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New Study Charts Impact of Live Events

Second-Annual EventTrack Study Documents Power of Experiential Marketing

- **Nine out of Ten Consumers Become Regular Customers After Events**
- **Spending on Experiential Marketing in 2012 was Twice the Average Among Billion-Dollar Brands**
- **Agency Revenues up 12% in 2012 – first double-digit year since 2007**

NORWALK, CT – The results of the second-annual EventTrack study are out and they show continued robust growth of experiential events as a strategy for breaking through marketing clutter and driving business results.

Launched last year by the Event Marketing Institute (EMI) and Mosaic Experiential Marketing, EventTrack 2013 is the only study of its kind that surveys event participants, event sponsors and event creators to benchmark best practices, document growth and chart the use of experiential events as a marketing strategy among consumer and business-to-business brands.

Event Participation Drives Repeat Purchases

Marketers have used events for years as a way to spur immediate sales, but EventTrack research reveals that initial conversions – often the result of a trial incentive – can yield ongoing brand loyalty. In fact, 52 percent of consumers said they purchased the product or service marketed at a recent event they attended. Additionally, 54 percent of event participants said they purchased the product or service after the event at a later date. More importantly, 88 percent of participants who buy once say they become regular customers. Additionally, according to the survey findings, 70 percent of consumers leave events and experiences with a more positive opinion of the brand, company or product showcased.

Key Influencers on Purchase Decisions

The key factor in making the purchase decision at an event or store visit is the ability to sample the product or see a demonstration. One out of three consumers said they are influenced when the event provides a better understanding of the product or service. Twenty-five percent say a coupon offering a discount influences their purchase decision.

	2013
Samples and demonstrations of product/service	71%
Better understanding product/service	33%
Coupon offering a discount	25%
Learning how the product/service is superior to competitor	18%
Another incentive offered with purchase	9%

Source: EMI/Mosaic EventTrack 2013

"The follow-on impact of an initial sales conversion is an important area for marketers to consider when creating their event programs," notes EMI President Kerry Smith. "Oftentimes events are evaluated based on short term financial goals such as if the outcome of the program covered the costs. This data suggests that marketers who add engagement elements to their live programs and can track future sales activity can begin to document the lifetime value of a converted customer. This could change the conversation around event performance from being about short-term impact to be more about longer-term ROI."

Consumers' Ratings of Events Climb

The overall key finding, reinforced from responses to a number of the consumer survey questions is that event and experiential marketing continues to be effective in raising awareness, educating customers, and increasing sales. For example, 95 percent of the consumer respondents said that participating in a recent event made them more inclined to purchase the products being promoted. This is the same percentage of consumers found in the inaugural EventTrack 2012 survey.

There has been a significant increase in the overall experience ratings provided by consumers in comparison to the 2012 findings. Thirty-two percent of consumers in the new survey rated events and experiences as excellent compared to 24% in 2012. Forty-six percent rated events and experiences as very good vs. 32% last year.

Overall Consumer Ratings of Events & Experiences

	2013	2012	% Change
Excellent	32%	24%	***+8%***
Very Good	46%	32%	***+14%***
Good	20%	35%	***-15%***
Poor	2%	10%	***-8%***

Source: EMI/Mosaic EventTrack 2013

Fast Growing Mobile Usage by Consumers During In-Store Events

A significant finding in this year's study is that consumers are increasingly using smartphones and tablets while at in-store events and experiences to do things like compare pricing. The percentage of consumers using mobile devices when in stores at events and experiences has jumped to 64% this year from 47% in the 2012 survey. The new survey also shows significant increases in how consumers use their devices when in-store. Forty-two percent of consumers say they use smartphones to compare pricing while at events compared to only 29% last year. This year 40% say they take a picture compared to 29% in 2012. Larger percentages of consumers also scan QR codes, send messages about the event or experience, and receive an instant sales incentive today.

How Smartphones or Tablets are Used During In-Store Events & Experiences

	2013	2012	*% Change*
Compare pricing	42%	29%	***+13%***
Take a picture to share it with family/friends	40%	29%	***+11%***
Scan a QR code to get more information	30%	18%	***+12%***
Send a message about experiences to family/friends	28%	18%	***+10%***
Receive instant sales incentive	24%	11%	***+13%***

Source: EMI/Mosaic EventTrack 2013

“The study’s findings truly reinforce the impact and importance of events and experiences on consumer perception and ultimately purchase intent,” said Jeff Stelmach, President, Mosaic US. “The 2013 EventTrack study allows us to share with marketers what is working today, and provide them with insights on the future of the industry.”

About the Consumer Respondents

Fifty-two percent of the consumer survey respondents are female. The respondents’ age categories are broken-out as follows: under 25, 3%; 25 to 35, 25%; 36 to 45, 20%; 46 to 55, 24%; 56 to 65, 22%; over 65, 6%. The events attended most often by the consumer audience surveyed are held at large big box retail stores, grocery stores and supermarkets.

Biggest Brands Double-Down on Events

The world’s largest marketers – those with over $1 billion in revenues -- boosted their spending on events and experiential programs by 9.8 percent in 2012, nearly double the average of 5.0 percent among all companies. Looking to 2013, the collective industry budget growth rate outlook is an average 4.7 percent increase in event and experiential marketing spending.

Overall, comparing the 2012 and 2013 EventTrack Brand Surveys finds that top corporations are showing positive increases in the following areas: higher senior management view of event and experiential marketing; improved ROI ratios seen and expected from their event activities; incrementally more integration between event programs and other marketing and media campaigns; and increased use of social media especially to enlist influencers and to help with measurement. Additionally, a larger percentage of brands say they are thinking more strategically about their events and experiential programs.

Budget Trends

Event and experiential marketing budgets increased by an average of 5 percent in 2012. This growth rate is more than double the growth of the U.S. economy as measured by GDP, and faster than the 3.6% overall industry budget growth tracked for 2011 in the inaugural EventTrack study.

“It’s encouraging to see that top corporations are investing in event marketing, and that they are finally seeing the ROI that events and experiences can deliver to their bottom line,” said

Stelmach. "It's hard to dispute the value of experiential marketing when 95 percent of consumers are more likely to purchase a product after attending an event. "

Top Three Brand Event Marketing Goals & Strategies

By far the top two goals and strategies for event and experiential marketing are to increase brand awareness and drive sales. Seventy-nine percent of brand survey respondents selected increase or create brand awareness as a key goal and strategy in the new survey, up from 73 percent in the inaugural EventTrack survey last year. Increasing sales was selected by 77 percent of brands in the new study compared to 83 percent in 2012.

	2013	2012
Increase / create brand awareness	79%	73%
Increase sales	77%	83%
Enhance product knowledge and understanding	58%	53%

Senior Management Views Event & Experiential Marketing

Twenty-nine percent of brand marketing personnel say their senior management view events and experiences as critical and essential. This is up from 25 percent in the previous survey. Today, 43 percent of event marketing personnel say their event and experiential programs are considered an important part of the marketing mix to senior management.

	2013	2012
Critical, essential element of the marketing mix	29%	25%
Important part of the marketing mix	43%	42%
Necessary to strategy, but skeptical of the impact	22%	25%
Not important	3%	5%
Don't know / unsure	3%	3%

Source: EMI/Mosaic EventTrack 2013

Marketers Using Social Media to Reach More Influencers

The percentage of brands that use social media to reach more people and drive participation has increased from 71 percent in the 2012 survey to 80 percent today. In the new survey, 46 percent of brands say they are using social media to enlist influencers, which is an increase from 41 percent in 2012.

	2013	2012	*% Change*
To reach more people, drive participation	80%	71%	***+9%***
Communicate event information	72%	72%	***No Change***
To enlist influencers	46%	41%	***+5%***
General goodwill	34%	33%	***+1%***
Build a database	31%	40%	***-9%***
Disseminate special offers	28%	29%	***-1%***

Source: EMI/Mosaic EventTrack 2013

Marketers Plan for Event ROI

Seventy-one percent of brands say they measure their event marketing programs, the exact same percentage found in the 2012 survey.

The survey asked brands to indicate the ROI level realized or expected from their event and experiential marketing programs. The findings from the 2012 and 2013 surveys are compared in the table below. This year 20 percent of brands see or expect a 2-to-1 return on investment, while a total of 23 percent realize or anticipate either a 3-to-1 or 4-to-1 ROI. A total of 12 percent see or anticipate a significant return ratio of 5-to-1 or greater on their event and experiential marketing investment. Comparing the two years of survey data suggests that brands are incrementally improving their event and experiential marketing ROI ratios.

ROI Level Realized or Anticipated

	2013 %	2012 %	*% Change*
1 to 1 return	6%	7%	***-1%***
2 to 1	20%	19%	***+1%***
3 to 1	16%	13%	***+3%***
4 to 1	7%	5%	***+2%***
5 to 1	5%	2%	***+3%***
Greater than 5 to 1	7%	7%	***No change***
Not applicable	39%	47%	***-8%***

Source: EMI/Mosaic EventTrack 2013

About the Brand Survey Respondents

Fifty-five percent of the brand respondents have event and experiential marketing budgets over $1 million. Ten percent have budgets over $50 million. The industry sectors most represented by the brand respondents are information technology, entertainment and media, financial services, consumer products, consumer electronics and mobile telecommunications, and medical. Thirty-two percent of the brand respondents work for companies with over $1 billion in gross revenue.

Event Agencies Ride the Comeback Wave

Event and experiential agencies saw 2012 as their best year since 2007, with average gross revenues up 12.4 percent, according EventTrack 2013. This is up from the reported 8.5 percent revenue growth rate for 2011.

Agency executives are event more bullish on 2013, with the average agency gross revenue growth expectation at 15.2 percent. Event and experiential marketing agency revenue, according to the survey respondents, is growing significantly faster than the U.S. economy as measured by GDP expansion. EventTrack is the only study to survey brand marketers, agency executives and consumers on their current and future plans and attitudes concerning live-event marketing.

Client Priorities are Driving Growth

Agencies say their brand-side clients' top three overall event and experiential goals and strategies are to increase sales, enhance brand awareness, and launch new products. Comparing the 2012 and 2013 Agency Survey results finds that increasing sales was also the number one client focus according to agencies last year with the same exact answer percentage -- 89 percent. Increase and create brand awareness was selected by 86 percent of agencies this year compared to 77 percent in the first study. More significantly, launching new products was chosen as a key goal and strategy by 68 percent of agencies last year and a significant 81 percent in the new survey, suggesting that marketers are realizing the power of live events to break through the clutter for product launches.

	2013	2012
Increase sales	89%	89%
Increase and create brand awareness	86%	77%
Launch new products	81%	68%

Source: EMI/Mosaic EventTrack 2013

Marketing Integration on the Rise

Eight out of ten agencies say their key clients' event and experiential programs are more integrated with other media and marketing initiatives than previously, and that brands are being more strategic with events and experiences.

"Today, the best event and experiential marketing agencies are integrating brand experiences across the marketing mix, engaging consumers at every point along the path to purchase -- in person, online and at shelf," says Stelmach. "The days of one-dimensional event marketing -- where brand experiences are limited to live events -- are over."

Agency & Brand Survey Comparisons

A number of similar survey questions were asked of both agencies and brands. There are a number of areas where agencies and brands agree, as well as a number of significant differences.

There are differences related to what agencies and brands say are the overall goals and strategies for events and experiential marketing. The top two goals and strategies are the same but in a different order. Agencies see increasing sales and increasing or creating brand awareness as the top two strategies and goals. Brands agree but have these in a different order. What is more significant is that 81% of agencies say launching new products is the third most important goal and strategy, while only 49% of brands agree (and this is the sixth ranked goal/strategy by brands). Another key difference is that brands rank the goal of influencing deeper customer involvement higher than agencies.

About the Agency Respondents

Fifty-three percent of the agencies managed over 100 client events in 2012 and 18% managed over 1,000 events and experiences. The primary industry sectors represented by the agencies' key clients are consumer products, consumer electronics/mobile technology, medical and pharmaceutical, and automotive. Seventy-five percent of the responding agencies have total gross revenue over $5 million and 23% have more than $50 million in revenue.

About EMI

The mission of the Event Marketing Institute (EMI) is to help our members enhance their professional performance by providing comprehensive education, research, and analysis related to emerging trends and insights into event marketing strategy, as well as creating a growing list of productivity tools and professional networking opportunities to foster information exchange. To learn more go to www.eventmarketing.com.

About Mosaic

Mosaic is among the fastest growing agencies in North America. With a clear vision of using People as Media™ to connect brands with consumers, it conducts thousands of consumer events and retail visits across North America every year. With more than 12,000 field employees and blue chip clients such as P&G, Coca-Cola, Microsoft, Disney, Rogers Wireless and many others, Mosaic has established itself as a clear leader in helping brands connect with consumers in non-traditional ways, including retail events, community experiences, assisted selling, and online social media extensions.

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Copies of the EventTrack 2013 Executive Summary can be downloaded from the EMI website: www.eventmarketing.com

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