Building the value proposition of the product to create ROI for the exhibitor

New Delhi, May 28, 2011

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We are a globally operating consulting firm

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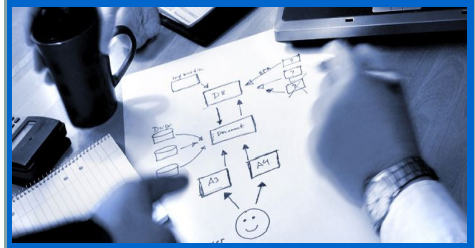
Strategy & Strategic Marketing



Value-based Service Portfolio Development & Pricing of Trade Fair Services

Business Intelligence

Planning and Construction of Venues & Venue Enlargements

Training and education

jwc's mission is to
create competitive advantages for our customers
through unique solutions

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Agenda

- Introduction
- The value proposition
  - Fundamentals
  - Mistaken perceptions
  - Building the value proposition
- Value propositions in the exhibition industry
- Summary and conclusions

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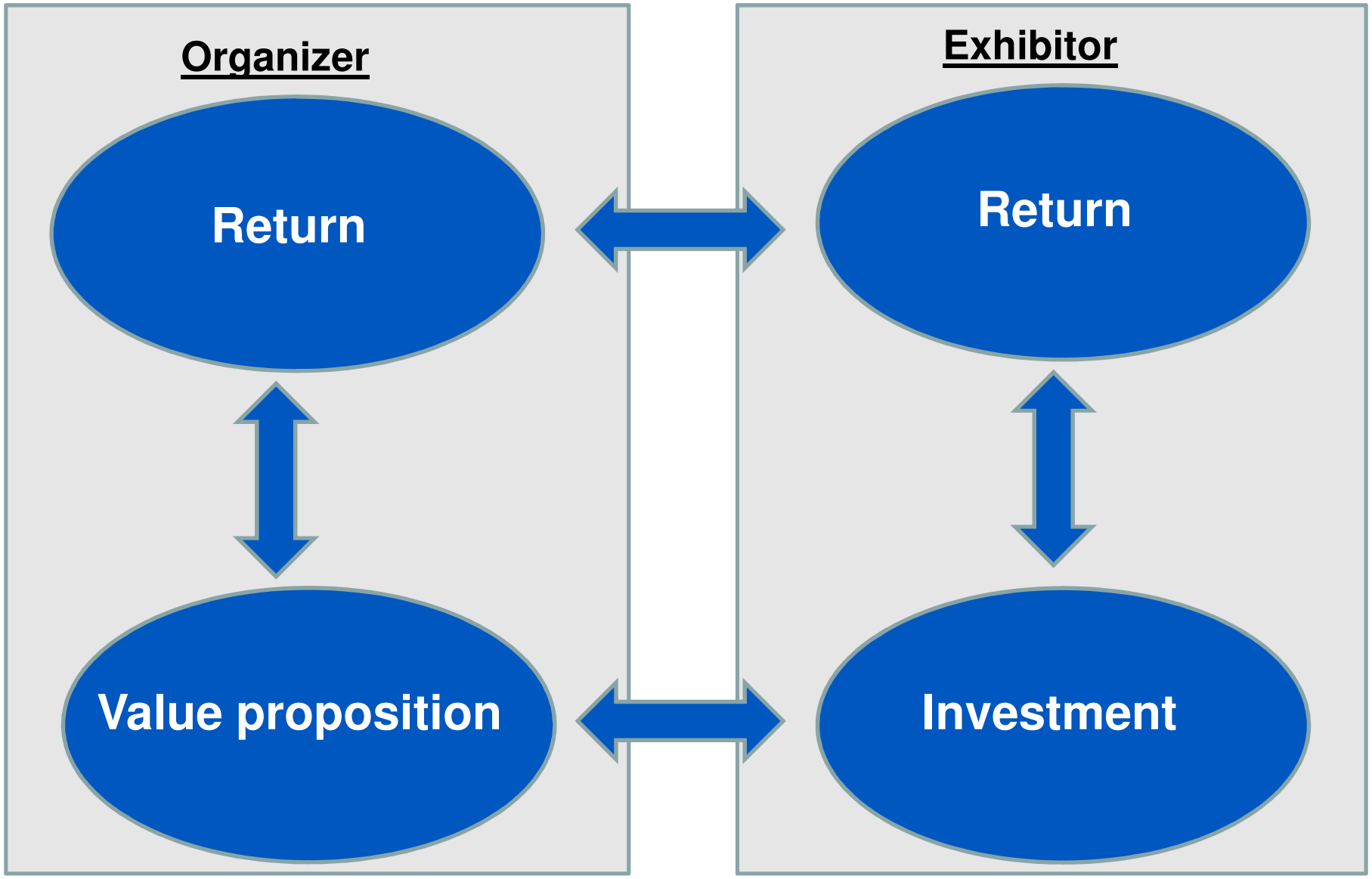
Building the VALUE PROPOSITION of the product to create a RETURN on INVESTMENT for the exhibitor



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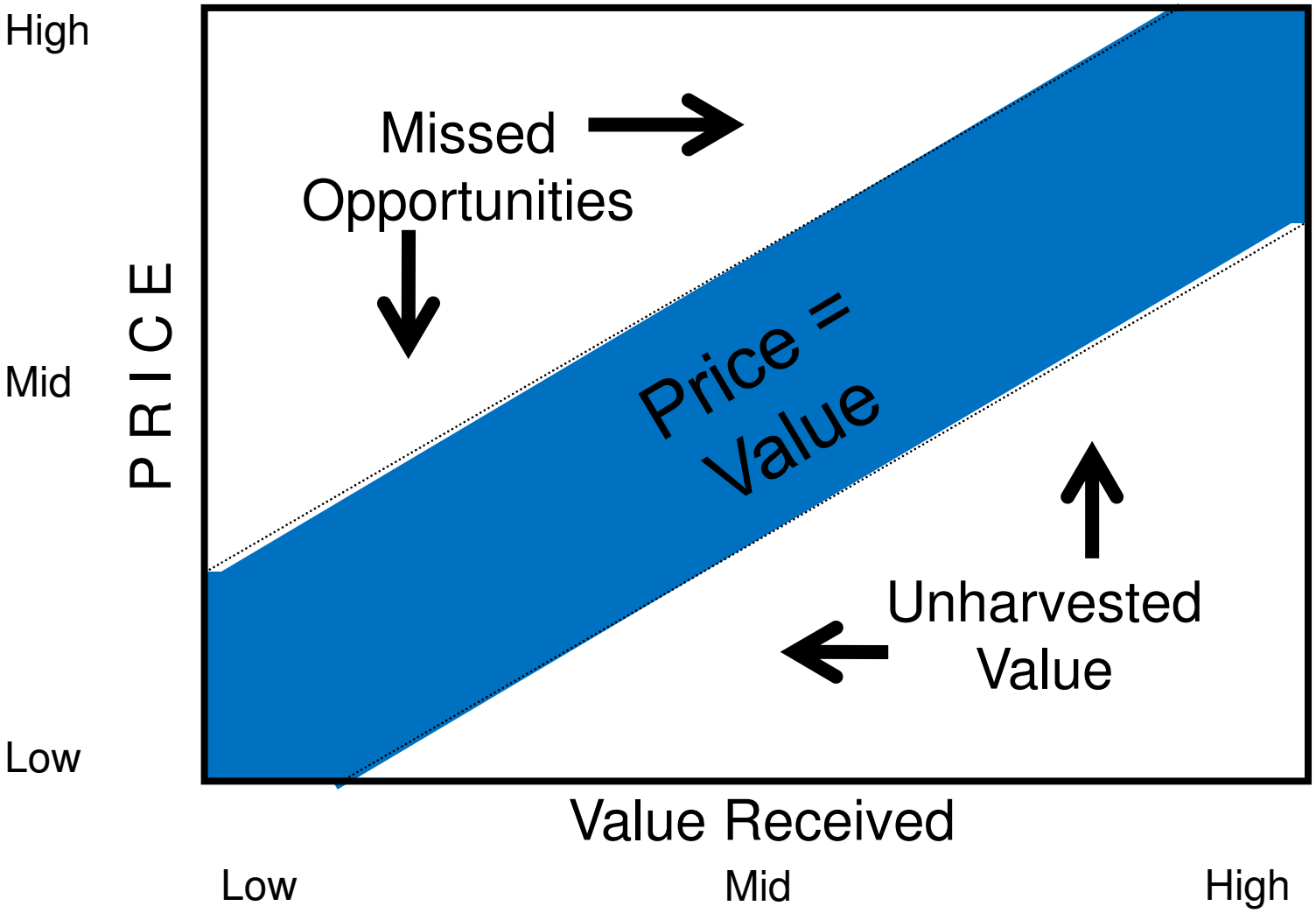
Delivery the "right" value proposition is connected to the right price for each product/service



Source: Graphic is based on a T. Nagle publication

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Value proposition, definition

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A business or marketing statement

that summarizes

why a customer should buy a product

or a service

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Does your value proposition contain real value for you customers?

- "The world's leading events organizer delivering contacts, content and communities with the power to transform your business. "
- "As the world's largest trade fair corporation with its own exhibition grounds, we can offer our customers a presence in more than 150 countries around the globe. Before, during and after the trade fair, we are attentive hosts who take excellent care of our exhibitors, visitors and guests – everywhere in the world."
- " Our comprehensive support to the advanced manufacturing sector is delivered through a highly coordinated suite of trade shows, conferences, publications, websites, e-newsletters, databases, and other digital media. Our media products play leading, crucial roles in the markets they cover. "
- " Our exhibitions provide exhibitors with the perfect opportunity to achieve a host of sales and marketing objectives including direct sales, brand building, product launches, sampling, research and customer interaction. "

After a while their value proposition seem very similar…They are all correct, but what is the difference?

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Mistakes made when value propositions are developed and communicated

- Many organizer try to develop “THE VALUE PROPOSITION.” There is no such thing as THE value proposition
- Exhibitor needs vary; effective value propositions must address the needs in different industries and different customer groups
- Exhibitor needs change; effective value propositions must be constantly updated to meet the changing needs of customers
- There are no standard recipes, real understanding of what your customer seeks to accomplish, the roadblocks they face, and what is important to them, is crucial

Source: jwc , Dave Brock

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Defining and communicating a value proposition needs focus on several issues

- Clear understanding of customers‘ needs and customers’ business problems which need to be solved

- Value is the difference between the perceived benefits and consequences of selecting a solution

- Create many „benefits/solutions“ and consequence combinations. Otherwise the risk it very high you miss out business

- To win, the customer must perceive that your value proposition is superior to every alternative being considered. This includes competitors, competing events, alternative media, or the possibility of the customer doing nothing

Source: jwc, Dave Brock

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Questions to be answered on the way to create value propositions

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- What do we do in helping our customers
  - increase their revenue
  - decrease their costs
  - increase their profitability
  - improve their productivity
  - improve their cycle time/speed
  - improve the satisfaction, retention, and growth of their customers
  - improve their quality
  - improve the satisfaction of their employees
  - better respond to the needs of their customers, to new opportunities that might be presented by their customers, or to threats

Source: jwc, Dave Brock

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What do we sell?

- m^2
- Services

Main source of revenue

Source of revenue and customer satisfaction

- Cleaning
- Signposting
- Security
- Furniture, decoration
- eServices
- Translation
- Transportation
- Personnel
- Audio-visual projection
- Accommodation
- …….

- Electricity, water
- Catering
- Internet,
- Telephone,
- Fax,
- Printing
- Technical equipment
- Electronic catalogues
- Stand construction and design
- Sponsorships
- ……

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What should we sell?

m^2	Main source of revenue
Services	Source of revenue and customer satisfaction

- Right (number of) visitors

Visitors are the only reason for the exhibitors to attend a show

- Lead Generation

Trade shows can give momentum to entire industries or an individual company

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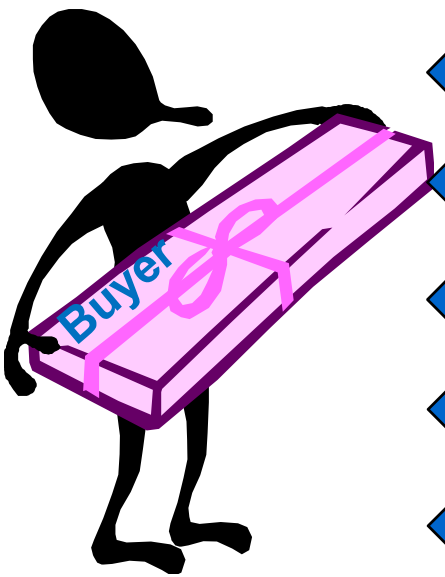
Buying behavior is changing

Buyer and seller have numerous alternatives to communicate:



- **Information and communi-nication takes place on some or all of these channels**
- **Place of transaction is mostly random**
- **Communication service providers need to offer a possibly high number of alternative channels**

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Additional lead generation for show participants through digital media

- E-mail marketing/advertising
- Online advertising (banner ads, search marketing)
- Audio downloads/podcasts
- Webcasts
- Online video
- Online games
- Web site/microsites
- Social media sites (Facebook, LinkedIn, Twitter, etc.)
- RSS
- SMS/MMS mobility
- Virtual media/virtual complements to live events
- Web-based event management tools
- Blogs
- Google Adwords

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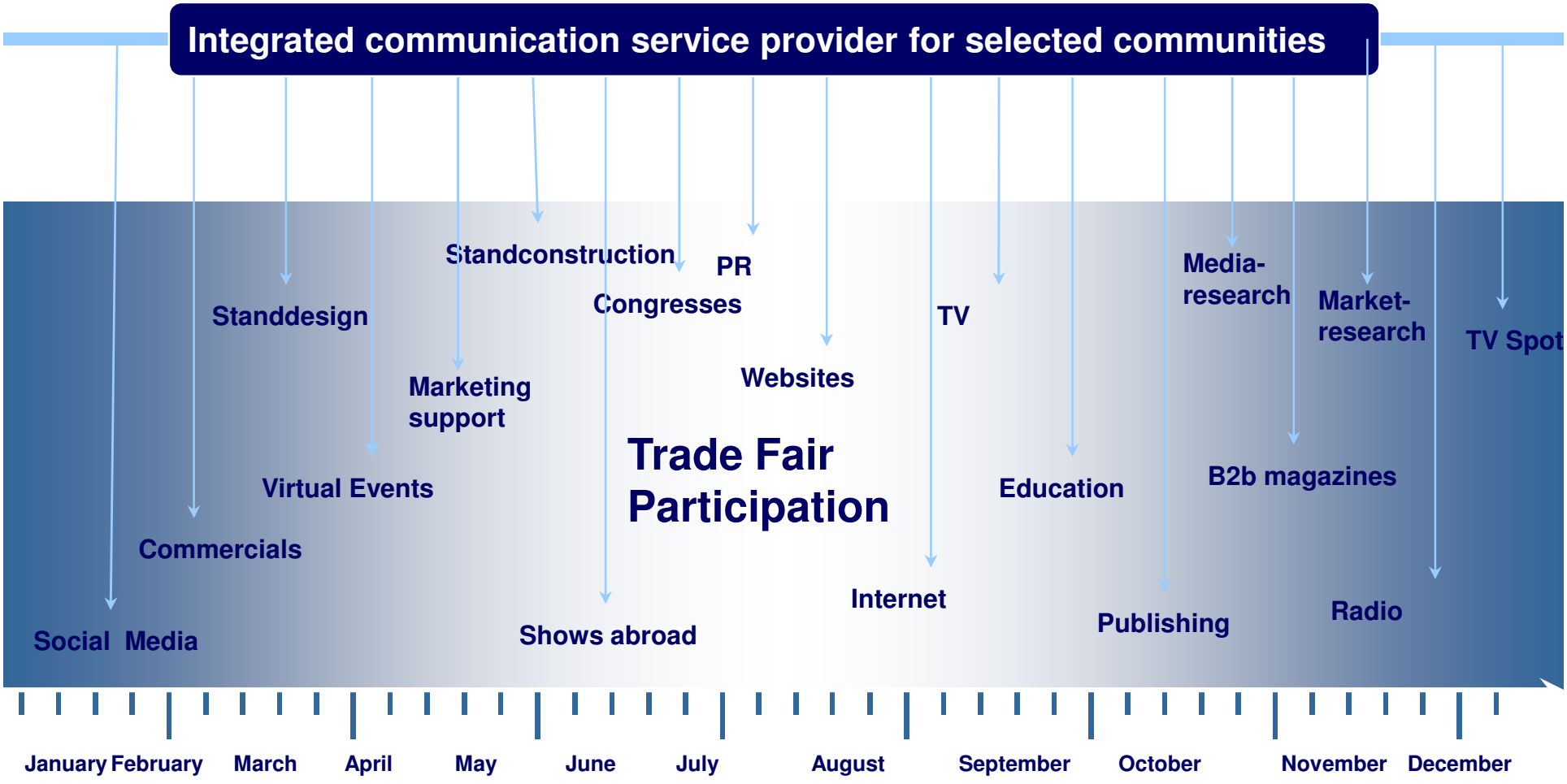
Customer needs change… and the value propositions in our industry need to change too



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From sqm-sales to providing market solutions

- Many kinds of services are available, but there are still some gaps to be closed
- Support the exhibitor to build bridges into markets
- Help to make the exhibitor's performance a full success
- Help to set the USP of a company in scene
- Offer tailor made solutions/customized packages
- Satisfy the client's individual demands
- Business match making via network portals /social media
- Intensive care for first timers

Exhibitors are expecting more than just being sold square meters.

The trade fair industry has to promote the change from space sales to providing marketing solution.

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How do we determine the needs of our customers?

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Determine customer needs

- DATA/DATABASE
- CRM

What is CRM and why do we need it ?

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Understanding of CRM varies widely:

- “CRM in a trade fair company is not IF but HOW”
- „TOP-Management support is mandatory“
- “It is key to a successful CRM”
- “Restructure your Customer Data Management”
- “Technology can be the enabler”
- “CRM needs broad support from the IT department”
- “Implement a strong CRM Governance”

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CRM is a process

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- DATA/DATABASE
- CRM ≠ IT

- The goal is:

IDENTIFY AND UNDERSTAND CUSTOMER NEEDS !!!

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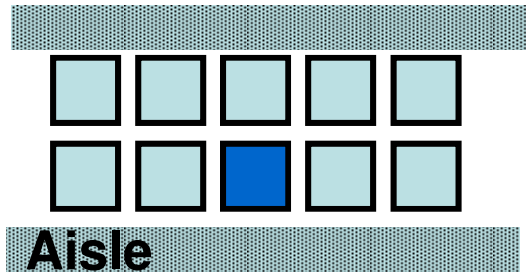
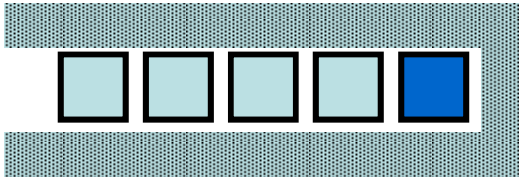
Customer needs <u>may</u> seem obvious...

Four alternatives of "booth layout"

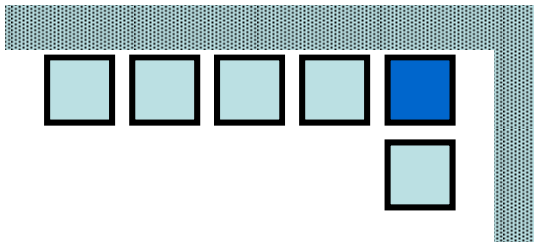
„Row" Space:



„Peninsula" space:



„Corner" space:



„Island" Space:

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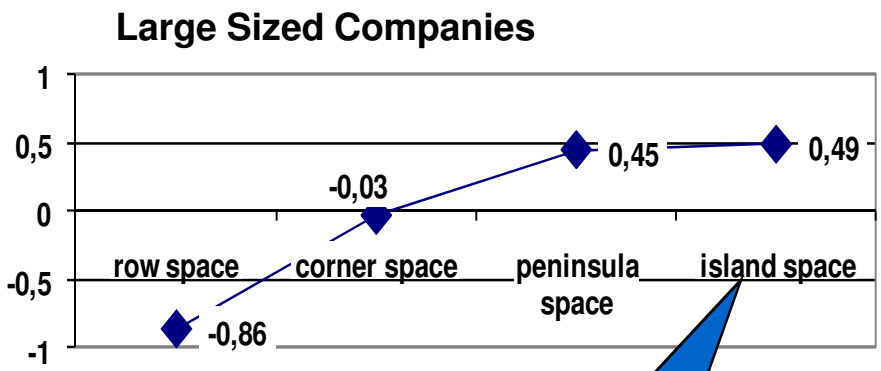
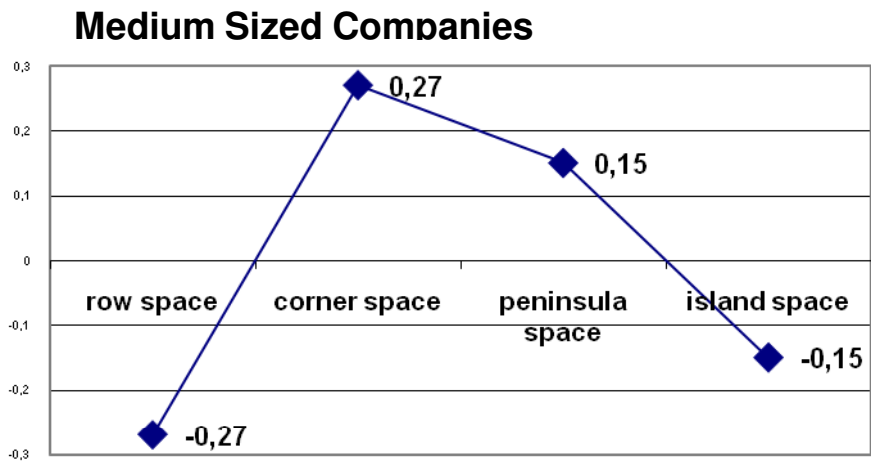
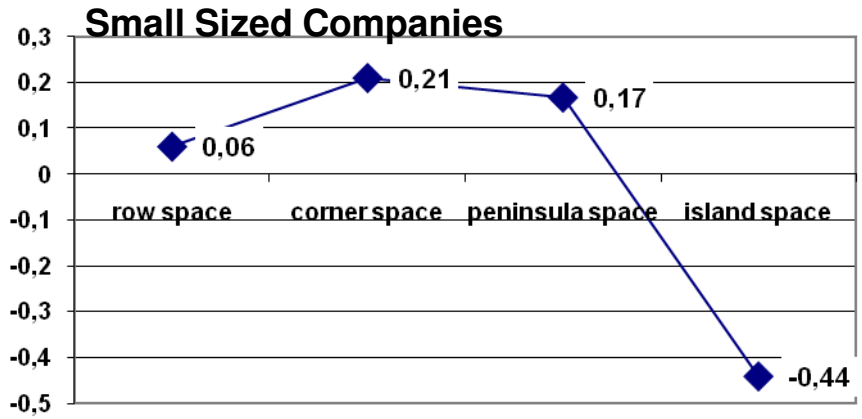
… but, in fact, are not always







The large sized companies prefer the island space – but for the small sized companies this kind of booth provides, relatively speaking, least value

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Customer needs: Booking time

Exhibitors value different booking times differently*

- Many exhibitors do not want to book too early (unnecessary restriction)...
- ...but also not too late (insufficient time for preparation)
- 12 months prior to the event offers optimal planning/risk mix

•Based on **real data** from a survey: The data shown was measured for a bi-annual trade fair.

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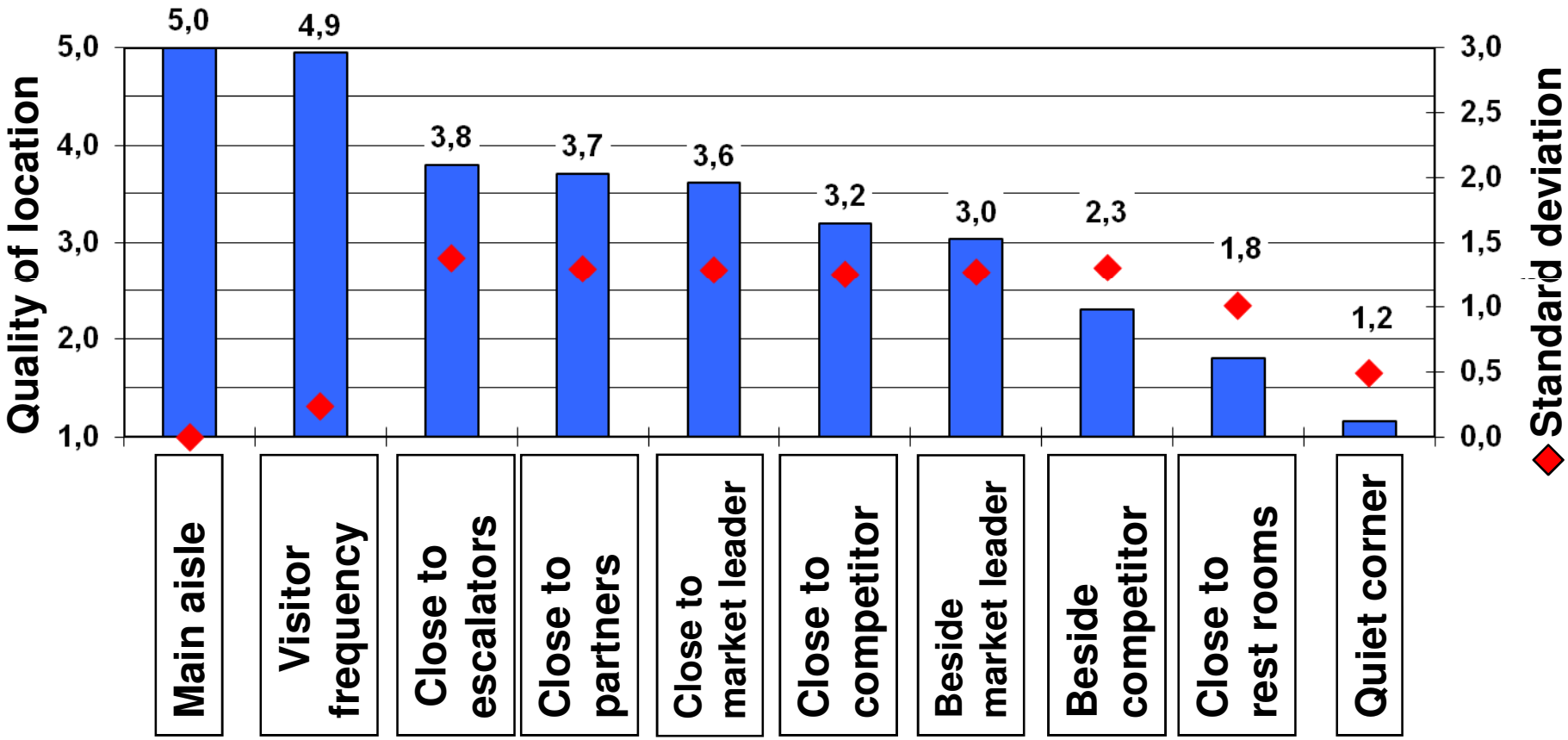
Customer needs vary strongly….



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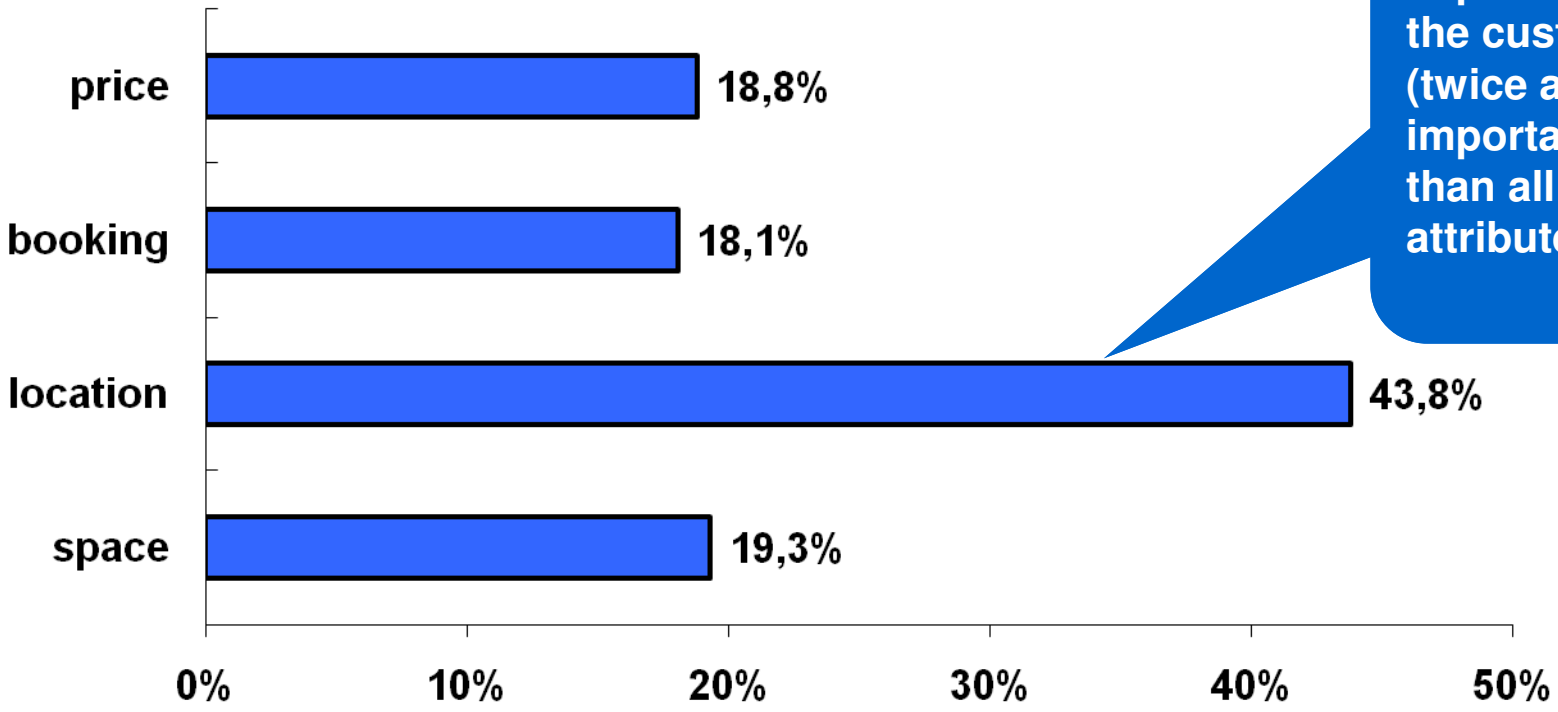
… but with clear priorities



The location is really important to the customer (twice as important than all other attributes)

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Summary: Value propositions for the trade fair industry

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Creating partnerships with exhibitors for their trade fair activities

- Prepare exhibitors for the show (set objectives, KPIs)
- Help them in their marketing for the show
- Help them to perform on the show floor
- Offer value based services for the show (not: one size fits all!)
- Help them to evaluate the show
  (# of attendees, attraction rate, conversion rate, # of leads, costs / lead, business generated, measure return)

Creating partnerships with exhibitors for activities taking place all over the year in communication, marketing and sales

- Provide integrated marketing solutions
- Provide integrated communication solutions

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Summary: Never forget….

- …to find out customer needs
- …to understand customer needs
- …to offer products tailored to customer needs
- …to price the product and service according to the perceived value
- …it's a must to find out the value proposition which your company offers to your customers

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A value proposition must be compelling enough to make a person buy a product or service

Thank you !

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