

**A white paper on
improving event
ROI
by Rachel Oliver
and Roger Lewis**



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Increasing ROI by understanding attendee behavior, interests & preferences

EXECUTIVE SUMMARY

- Organizers are able to significantly increase conference and tradeshow ROI by understanding attendee participation, preferences, behavior and interests.
- Benefits:
 - ✓ Accurate and validated attendance information
 - ✓ Gain insight into attendee behavior and interests
 - ✓ Understand preferences by demographics
 - ✓ Real-time visual reports
 - ✓ Identify additional 'Lead Potential' and revenue opportunities
- Companies such as IBM, Cisco, SAS, and Computer Associates are using the technology. Tradeshow and associations are also adopting RFID.
- Privacy issues are addressed and 2006 data proves attendees are not opting out of being tracked.

Professionals throughout the event industry are seeing dramatically increased return on investment in conferences and tradeshow, thanks to a new tactic in their event management strategy. Companies such as CA, IBM, SAS, and Cisco are reaping major rewards by using attendee behavioral analysis to better understand attendee preferences and interests. Renowned retail anthropologist and CEO of Envirosell, Paco Underhill has commented, "The key to increasing sales and ROI is a good understanding of consumer behavior."

At the end of the day, the event planner's ability to understand the needs, preferences, and interests of an attendee determines the likelihood that an event will reach its objectives. Whether those objectives are the acquisition of qualified leads or are educationally oriented, better knowledge of behavior patterns provides significant insight into the true success of the event. Today, more and more companies are exploring new methods to examine behavioral patterns, and—as a result—their understanding of attendee needs and interests is increasing.

Are surveys the answer?

In the past, professionals would attempt to ascertain the event's success by using surveys, which generally proved to be unreliable because of a number of factors. A common challenge for event managers is obtaining statistically accurate data. In most cases, approximately 15%-40% of attendance surveys are completed,

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and it is assumed that the data is sufficient to evaluate attendee opinions overall. In reality, this amount of data rarely provides the event manager with a statistical accuracy that would enable a decision with a confidence level of 90% or greater. Surveys also don't provide insight into attendee behavior, which is necessary to analyze the results in an effective manner.

The major problem with electronic surveys is the high probability that the attendee will not answer all of the survey questions correctly. Several theories exist regarding the cause of this tendency, but the fact remains that electronic surveys fare the worst, in terms of providing enough data to achieve statistical accuracy.

Why is Understanding Behavior so important?

The reason it is essential to understand attendee behavior is that it allows event organizers to increase ROI against objectives, as well as increase revenue and sales. Paco Underhill drives this point home with an HP case study that demonstrates the importance of increasing ROI by understanding behavior.

Envirosell conducted an in-person study of consumers at a CompUSA who were shopping for a printer. About 80% of the consumers heading into the store stated they were going to buy an HP printer. However, video footage showed that a significant number of shoppers, who stated their intention was to purchase an HP product, actually purchased a different brand. Something happened in the in-store experience that led consumers to change their decision from HP to another brand. The study concluded that understanding this behavioral change could yield a 15-20% increase in revenue. The same potential exists in the conference & tradeshow industry.

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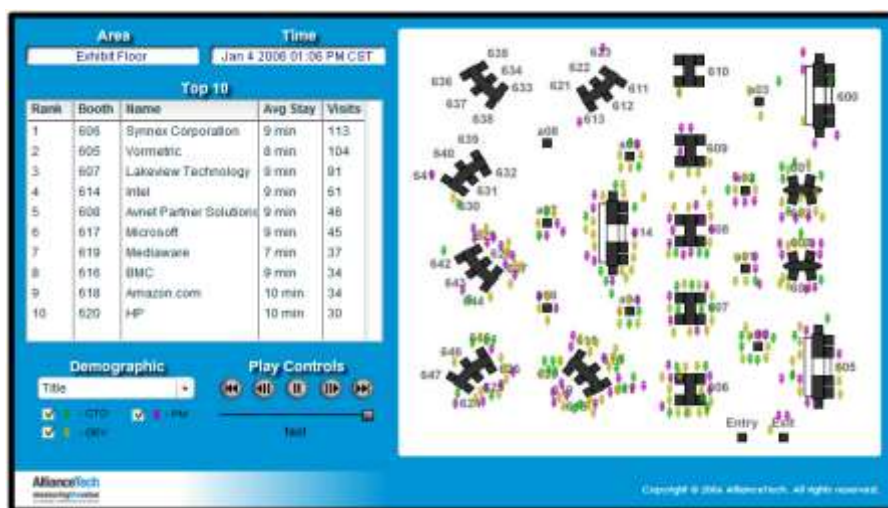


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Two approaches

There are two approaches to attendee behavioral analysis. One method makes use of cameras placed in strategic locations throughout the venue and requires an individual to watch the footage while taking notes about their observations. Though this method may seem like an effective approach, it can be quite costly and the data doesn't lend itself easily to analysis. For example, it does not allow the user to analyze the preferences of a certain demographic, such as executives.

The second approach is to use RFID, which has earned a reputation as one of the most promising tracking technologies available today. RFID (Radio Frequency Identification) is technology that was developed during World War II, and has been used for everything from tracking fashion shipments to motorists' EZ-Pass toll tags. It works by using a tiny embedded chip that responds to radio frequency signals. The technology has been adapted for event measurement by attaching an RFID tag to an attendee's badge, which communicates with readers and antennas set up at designated areas.



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RFID technology allows the event manager to view real-time reports and adjustments on session attendance, traffic patterns, and other monitored activities. This information allows event planners to gain insight into attendee's preferences and interests to better customize events to meet the needs of their clients.

A Case Study

There are benefits of using RFID technology, which include identifying new lead potential and increased revenue are two of the many benefits. A recent case study following Computer Associates (CA) explored these benefits as the company hosted CA World for their partners, customers and prospects.

One of the objectives of the conference is to capture qualified leads and drive additional revenue. When a client registers for the conference, information is requested in regards to the licenses the attendee currently has regarding CA software.

During the conference, CA's event management team makes note of attendee interests by tracking which sessions they attend and which product leads are captured. The obtained data is then analyzed to determine if an attendee is showing significant interest in a product for which they do not currently have a license.

In such cases, they are sent product literature and information, as well as contact information for a sales representative. Because the attendee possessed a genuine interest in the product, they are open to receiving the information and assistance. This case study is just one example of how understanding attendee behavior is increasing lead potential and event ROI, and corporate revenue.



RFID Acceptance is Growing

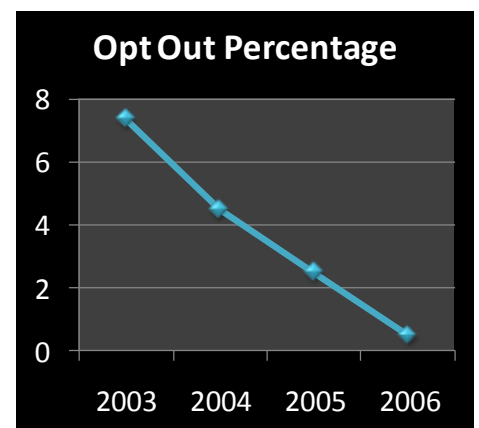
RFID is revolutionizing the way conferences are managed by unobtrusively capturing attendee behavior and immediately delivering accurate reports. The technology provides event organizers with real-time activities and immediate feedback on customer interests, which communicate the aspects of the event that are significant to the attendee. Corporations are also using it to meet strict regulatory requirements of X/X.

IBM, Cisco, Computer Associates, Intel and SAS are examples of corporations who have used RFID at their events. Several associations and tradeshow, such as the American Heart Association and the Radiology Society of North America (RSNA), have also adopted the technology. It is estimated that over 2,500 events in 2007 will implement RFID in one form or another.

What about Privacy?

In this Orwellian age plagued by identity theft and fraud, the protection of personal information is an ever-present concern, and event attendees are no exception. In a small number of instances, privacy issues related to RFID have been raised. The key

to a successful implementation hinges on two factors. The first is to communicate with attendees, informing them that RFID will be used at the conference. Providing a clear explanation of how the data will be used helps to ease any apprehension attendees might have.



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The second factor is to allow attendees to Opt Out of being tracked. Providing attendees with the choice to Opt Out may seem to defeat the purpose of using RFID at all because you might assume that the majority of people would prefer this option. In reality, it's quite the opposite. As a result of actively communicating with attendees, customer acceptance of RFID has rapidly increased over the last 3 years. Opt out rates decreased from 8% in 2003 to only 0.6% in 2006

What to look for in a solution?

| | |
|-----------------------|--|
| 900 MHz RFID | 900MHZ solutions provide the greatest read range. Some solutions are available in 13.6 MHz, which provides a shorter range of only 6-8 inches. |
| Gen 2 tags | Gen 2 tags provide higher accuracy than Gen 1. |
| Scan from "above" | RFID does not read through liquids (i.e. the human body) and, therefore the greatest accuracy is obtained from antennas located above the door. Many vendors will try to assure you reading from the side yields the same accuracy, which is not true. |
| Visual reports | Visual reports show floor maps, which are more intuitive and provide direct insight into trends. |
| Analysis | Combining behavior, attendance, demographic and survey data yields powerful insight and results. |
| Real-time information | An experienced vendor will be able to provide real-time data so the event manager is able to act on the data at the conference. |
| Turnkey solution | The vendor should be able to provide a turnkey solution of hardware, software, and services |

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A Sound Investment

Clients who have implemented RFID attendance tracking have experienced considerable improvement in their ability to measure and understand attendee behavior and traffic patterns. This increased understanding has resulted in event planners being better able to customize events and meet the needs of their attendees. Event managers throughout the industry agree that RFID has proven to be cost effective, secure, efficient and accurate.