity (and their memory of it).

***The emotion/engagement connection can focus attention, and should be a key element of event advertising and marketing communications:*** Emotion has a major influence on memory. This is mediated through its influence on *attention*; attention in turn enhances reflective memory on the experience. Attention is largely controlled by the "interestingness" of the event; that is partly determined by the experienced character (quality) of the event/exhibits and its affective significance. And as Harris found, awareness of a B-to-C event is almost as good as driving attendance.

***B-to-B event engagement, in particular, supports notions of subtle thinking/feeling interactions and brand engagement:*** Besides controlling attention to selected aspects of the event experience, a strong affective *reaction* after an event also sustains recycling, rehearsal, or "mulling over" in working memory of the trace (memory) of that event. Abundant evidence indicates that people better remember events that evoke greater emotional reactions, whether positive or negative.

***Brand engagement can be a focal point that crystallizes attention, interest, meaning, and motivation:*** Other influences arise because the mind accords a privileged status to emotional stimuli in its processing of information. For example, in laboratory experiments, stimuli that arouse a strong emotional reaction will be better remembered in the context of 'dull' items around them. Moreover, because the emotional item captures priority processing in working memory, it causes attentional resources to be displaced from neutral items that just preceded or just followed the emotional stimulus. Thus, emotion does not enhance memory for all details of the experience; instead, it focuses attention on the central part of the scene. This multidimensional dynamic is why a set of metrics (e.g., customer connection) is needed to assess the 'impact' for consumer events.

***Brand communications, event activities, and relationship tactics work together to form rich associations, positive expectations, and congruity (fit):*** The idea that emotional arousal directs attention has also arisen in studies concerned with mood-congruity effects in cognition and learning. The hypothesis is that people in a given emotional or mood state attend more to stimulus events, objects, or situations that are affectively *congruent* with their emotional state. Thus, happy people find pleasant stimuli - words, descriptions, pictures, people, and music - more attractive, salient, or attention-provoking; as a result, such stimuli receive deeper processing and are better learned (and remembered). Even when the processing time allotted to congruent and incongruent stimuli is

equated, people still learn more about emotionally congruent stimuli. One explanation of this advantage is that emotionally congruent material evokes more plentiful associations that can be used to elaborate the material at the time it is being studied, thus linking it more firmly into memory.

***Brand communications can rekindle the positive effects of an event (experience):*** A final relation of emotion to memory arises with emotion-state dependent memory. A memory learned in a given emotional state may be more retrievable later if the person returns to an emotional state similar to what prevailed during the original experience. Mood-dependent memory has proven to be a small, elusive effect, but it has been observed so frequently and reliably in controlled conditions that it must be considered a genuine phenomenon.

One explanation of the pattern of successful and unsuccessful demonstrations of mood-dependent memory uses a "causal belonging" hypothesis. This hypothesis states that people will most readily associate an emotion with a stimulus or a situation if they causally relate their emotional reaction to the occurrence of that stimulus. If they perceive the situation and the emotional reaction as causally bonded, then according to this hypothesis they will forge a strong associative bond between the stimulus event and the emotion it evokes. The lesson for marketers is that later retrieval of the memory for that event could be aided by the recurrence of that same emotional state; something that can be achieved with brand/marketing communications.

When people have positive experiences, they tend to feel safe, self confident, and expansive. Positive moods improve the quality of performance and generate prosocial behaviors. Most interpretations draw on the concept of *associative priming* in which positive thoughts are primed by positive moods. People are said to store material in memory on the basis of its affective *tone*. The good mood is a cue that increases the probability of positive thoughts, so the person feeling good will evaluate things more favorably. This explanation is molecular, that is, it can generate associative connections among fragments of core relational themes to create relational meaning. **This is the essence of the customer connection engagement model we studied: co-creation and what people ‘do’ with advertising.**

***The importance of motivating positive, non-threatening interpersonal experiences at the event cannot be underestimated – informing vs. hard selling; educating rather than shilling; helping rather than aggressively pushing decisions, etc.:*** “Threat” leads us to be wary, constrained, inhibited, and defensive, which tends to make us hold back so as not to increase the danger or make a fool of ourselves. Such a state of mind interferes with risk taking, *trust*, and smooth cognitive functioning.

In summary, motivation and emotion serve multiple functions in the cognitive system at play in Experiential Marketing (events and sponsorships). While motivation mobilizes us for action, directs our attention, and guides our decisions, emotions serve largely as "commentators" reacting to the present situation, evaluating the possible decisions and their outcomes. Emotions often signal to the cognitive system the important discrepancies (between actual and expected outcomes) that are to be reduced by further experience, thinking, or learning. Emotion directs attention to the causally significant aspects of the experience, serves to encode and classify the ‘unusual’ (unexpected or novel) in memory, and promotes persisting rehearsal of the event-memory. In this way, thinking/feeling/memory articulates the experience to guide future behaviors. Importantly, later arousal of a congruent ‘emotion’ (this could be accomplished with a brand communication or sales follow up) retrieves associated thoughts, plans, and memories. This selective retrieval underpins mood-congruent biases in thinking, preferences, judgment, learning, and mood-state dependent memory. **This description encapsulates ‘what happens’ in experiential marketing and the importance of brand engagement as a marker in stimulating selective retrieval, e.g., brand interest, recommendation, consideration, and intent to purchase.**

## ACTION ANALYSIS

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A clear mandate from the sponsoring group was a section that described how the research we conducted can be made actionable. In particular, “how can we use the insights and intelligence gleaned from the studies to make smarter decisions”? The following sections condense the results into ‘make it real’ recommendations to guide the measurement and forecasting of event and sponsorship efficacy. A complete action plan will be presented at the January 17<sup>th</sup>, 2007 meeting of the ARF Experiential Council.

### **Elements driving event connection/engagement**

It is clear that a unique combination of emotional/brand elements can create significant positive outcomes in the event/sponsorship arena. In particular, likelihood to recommend and purchase intent are quite predictive of actual purchase when informed by three basic elements:

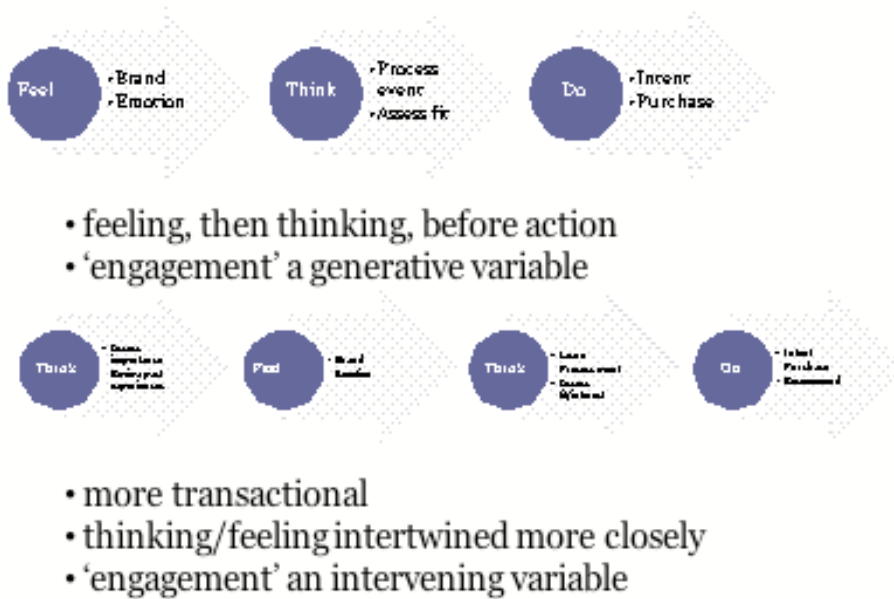
- How people feel about the brand
- Their emotional connection to the brand
- Aspirational fit in the B-to-C space or Brand cultural fit in the B-to-B space
  - Event, brand, and participant

B-to-B adds an additional element – direct event and exhibit socialization and experience, which is based on the relationship and learning activities that motivate interest, purchase consideration and decision-making.

**Action Metrics:** post event surveys that embed emotion based questions within the broader brand, attitude, and experiential elements of the event or sponsorship activity are key. Firms, however, should carefully study and understand their business, product(s), competition, and sales dynamics before deciding whether or not to jettison pre-event surveys.

### **Engagement Quality**

There is a significant difference between B-to-C and B-to-B engagement quality. While both are clearly driven by emotional factors, B-to-B has more direct ‘experiential’ and cognitive facets. This is evident in the finding that a participant’s likelihood to recommend (NPS score) has cognitive, emotional, and attitudinal features. This suggests two distinct models, depicted below in Figure 15. The top path describes a ‘feel-think-do’ paradigm, which more and more is being associated with the advertising engagement model in ARF research validation studies.



**FIGURE 15: Two Distinct Models**

The bottom path (see Figure 15) corresponds to the B-to-B model. Here there is a more subtle interplay between thinking and feeling due to the transactional context of the B-to-B event experience. Engagement is still important, but it is also mediated by the socialization, relationship, and learning facets of exhibits within an event, and the event itself. To summarize, guidelines for B-to-B:

- Engagement is a driver in the B-to-B event and sponsorship marketing process
  - That said, it is more subtle and intertwined with rational and experience (participant’s perception of) elements
  - This fits with a more transactional-orientation of B-to-B in general
- From the research conducted for this project, it is difficult to generalize (at this point); event and brand uniqueness has to be taken into account, in terms of a focus on marketing activities and effectiveness metrics

To summarize B-to-C general guidelines:

- The Engagement elements described in this paper are very important, and should be measured to completely assess the attitudinal, rational, and experiential components
- Generating awareness of the event is *almost* as good as driving attendance
- Engagement elements have been quantified and validated
  - Factor analysis identified clear facets



- Regression analysis supported complexity science results
- Measure purchase intent lifts in terms of the connection model

### Use Metrics Wisely

We want to underscore the need to accurately assess all event engagement elements and demonstrate the value of experiential marketing:

- Events can focus participants to engage, commit, ‘like’, consider, and purchase
  - These are all viable measures that should be taken
- Events can exploit the value of the ‘feel-think-do’ paradigm and embed it in the broader marketing framework
  - Metrics, as developed in this paper, should complement traditional mix equations, but definitely extract the unique engagement elements that make events and sponsorship ‘work’
- Metrics alone, however, don’t relieve the responsibility for Event/Sponsorship marketing to improve on follow through and conversion to (actual) sales, which some believe is the Achilles Heel of events

As with any research, there are always next steps or new ideas to be explored. The primary limitation that emerged from this set of studies is that they are focused mostly on one channel of communication (events and sponsorships). In today’s world of marketing, multiple activities and communications channels are open. Events are just one piece of the puzzle.

### NEXT STEPS FOR RESEARCH ON EVENT ENGAGEMENT

A number of options exist for further study. The most obvious and logical would be to study additional B-to-B or B-to-C events using the G&R/ESI (minus the pre test) or Harris survey approach to better support generalizations. These additional results could be infused into further meta analyses and strengthen our understanding and data driven accuracy of outcomes.

**Experimental Design:** If the desire is to assess the relative efficiency and effectiveness of events and sponsorships to the rest of the marketing mix, quasi-experimental designs can be explored. These formidable methods would require information and input outside of the event marketer’s purview (e.g., from other media and communication channels). Prepared correctly, they can isolate the individual and synergistic effects on awareness, interest, and intent. A number of these studies, if completed using the same methodology, can be collapsed into an aggregated model (bottom up design) and modeled further for additional insights and generalizations.

Structural Modeling has been used in a few academic studies to assess the behavioral, attitudinal, and experiential variables necessary to tease out effectiveness, ROI, and intent. But to be done correctly, this sort of analysis would need to be completed on an individual client basis and would require multiple years of data, which is not conducive to the multi-client studies the ARF supports.

**Marketing Mix Modeling:** Interestingly, empirical generalization of dozens of marketing mix models show consumer events/sponsorships have a relatively low level of impact on sales (not intent), less than 1% on average. However, consumer event/sponsorships usually do not engage the entire target market (as TV or other forms do). As a result their comparative performance (ROI) may appear modest. The modeling approach would need to look at how events interact with other marketing elements, e.g., standard ROI analysis will be misleading. This underscores the need to accurately assess the event engagement elements and position their unique value:

William A. Cook 1/14/08 1:06 PM

**Comment:** OK to put this back as a bullet if you elaborate on it, which might be useful here. RCP: not clear what you mean?

- Events can focus participants to engage, commit, like, consider, and purchase
- How can we best exploit the value of the feel-think-do paradigm and embed it in the broader marketing framework?

These brand engagement measures and the action items we suggest above will prove valuable. However, this doesn't relieve the responsibility for event/sponsorship marketing to improve on follow through and conversion to (actual) sales. This still appears to be the 'Achilles Heel' of events, beyond the purview of the marketer, but, indeed, begging for linkage and coordination.

**Outstanding Questions:** The answer to the question: "how do events/sponsorships fit into the larger marketing mix?" is unanswered here. While it is tempting to draw upon just a handful of academic studies that have tried to estimate the relative 'effectiveness' of events and sponsorships in terms of a broader marketing mix, the value of that is dubious at best.

The answer to the question *can* be answered by research designs that can accommodate multiple channels of marketing to determine their efficacy in isolation and together. The two techniques that can do that are econometric modelling and experimental design.

The ARF recommendation is that the Event/Experiential Council considers entering into a research discussion with the ARF Cross Media Council or newly formed Engagement Validation Council to pool interests and ideas. Vendors exist that can be tapped to deliver the appropriate research method. While it is clear that event engagement exists and contributes via a unique process to effectiveness, its true incremental value cannot be ascertained in isolation. Thus, the next step is for the Experiential Marketing Council to expand the research platform and apply the metrics developed in this initial stage to experiments in which combinations of events and other elements of the mix are varied to assess both individual and combinatorial impacts.

## APPENDIX A: SECONDARY RESEARCH REVIEW

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There is a small, but growing body of relevant research on the topic of sponsorship and events. This is just a sample of topics concerning events and trade shows from a recent ARF research review:

- The Effect of Consumer Knowledge on Responses to Event Sponsorships

- Do Trade Shows Pay Off?
- Generalizing About Trade Show Effectiveness
- The Complementary Effect of Trade Shows on Personal Selling
- Event Marketing and Brand Attitudes

### How Does Event Marketing Work? Event Marketing and Brand Attitudes

Recent work by *Kerstin Weihe, Gunnar Mau, and Günter Silberer* in Europe asserts that the relationship between events and the brand have not been well researched. While we know that marketing events can influence attitudes towards a brand, it is not clear why and how that occurs. In their study, the authors assumed that the attitude towards the brand, as a primary outcome of event and sponsorship marketing, is influenced by three factors:

- The prior attitude towards the brand (that existed before the event)
- The attitude towards the communication activities presented prior to and at the event
- The attitude formed by experiencing the event itself

The presence and role of marketing events has increased remarkably within the last few years. This has been driven by a variety of factors. While traditional communication tools such as advertising and sales promotion are burdened by having to cut through an overload of messages aimed to consumers, marketing events offer the opportunity of *focusing* attention and interest by linking a brand and a communication message with the event. Generally, attitudes towards event and sponsorship marketing are quite *favorable*. Thus, marketing events perform a dual role: as a channel to communicate a brand and as a platform for a unique presentation of a brand.

Companies work on the assumption that the following benefits will be accrued:

- An increase in positive brand awareness, usually measured via recall or recognition
- An improved intention to buy
- The realization of ancillary brand effects, often in the form of positive media mentions or exposure rates

Strategically, companies are looking to create a positive attitude towards the brand. The idea of the formation of a positive brand attitude via event and sponsorship participation is based on the concept of attitude *transfer*. Basically, the experience of the event produces positive feelings of liking, interest, satisfaction, and involvement that are ‘transferred’ to the liking of the brand.

*How* this transfer occurs is not clear and has a number of theoretical and conceptual explanations. For example, the principles of emotional *conditioning* have been applied to event-marketing and sponsorship. Other mechanisms or principles that have been explored are:

- The mere exposure effects (repeated exposure intrinsically increases likeability)
- Social identity (being and participating as part of a social group intrinsically increases bonding, familiarity, and positive associations)
- Vicarious learning and awareness-trial-reinforcement (both incidental learning [e.g., learning beyond the specific purposes of event participation] and undergoing positive experiences intrinsically increases likeability )
- Congruity theory (the ‘fit’ between the event and the person).

To date, none of these theoretical approaches has proven to be complete. However, results from empirical studies do offer some additional clues:

- If events are judged negative, then the brand is judged negatively. If events are judged positive, however, it is not a given that the brand will be judged so.
- Image transfer between the event and the brand is dependent on sponsorship leverage as well as on the perceived similarity between event and brand.
- (Post) attitude towards the brand is mainly influenced by the prior attitude towards this brand.
- The perceived similarity between event and brand enforces the attitude transfer.

Further research posits that not only the attitude towards the event but also the attitudes towards the communication activities of each company at the event are influencing factors of the attitude towards the brand. In addition, prior attitudes toward the brand precede the attitude shift that may occur in both communications activities and event evaluation.

The aim of this research, published in *An International Review of Sponsorship Research* in 2003, was to develop a model of attitude formation in the context of marketing events in which the attitude towards the event, the attitude towards the communication activities and the prior attitude towards the brand function as determining factors. The results showed that the attitude towards the event influences the attitude towards the brand in two different ways: directly and indirectly. For the indirect path, the attitude towards the communication activities functions as a mediator. Directly, the attitude towards the communication activities also has an effect on the attitude towards the brand. But in addition, there is a surprising effect: if visitors like the event, this does not necessarily mean that they also have a positive attitude towards the communication (brand) activities at that event.

### **The Measurement of Sponsorship Effects**

The majority of studies measuring sponsorship effects have used awareness as an independent variable. Three broad approaches exist:

- Measuring to what extent the public takes notice of sponsors
- Identifying factors influencing sponsor recall/association
- Analyzing the internal processes related to recall taking place in the spectator's mind

Many sponsorship effectiveness studies focus either on general awareness of sponsors in the public's mind or on awareness levels of sponsors (brands) associated with specific events and activities. The results of these studies are inconsistent. Recall or association scores naturally vary depending on a large number of factors; including the conditions of exposure, the product, the message, the target characteristics, and sponsorship integration.

There is considerable evidence that recall *increases* as a function of duration of exposure to sponsors, previous brand awareness of sponsors, message length and design, and the socio-demographic variables of the spectators (such as age and involvement with, and interest in, the activity sponsored). With regard to the integration of sponsorship and other communication tools, an increase of awareness scores is observed when sponsorship is used in conjunction with broadcast sponsorship (or traditional advertising). Some go so far as to claim that standalone sponsorship activities – even when used for a longer period of time – are not very effective in generating additional brand awareness. Traditional advertising can help to create a link between the sponsor and the activity or event sponsored if it explains the logic of the association. Conversely, the link is weakened if competitors' advertising accompanies the event. Broadcast sponsorship messages not

only have an awareness effect on their own but have the potential to overpower messages from event, team or other kinds of sponsor.]

The pattern of recall scores over time indicates that each brand has a basic recall level which rises shortly before and during an event and falls back close to its initial level a few weeks after the event. Duration and magnitude of the variation depend on the overall communication effort of the sponsor. The final group of contributions relative to sponsorship awareness adopts a consumer behavior perspective. If the association between the sponsor and the event has been seamless, spectators later retrieve the sponsor name from their memory without any problem.

Conversely, if the association has been weak, as is typically the case in cluttered media environments, sponsor recall involves a substantial degree of memory construction. Spectators then use market prominence and brand/event relatedness as major heuristics to infer sponsor names. This explains, at least partly, why many researchers note a substantial degree of erroneous recall or confusion between sponsors and advertisers.

**Image:** Only a limited number of studies focus primarily on image effects of sponsorship. More frequently, image transfer is investigated in conjunction with awareness and/or purchase objectives.

Nevertheless, there is ample evidence that sponsorship can contribute to the modification of certain image dimensions, at the very least. Clearly, each sponsorship activity or area has specific image values which can be transferred to external or internal audiences. Globally, it appears that image transfer is influenced positively by the number of common perceptions of the sponsor and the activity (so called fit), the attitude of the spectators towards the association of the sponsor and the activity, by the spectator **involvement** with the sponsorship process, and for sponsors having high visibility during the event.

However, as was the case for awareness, image effects are shown to be only temporary and to depend on the integration of sponsorship with other communication tools. The perceived benefit and returned goodwill seems to be negatively related to the perceived exploitation of the event. There is much less tolerance of exploitation of environmental and social sponsorship than of sport sponsorship. Thus the right balance between visibility and perceived overexploitation has to be found for each sponsorship activity.

**Purchase Intention:** Respondents to surveys about attitude towards sponsorship typically declare themselves more likely to buy sponsor products as compared to competitors' (non-sponsor) products. If the same question is asked for specific events, it is shown that frequency of attendance and education are significant predictors of purchase intention. Individuals with less than a college degree are the most likely to buy sponsor products. Gender, on the other hand, does not influence purchase intention.

However, when it comes to real behavior, it should be noted that product use is not necessarily higher for sponsor products than for competitor products. Similarly, purchase effects can easily be overestimated due to 'false consensus effects'. Individuals attending an event which they evaluate highly wrongly assume that other spectators have equally positive evaluations of the event and its sponsors.

The recent application of event study analysis shows that sponsorship can increase the financial value of the sponsor firm, especially if sponsors have logical or matched ties to the activity supported. A short list of recent research on this topic:

Awareness as a measure of sponsorship effectiveness

William A. Cook 1/14/08 1:08 PM

**Comment:** I would challenge the veracity of this observation—OVERWHELM is too strong a statement, me thinks.(RCP – I rewrote but this was the intent in the academic article – is this OK?)

- Sponsorship: Impact on Brand Awareness and Brand Attitudes
- Sponsorships: Image Transfer
- Building Brand Image through Event Sponsorship
- Brand Association and Memory Decay Effects of Sponsorship
- Sponsorship-Linked Marketing: Opening the Black Box
- Brand Equity's Influence on Responses to Event Sponsorships

**B-to-B - Secondary Research on Events:** For B-to-B marketers, particularly in the Technology Industry, events remain a powerful channel to engage people and drive meaningful relationships. Companies continue to use events to strengthen product or brand awareness, differentiate from the competition, educate or train employees, drive sales, and accomplish any number of other business objectives.<sup>8</sup> This is happening in the face of significant change taking place in how firms are approaching overall marketing spending decisions. At the same time, customer behavior is shifting, as new technology and information habits fragment the way people receive and act on messages — in some cases, making it possible for the first time to tune out messages altogether.

Worldwide, frequently cited indicators point to the strong overall health of the event marketing discipline. The importance of event marketing has remained virtually constant and the proportion of the overall marketing budget dedicated to event marketing has decreased only slightly. Also, the perceived future importance of event marketing has changed just slightly, a decline of less than 3% from 2005.

In the midst of all this change, live experiences have emerged as a marketing channel that creates unprecedented opportunities for a brand to make a meaningful connection with customers and prospects. Event marketing is a discipline that has earned the confidence of senior marketing executives, even as event professionals recognize the need to evolve the practice.

**B-to-B - Trade Show's Incremental Impacts:** Despite the potential usefulness of trade shows, there is little academic research that definitively quantifies their marketing value. Typically, the justification has been through ad-hoc approaches (such as updating last year's spending). The use of trade shows to improve selling efficiency is also linked to "bottom line" measurements, as firms strive for competitive advantage by treating marketing expenditures as investments. These two issues—the enhancement of selling effectiveness and the accountability of trade show expenditures—are becoming increasingly important. Although some research exists on the interaction effects between advertising and personal selling, there is no research that documents possible synergistic effects of trade shows on advertising effectiveness and personal selling activity.

If we focus just on the trade show and selling activities, secondary research supports the notion that sales efficiency is enhanced when the trade show is added to the communications mix. From an Integrated Marketing Communications (IMC) perspective, these findings have important implications for managers executing sales strategies. First, it suggests that the trade show makes the personal selling activity more efficient. Thus, in a strategic sense, the timing of a sales call must be carefully coordinated with the customer's prior exposures to the firm's communication.

Second, trade show exposure is relevant to sales force allocation and deployment decisions. Effective management of the company's dialogue with its customers/prospects over time can increase overall profitability. Research suggests that gains are realizable through reallocation of the overall sales force budget based on segments created through demographic (or customer size) and behavioral (trade show attendance) variables. More broadly, other opportunities to enhance the efficiency of the IMC

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<sup>8</sup> Event View: Report on Information Technology. (2006).MPI Foundation: Dallas, TX.

system exist. For example, integrating pre-show messages through direct mail or advertising to increase the likelihood of trade show awareness and attendance is one way to expand this idea. Managerially, firms need to identify the sub-segments most responsive to future communication efforts.

Third, research suggests an approach that documents the value of a communications activity (in this case, the trade show) in the presence of another element (personal selling) is valuable. While the extent of impact may differ across firms and in specific situations, such an exercise provides useful ammunition for managers to demonstrate accountability and to defend budgets by quantifying the contribution of a specific activity within a communications system. Research confirms that exposure to a trade show can accelerate a customer's progression through the buying process. For the seller, this translates into a faster completion of the sales cycle resulting in improved personal selling efficiency. In the IMC context and from a contact management viewpoint, the mode as well as timing of customer contact plays a critical role. Specifically, in terms of efficiency improvement, expected sales and profits show strong gains when the trade show is included in the communications mix. This occurs even after the sales force effort is deployed optimally, indicating that the trade show investment clearly pay off. Also, in one study, return-on-sales figures were higher among trade show attendees than non-attendees. Finally, purchase intention levels, measured several weeks after a show, remained high in the exposed group as compared to the unexposed group. In fact, these levels actually rose from measured values before the show.

***Trade Show's Effectiveness:*** Behavioral response models have been used in a multi-country study of tradeshow effectiveness. In terms of tactical results from the USA portion of the study, firms can expect to attract a higher percentage of their target audience when they spend a larger amount on preshow promotions, have a larger booth, staff the booth with more personnel per square foot, and participate in a vertical rather than a horizontal show. More prominent firms attract a larger proportion of their target audience (e.g., brand image and share of voice count). Evidence exists that potential customers navigate smaller shows more effectively, as a higher percentage of the target audience finds its way to booths exhibiting products in which they are interested.

Interestingly, firms exhibiting high-technology/fast-moving products have a higher effectiveness. This corroborates past academic findings that such firms experience less carryover from one trade show to the next but larger immediate effects from their current actions. Therefore, firms displaying high-technology, short life cycle products attract a higher proportion of interested attendees, all else being equal, but these same firms must keep coming up with attractive new products to maintain their attraction, and communicate effectively to stimulate awareness and interest.

While more research is needed, the ROI of trade shows has been demonstrated via careful experimental design. In essence, trade shows have both direct and indirect benefits. They generate interest and awareness, as well as incremental sales and profits.

## APPENDIX B: TECHNICAL ANALYSES

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The ARF was tasked to explore the event engagement study data further. This Event White Paper has synthesized and analyzed all the results, including a validation of the individual survey results and purchase intent modeling completed by Harris.

### **What we did**

The ARF aggregated the entire set of B-to-C and B-to-B event engagement studies into separate metafiles for analysis. We then performed a meta-analysis and used complexity science analysis to get at additional data-driven insights. Our purpose was to understand and demonstrate generalized insights from this program of study.

### **B-to-C: Harris Complexity Modeling Results**

The ARF synthesis and analysis took all of the survey results and created one file for analysis. The technique we used is called meta-analysis.

### **What is a Meta-Analysis?**

Meta-analysis is the statistical procedure of combining data from multiple studies. When the treatment effect is consistent from one study to the next, meta-analysis can be used to identify this common effect.

### **Why do a Meta-Analysis?**

Decisions about the validity of an outcome (result) cannot be solely based on a single study, because results typically vary from one occasion to the next. Rather, a mechanism is needed to synthesize data across studies.

- Narrative reviews had been used for this purpose, but the narrative review is largely subjective (different experts can come to different conclusions)
- This becomes impossibly difficult when there are more than a few studies involved.
- Meta-analysis applies objective formulas (much as one would apply statistics to data within a single study), and can be used with any number of studies.

**Meta-analysis** is applicable to collections of research that:

- Are empirical, rather than theoretical
- Produce quantitative results, rather than qualitative findings
- Examine the same constructs and relationships
- Are “comparable” and have findings that can be configured in a common statistical form

The statistical approach used for this paper was carried out on a combined dataset of survey responses (over 4000 completed surveys). It entailed the following analytic approach and techniques:

- Frequencies – each variable was checked for frequency distribution tendencies
- Cross tabs – Chi Square and non parametric correlations were examined
- Explore/examine – box plots, means, and distributions were studied
- Correlations – to assess how key driver variables were related



- Factor Analysis – used to reduce a larger set of potential influence variables to a smaller factor or cluster that represents the underlying concept of the set of responses that cluster together
- Unrelated Regressions (linear/logistic) – multiple regressions were run with varying dependent variables to assess stability of the results
- ANOVA – Analysis of Variance verified key drivers and assessed a form of lift that matched well with Harris results
- Classification and Regression Tree (CART) analyses on full dataset – a technique similar to the Harris modeling was used and verified quite closely the results of the individual studies.

## RESULTS: B-TO-C

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The results of the meta-analysis validate the Harris results, which is encouraging:

- Brand experience, brand consideration, and likelihood to recommend are all valid outcomes of event engagement
  - They all produce consistent regression models
- There is considerable overlap between ratings of brand experience, emotional brand connection, aspirational brand ‘fit’, and likelihood to recommend
- Factor analysis suggests a clear “engagement factor”. All of the responses here clustered on the emotional and aspirational elements. Other factors included:
  - Factor 2 = WOM – responses pertaining to WOM tendencies
  - Factor 3 = Advertising/Events Affinity – responses pertaining to what the attendee gets from the event that is different from what they get from advertising
  - Factor 4 = Experience and fit with event theme – a very clear cluster of the attendees event experience and ‘fit’ with the event itself.
- One question about price and availability had a slightly negative pull on all emotional/engagement statements in the analysis (negative weight)
- A simple multivariate regression model using ‘likelihood to recommend’ as the dependent variable (model fit:  $R^2 = .646$ ), elicited the same key drivers found in the Harris (individual) lift on intent models:
  - Emotional brand connection (.49)
  - Aspirational brand fit (.19)
  - Love/Hate ratings (.11)
  - Learn more at events than from ads (.09)
  - Trust claims more in an ad than at the event (.07)

The numbers in parentheses are statistically significant Beta weights. These represent the normalized weight of each driver, in descending order from highest to lowest. The  $R^2$  reported above is the statistical fit (e.g., how well the model explains the results) and is quite good for cross sectional (survey) analysis.

- An Analysis of Variance (ANOVA) supported the regression result ( $R^2 = .669$ , nearly the same fit). The ANOVA supported an analysis of key interactions, or how variables/elements work together. This analysis showed that the following pairs of variables had a statistically significant effect on 'likelihood to recommend':
  - Brand rating/emotional connection
  - Brand rating/self fit
  - Emotional connection/self fit
  - Brand rating/emotional connection/ Self fit (three way interaction) was nearly significant
- The ANOVA is a standard way to assess 'interactions', or how variables work together to contribute to an outcome. This is sometimes referred to as 'synergy' by marketers. Here the key drivers combine to produce an incremental impact in addition to the individual impact of the variable. What this tells us is that the important emotional and brand factors work in an combined way to affect 'likelihood to recommend' in this study.
- The ANOVA also produces a partial correlations score that essentially is the same as an incremental lift calculation. This showed us that the following lifts in 'likelihood to recommend' were (pay particular attention to the Emotion variable and the interactions):
  - Awareness 1%
  - Emotion 15%
  - Fit 4%
  - Brand rating/emotional connection 4%
  - Brand rating/self fit 5%
  - Emotional connection/self fit 4%
  - Three way near significant 3%

Thus awareness, emotion, and fit each have an incremental impact on the outcome. If we were to raise the score on 'likelihood to recommend' by one level (5 to 6, for example), then 15% of that 'impact' was caused by the 'emotion' response. Awareness and fit have their own singular weights. In addition, when we combine the variables 'brand rating' and 'emotional connection', we get an additional lift 4% (this is the interaction effect described above). It is in this way and to this degree that these important factors, identified by Harris, impact the outcome. This analysis cross validated the Harris results using a similar dependent variable (likelihood to recommend).

In general, the results of the meta-analysis confirmed that event engagement is driven by a unique combination of emotional and brand elements that can create significant positive outcomes, such as likelihood to recommend and purchase intent. While pricing and availability have minor negative pulls, they are overshadowed by the strong emotional and brand elements that work in isolation and in tandem. Further, the meta-analysis validates the Harris analysis based on purchase intent.

The meta-analysis suggested that how one feels about the brand experience, their emotional connection to the brand, and the aspirational brand fit work very well in tandem. Attendees may trust claims in ads (emotional influences/co created), but they learn more at events to further drive their purchase decisions (rational/cognitive experiences). A paradigm for event engagement may well be "motivate by emotion, persuade by reason", or "feel, then experience, then do". Vakratsas and Ambler's journal article "How Advertising Works: What Do We Really Know" (*Journal of*

Marketing, 1999) would classify this as an “Affect – Cognition – Experience” advertising experiential model, particularly suited to promotions, events, and sponsorships.

In the final analysis, this suggests that event efforts should focus on emotional and engagement-rich activities to attract and bring people into events; then focus on learning and experience (to reinforce the emotional, self-fit, and brand elements) at the events and in follow-up contacts with event participants (as part of a repertoire of relationship tactics); then on pricing/availability on the back end to make the sale. The unique learning of this research is the potential to leverage the ‘feeling’ toward the event sponsorship in follow-up contacts. Companies could, for example, try to re-establish those feelings with photos of customers, or of celebrity activities along with sales collateral sent following an event. The following principles supported here and by complimentary research introduced above, are:

- It is clear that the initial stages of event engagement have extraordinary power
- Products that require careful scrutiny and inspection fit the event venues well but also benefit from emotion/brand engagement in the early stages; e.g., it’s more than sampling, it is all the emotional, relationship, and experiential elements that should be considered or included
- Some customers need to experience your product before deciding whether to buy, some even

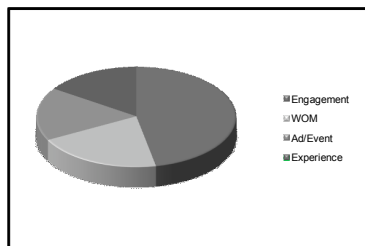
Correlations			
		Q710. CC - Emotional Connection to	Q715. CC - Self-Fit with
	Q548. Rating of Brand Experience (Love/Hate)		
Q710. CC - Emotional	Pearson Correlation	.563**	
Q715. CC - Self-Fit with	Pearson Correlation	.537**	.699**
Q1005. Likelihood to	Pearson Correlation	.566**	.754**
			.691**

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Figure 16: Correlation Table**

Due to the substantial correlations, **Factor analysis** was used to distill the primary survey responses into four ‘buckets’ of influence or impact. A clear engagement factor emerged, followed by three smaller factors centered on: WOM, ad/event characteristics comments, and brand/event experience responses.

This elicits further evidence of an emotional brand and event characteristic that is at work in the event/sponsorship world.



**Figure 17: Factor Analysis Results**

As described above, **the Regression model** indicated key drivers with the following impacts (Beta weights in parentheses):

- Emotional brand connection (.49)
- Aspirational brand fit (.19)
- Love/Hate ratings (.11)
- Learn more at events than from ads (.09)
- Trust claims more in an ad than at the event (.07)

These standardized weights reinforce the importance of emotional connection and aspirational brand fit on a key outcome of events (likelihood to recommend). They also suggest that ‘learning’ is more important *at* events than trying to build trust in claims about products – e.g. communicate rather than ‘sell’.

**ANOVA** results support regression ( $R^2 = .669$ ). Key interactions: Brand rating/emotional connection; Brand rating/self fit; Emotional connection/self fit; the three way interaction of these variables is near significant.

In the table below the lifts are indicated in the Partial Eta Square column: Awareness 1%; Emotion 15%; Fit 4%; Brand rating/emotional connection 4%; Brand rating/self fit 5%; Emotional connection/self fit 4%; Three way near significant 3%

Tests of Between-Subjects Effects

Dependent Variable: Q1005: Likelihood to Recommend to a Friend

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Observed Power <sup>a</sup>
Corrected Model	2701.440 <sup>b</sup>	92	29.363	13.681	.000	.722	1.000
Intercept	13.760	2	6.880	3.205	.041	.013	.612
548	14.743	4	3.686	1.717	.145	.014	.527
710	187.495	4	46.874	21.839	.000	.153	1.000
715	41.146	4	10.287	4.793	.001	.038	.954
548 * 710	41.651	7	5.950	2.772	.008	.039	.915
548 * 715	59.821	10	5.982	2.787	.002	.054	.972
710 * 715	41.204	9	4.578	2.133	.026	.038	.882
548 * 710 * 715	29.800	8	3.725	1.736	.088	.028	.753
Error	1038.823	484	2.146				
Total	33016.000	577					
Corrected Total	3740.263	576					

a. Computed using alpha = .05  
b. R Squared = .722 (Adjusted R Squared = .669)

Figure 18: ANOVA Table

CART analysis replicated the Harris complexity modeling on the full, aggregated dataset. Using a slightly different dependent variable (likelihood to recommend), virtually the same key drivers appeared. This verification strongly supports the validity of the Harris and G&R/ESI results.

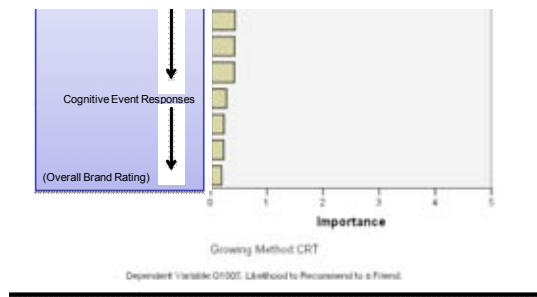
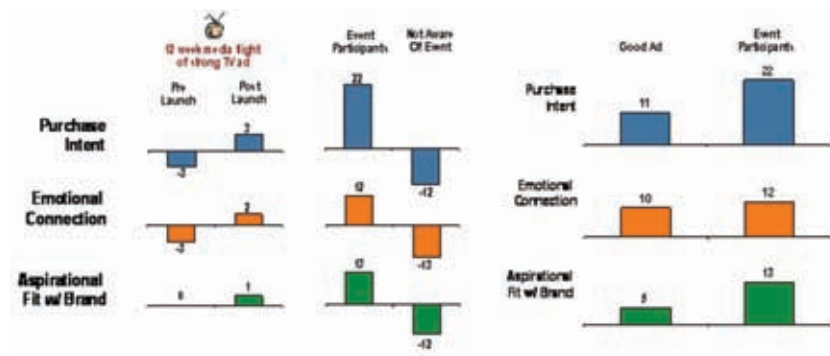
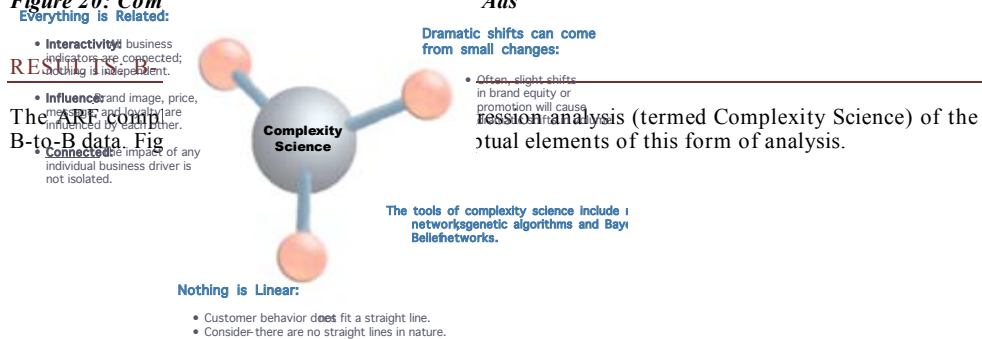


Figure 19: CART Output – key variables ranked by importance

The final piece of evidence is based on a proprietary meta-analysis completed internally by Harris Interactive. Figure 20 shows the relative lifts comparing a ‘strong’ TV ad with events. It is clear that the multiple attributes that distinguish events combine to drive a focused impact on event participants. As seen below, the negative consequences of ‘lack of awareness’ are evident.



**Figure 20: Comparison of Events and Strong TV Ads**



**Figure 21: Complexity Science**

The B-to-B analysis looked at each event individually and each brand individually, as well as all of their possible interactions (non-linear, neural network approach). The results were difficult to generalize due to the small number of events, inherent differences in the type of events, and the lack of context in terms of brands at the events that were not considered.

Nevertheless, some interesting patterns emerged:

- Net Promoter Score (NPS) is a consistent driver of intent to purchase
- Emotional engagement influence is filtered by other rational/experiential factors in the B-to-B arena

The analysis of individual events resulted in different configurations of import. For example, in addressing intent to purchase:

A major technology trade show:

- Emotional connections played a secondary role
- More important drivers were rational
- Self report on the event itself (experience) was of moderate importance
- Specific brands had specific (key) drivers
  - E.g., One brand's familiarity was very high; One had clearly defined promoters and detractors; and one had a very balanced set of drivers
- Retail-oriented hardware/software shows:
- Emotional connection (engagement) variables emerged more clearly as drivers of intent to purchase in this event
  - Particularly brand fit and brand consideration
- Cognitive and experience drivers were also important
  - Balanced about equally
- Of the three brands studied – each exhibited a different form of relative importance in driving purchase intent
  - One driven primarily by emotion; one by rational product/event attributes; and one by self reported experience of the brand/event

A technology show focused on consumer brands:

- This event was closest to the typical result in the B-to-C studies; that is:
  - Emotional drivers emerged as the most influential drivers of purchase intent, specifically, consideration of brand and brand fit

It is quite possible that carryover from participants "B-to-C" experience and perceptions of the brand at this event had an impact.

General observations that emerged from this analysis:

- Engagement is a driver in the B-to-B event and sponsorship marketing process
  - That said, it is more subtle and intertwined with rational and experience (participant's perception of) elements
    - This fits with a more transactional-orientation of B-to-B in general

- Difficult to generalize (at this point); event and brand uniqueness has to be taken into account, in terms of a focus on marketing activities and effectiveness metrics.

#### KEY WORDS

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Events, Sponsorships, Trade Shows, Engagement, Business to Business, Business to Consumer, Customer Connection, Meta-Analysis, Complexity Science, Trade Show Measurement, NetPromoter™.



ARF White Papers are valuable steps in developing new principles and guidelines. White papers are also useful for stimulating industry dialogue on critical new topics as illustrated by the series on defining Engagement. As working papers, they have not yet been Board approved.

Related White Papers on Engagement

**On the Road to a New Effectiveness Model:**

**Measuring Emotional Responses to Television Advertising (2007)**

The learning summarized in this report is based on the study of 33 television ads selected from a dozen consumer product/service categories by planning directors at AAAA's agencies. All the campaigns were judged to have created market impact. In each category at least one ad was judged to be predominantly a "story-telling" ad and one was judged to be predominantly a product or service feature-focused ad with an argument for its value. The white paper contains five key findings, ultimately demonstrating that the story-telling ads generate effectiveness by engagement, rather than by repetition or tonnage.

**Measures of Engagement: Volume II (2007)**

Volume II is rather heavy on the measurement of engagement in brand messages, but that is a welcomed shift in focus. This area (affectionately known as copy testing) has seen little innovation in theory and measurement in the past several decades. So, we are pleased to feature a range of innovative, yet empirically tested approaches to measuring engagement in the brand message.

**Measures of Engagement: Volume I (2006)**

To further encourage constructive dialogue, experimentation with engagement measurement and robust efforts to validate the predictive potential on brand preference, brand loyalty and sales, the ARF assembled a baker's dozen of measurement approaches.

**Engagement: Definitions and Anatomy (2006)**

It is the purpose of this white paper to engage all of us in engagement as a critical advertising paradigm to replace GRPs in the 21st century.

*To obtain any of these white papers, please e-mail Inna Sokolyanskaya, Research Project Manager, at [Inna@theARF.org](mailto:Inna@theARF.org).*

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