



## What is Your Conference Worth?

By Ed Jones, President, Constellation Communication Corp.

***“Recent evaluations revealed that participants left user and developer conferences with; ideas to present to others, plans to initiate new projects, higher priorities for system updates, and decisions to use more of the products and services provided by the host company.”***

Companies that sell complex products often host user or developer conferences to ensure their products are utilized with the greatest degree of effectiveness. Other common objectives include fostering “development,” product extensions and establishing a virtual “community” among users.

***“Most companies do not have an accurate gauge of what their conference actually produces in terms of value or quantifiable results.”***

Those objectives, while quite valuable, fall short of delivering the full potential of a well-conceived conference. Most companies hosting conferences do not have an accurate gauge of what their conference actually produces in terms of value or quantifiable results.

Applying valuation techniques to many of the world’s best conferences demonstrated that payback was usually greater than anticipated. Payback is realized when:

- 1) Conference participants take actions, after the fact, which deliver increased sales, increased loyalty and revenue retention.
- 2) The conference activities result in cost savings, by accomplishments during the conference that otherwise would require future time and expense. Conferences also achieve savings in reduced customer support requirements.
- 3) A conference generates considerable press and pr, and has associated advertising and marketing campaigns. The value of the promotion generated

## Return on Investment in Conferences

by a large conference can be worth several million dollars in equivalent advertising cost to accomplish the same exposure.

***“The value associated with the three elements of payback produced an identified impact in excess of \$30 million dollars.”***

We evaluated major conferences for BMC Software, Cisco, Gartner, IBM, QualComm, RSA Security, and others in recent years. For many of these conferences, the value estimates associated with the three categories of payback exceeded \$30 million dollars. In some cases, the conference income statement was already cash positive, through registration fees, sponsorships, and exhibition income. In all, the net benefits often exceeded the cost by a factor of 10 - 20x.

For all conferences evaluated, we developed a simple payback ratio of benefit dollars (in the categories described), divided by the event budget. These ratios ranged from less than \$2/1 to a high of \$240/1, on a multi-city road show tour for a major computer manufacturer.

***“A conference can be a major factor in shaping market perceptions of your company and offerings, and generate post event actions that result in tangible sales.”***

Conferences can deliver considerable value and return on investment in many ways. A conference can be a major factor in shaping market perceptions of your company and offerings, and generate post event actions that result in tangible sales. “Recent evaluations revealed that participants left user and developer conferences with; ideas to present to others, plans to initiate new projects, higher priorities for system updates, and decisions to use more of the products and services provided by the host company.”

Perhaps of greatest importance, the participants reportedly had the necessary information to “justify their need and sell the changes internally.” These post conference actions produced increased customer retention and new revenue opportunities. Conservative estimates of the near-term revenue potential and positive impact on customer retention, based upon actions and budgets of participants, ranged from \$25 to \$50 million over a twelve month period, and in multiples beyond.

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## Return on Investment in Conferences

Participants reported their conference experience to be a strong influence on loyalty, and when desirable, can be a strong factor in reducing their dependence on technical support. The conferences were also reported to be a strong competitive differentiator for the host.

Determining the true results of a conference requires careful measurement, aimed at identifying how value is created. The areas of measurement include:

- **Pre - Conference** - prospect perceptions, values and needs research used to target content and develop conference marketing materials with a compelling “draw.”
- **At - Conference** - on-site measurement of workshops and sessions to determine effectiveness and to provide for mid - course corrections if necessary.
- **Post - Conference** - overall conference evaluation by participants including:
  - Impact of their conference experiences on their future job performance
  - Intent to act in a manner that benefits the host
  - Satisfaction with the conference and suggestions for improving it
- In addition, conference managers must measure exhibitor and sponsor value received, their satisfaction with the management of the event, and their suggestions for making the conference more effective in the next iteration.

***“The measurement must be woven together to develop a fabric of value that can reported.”***

The evaluations we conduct are considerably different from typical conference evaluations. The measurement must be woven together to develop a fabric of value that can be reported. Conference evaluation and valuation requires a structure that, at a minimum, includes:

1. How specifically did the participants gain value from the conference experience and how will that benefit the host?
2. How else did the sponsor benefit from the conference?
3. Does hosting this conference create a strategic advantage for the host?
4. What is the outlook for post conference activity for the host and for the companies participating in the exhibition or as sponsors?
5. How can the effectiveness of the conference be increased in the next iteration?

**A final note:** Executive management sometimes evaluates an event, such as a conference, based upon very limited, circumstantial observations, often while attending as a guest or speaker. Some conferences have been cancelled or budgets restricted based upon these superficial “drive-by” evaluations.

Approaching your conference from a structured measurement perspective allows you to define the evaluation criteria in advance and set appropriate expectations.

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Most importantly, this approach provides you with a structure to articulate the value delivered to your company. In fact, many of our clients carry their event measurement reports in with them as the basis for their annual job performance evaluations.

**For more information** about establishing the value of your conference, or to determine how to increase the value of an existing or future conference, contact **Constellation Communication Corp.** at [inquiry@constellationcc.com](mailto:inquiry@constellationcc.com) or call us at **+1.770.391.0015**.