Event & Experiential Marketing Industry

Forecast & Best Practices Study

EventTrack 2014

executive summary

special report by

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The World's Most Comprehensive Research on Event Marketing

The event marketing phenomenon continues, as marketers around the world refine and redefine how to use live experiences to make connections—and drive sales.

Look across the Fortune 1000 and you will find marketing teams embracing events like never before. Event marketing has become the world's fastest-growing form of marketing, combining the best elements of above-the-line and below-the-line branding into a powerful engagement platform.

In the event industry, change is happening. Social media and digital platforms are increasing reach. Higher levels of design and fabrication are creating richer physical experiences. Events are now being used more thoroughly as tangible sales generators. They're also being measured and analyzed. Indeed, a discipline that was once a mere execution channel of the marketing mix has become the modern day brand portfolio's lead strategy.

Welcome to EventTrack, the world's largest annual research initiative on event marketing. Now in its third year, EventTrack is produced by leading experiential marketing agency Mosaic (mosaic.com) and the Event Marketing Institute. This annual report monitors the continual growth and expansion of the event industry.

Unique to EventTrack is its "Full Ecosystem" format: Three complete, separate surveys are issued—one to brand marketers, one to agencies and one to consumers—and then used to monitor and measure the changing event industry across the entire "engagement ecosystem." Separately, each provides critical insights on the value, impact and state of event marketing. Together, they form a data-backed, content-packed overview of how brands are marketing, how agencies are helping bring experiences to market and how consumers are responding to it all.

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This Executive Summary covers some of the key findings from the in-depth surveys of more than 600 major corporations. To provide some historical perspectives, many of the findings are compared to results from the 2012 and 2013 EventTrack studies.

New this year? A greater emphasis on brands that serve consumers as well as those that work in both business and consumer markets. Also new is an enhanced focus on how brand budgets are being deployed and the use of social media and technology.

Mosaic and the Event Marketing Institute would like to thank all of the respondents for their invaluable contributions to this study.

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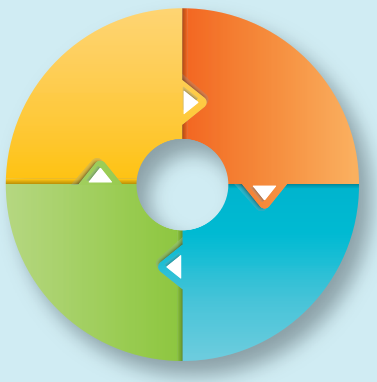

I.

key findings & insights from the brand survey

This section provides some of the key findings from the new survey of primarily consumer-focused brands and companies that use event and experiential marketing.

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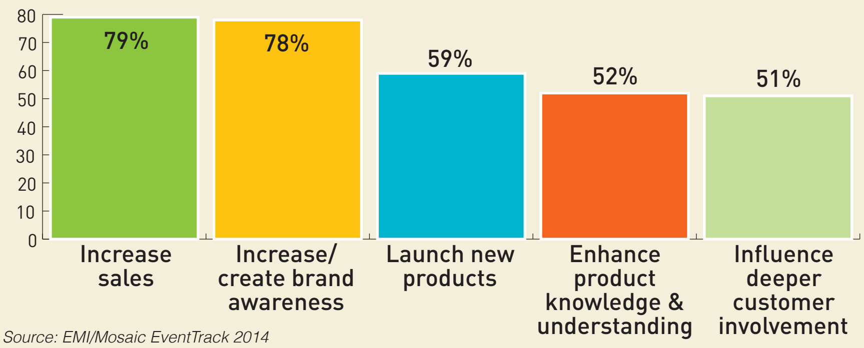
Top Event & Experiential Marketing Goals & Strategies

By far the top two goals and strategies for event and experiential marketing are to drive sales and increase brand awareness. Based on three years of survey data these two goals trade off in terms of receiving the highest percentage of responses from brands, and certainly these two goals and strategies are closely related. One of the key trends over the past few years is that top companies are increasingly using event and experiential marketing to launch new products, which is now the third most common goal and strategy.



Source: EMI/Mosaic EventTrack 2014

Event & Experiential Budgets are Expected to Increase by Over 5% in 2014

According to the brand survey respondents, the recent trend of approximately 5% annual budget increases across the industry is expected to continue in 2014. The average event budget change found in the new survey of leading brands for 2014 is 5.4% growth. This event and experiential marketing budget growth rate is significantly higher than the recent rate of U.S. GDP expansion.

Event & Experiential Budgets are Benefiting from a Shift in Marketing Mix

This steady 5% budget growth raises a key question for corporate marketing teams. What are the sources of this increased spending on events and experiences? Is it "new" funding from corporate, or are resources being shifted from other elements of the marketing mix? The answer is 65% of brands with increasing event budgets say the new funding is mainly coming other parts of the marketing mix, while 35% said they are being funded directly by corporate and not out of other marketing budget buckets.

key insight

More Brands are Using Events and Experiences to Launch New Products

Three years of survey data shows that using events and experiences to launch new products continues to become more important to brands. The data below provides the percentage of brands that have said launching new products is a key event and experiential marketing goal or strategy:

2014: 59%
2013: 50%
2012: 48%

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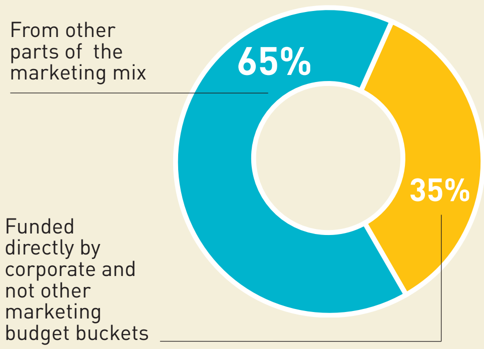
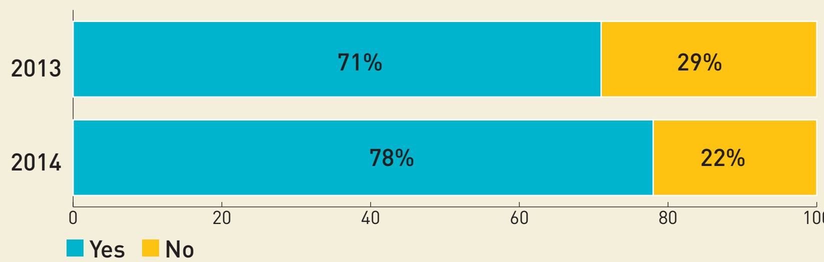
Sources for Event and Experiential Budget Increases



Source: EMI/Mosaic EventTrack 2014

More Brands are Measuring Event & Experiential Marketing Programs

The new survey finds a higher percentage of brands say they are measuring their programs compared to the 2013 survey. Today, 78% of brands are measuring compared to 71% in last year's survey.



Source: EMI/Mosaic EventTrack 2014

ROI Continues to Improve

The ROI ratio that top brand realize or expect from their event and experiential programs is improving. This suggests that brand event and experiential programs are becoming more effective. For example, 14% of brands say they see a return that is greater than five to one from their event programs compared to 7% that indicated this level of ROI in the 2013 survey. There has also been an increase in the percentage of brands that realize or expect an ROI ratio of four to one.

	2013	2014	*% change*
1 to 1 return	6%	4%	*-2%*
2 to 1	20%	18%	*-2%*
3 to 1	16%	16%	*0%*
4 to 1	7%	10%	*3%*
5 to 1	5%	4%	*-1%*
Greater than 5 to 1	7%	14%	*7%*
Not applicable	39%	34%	*-5%*

Source: EMI/Mosaic EventTrack 2014

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While 78% of brands say they measure their event and experiential programs, a smaller percentage, but still a majority (59%) indicate they have a formal ROI tracking model or program that includes their sales, marketing and/or finance departments.

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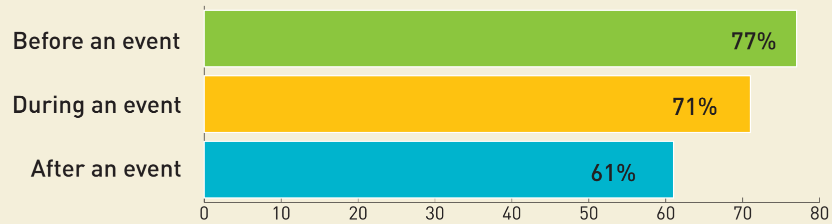
When in the Event & Experience Cycle is Social Media Used?

Brands mainly use social media to connect with consumers before events and during the experiences. A smaller number — but still over 60% — use social media after events.



Source: EMI/Mosaic EventTrack 2014

Important Agency and Service Provider Attributes, Services and Capabilities

The new survey findings suggest that brands are changing the way they view and work with agencies and top service providers. While the most important agency attribute, service or capability is the catch-all category of overall event marketing project management capabilities and experience, the table below suggests key changes and trends are underway. Consider the following differences in the new survey data compared to the pervious findings. In particular, there have been meaningful increases in the percentage of brands that say the following are more important today: strategic consulting, agency staff size and experience levels, and measurement services. Brands want more strategic consulting capabilities as well as measurement experience, and they are also focusing on agency staff size and experience levels more than even a year or two ago.

	2012	2013	2014
Overall event marketing project management capabilities/experience	66%	56%	83%
Strategic consulting	25%	32%	43%
Staff size and experience levels	25%	19%	43%
Measurement	34%	26%	40%
Social media	41%	29%	37%

Source: EMI/Mosaic EventTrack 2014

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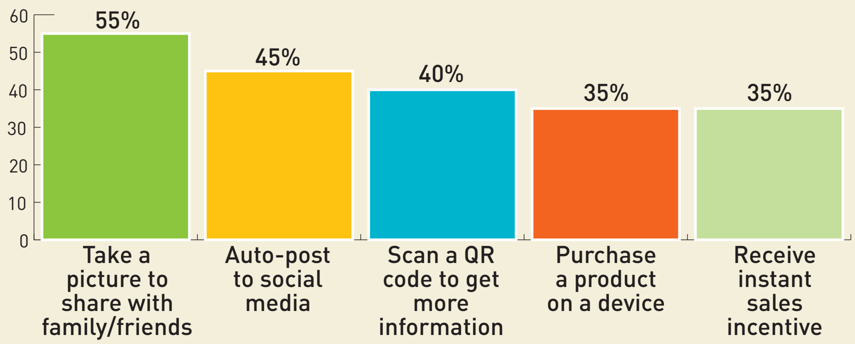
In-Store/Shopper Marketing Technology for Consumer Usage

The survey asked brands that use in-store/shopper marketing programs: *When executing an in-store program have you implemented technology to allow your consumers to do any of the following?* The main in-store technology focus is to provide consumers with photo sharing services, auto-posting to social media, and QR codes.



Source: EMI/Mosaic EventTrack 2014

The EventTrack surveys continue to show how event and experiential marketing is becoming more important to major brands and companies throughout the economy — as well as to consumers. As information throughout this study shows, in the face of rapid, revolutionary change in technology, event and experiential marketing is not only adapting but thriving. While clearly technology disruption and opportunities are the main focus of corporate marketers today, event and experiential is being increasingly used in conjunction with integrated campaigns. Events and experiences are being called upon, among other goals, to add the personal element and get closer to customers.

About the Brand Survey Respondents

Thirty-two percent of the brand respondents indicate their overall event and experiential marketing budget is over $10 million. Twelve percent have large budgets over $50 million. In terms of the number of events and experiences, 57% run dozens of events and experiential activations, 35% hundreds and 8% say thousands. The industry sectors most represented by the brand respondents are consumer products, entertainment and media, consumer electronics, mobile telecommunications, financial services and automotive.

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II.

key findings & insights from the consumer survey

The Event Marketing Institute and Mosaic surveyed a cross-section of consumers that have recently participated in an event or experiential marketing activity. Some of the key findings from this survey are presented here.

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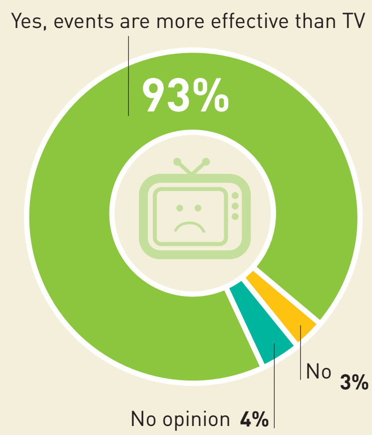
Attending Events & Experiences Drive Purchases

A significant 96% of the consumer survey respondents said that assuming the product or service promoted at the event was one they were interested in, participating made them more inclined to purchase. This is up from the 95% figure in the 2013 survey.

Source: EMI/Mosaic EventTrack 2014

Consumers Say Live Events are More Effective than TV

The survey asked consumers if live events help them understand products or services better than TV commercials. Ninety-three percent of the respondents said events and experiences are more effective than commercials.



Source: EMI/Mosaic EventTrack 2014

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What Motivates Event and Experience Participation

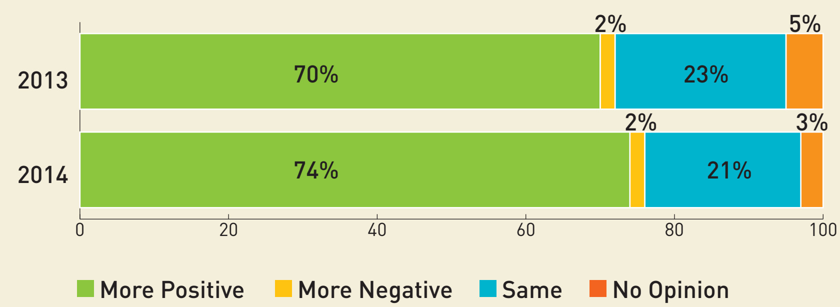
The main motivators to participate in events are free samples or other giveaways, discounts or special offers — and if the consumer already likes the brand or company sponsoring the event. Free samples and giveaways are growing in importance in terms of participation motivation. This year, a significant 83% of the consumers say free samples or other giveaways were key motivators compared to 70% that said this in 2012, and 68% in the 2013 survey.

	2014
Free samples or other giveaways	83%
A discount or special offer is provided	52%
I like the brand or company putting on the event	51%
To learn about the product or service being promoted	44%
If the event looks interesting	40%

Source: EMI/Mosaic EventTrack 2014

Perception Changes After Participating in Events & Experiences

Events and experiences positively improve brand perception. After the event 74% of the participations have a more positive opinion about the company, brand, product or service being promoted. This finding is a higher percentage of consumers compared to the 2013 survey.



Source: EMI/Mosaic EventTrack 2014

Purchase Motivators: Why More Inclined to Purchase?

Simply trying or seeing products drive the purchase decision, and the new survey suggest this is increasing in importance.

	2014
Gave me the opportunity to try it out first	84%
The event/activity helped me realize I'd like or benefit from the product/service	53%
I was given a discount coupon or special offer that made me more likely to buy	48%

Source: EMI/Mosaic EventTrack 2014

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A key theme throughout the new EventTrack study is that free samples look to be increasing in importance to consumers. The new survey found 63% of consumers saying free samples are the top reason they find events enjoyable compared to 51% that said this just a year ago. Outgoing and engaging event and demonstration staff also scored higher this year.

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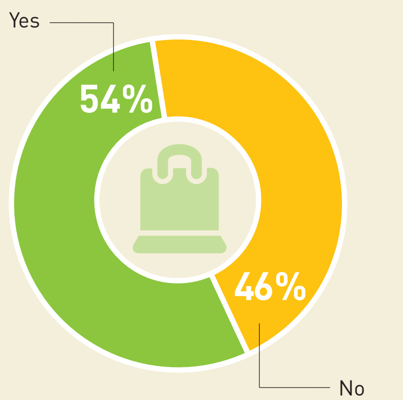
Purchases During the Event or Visit

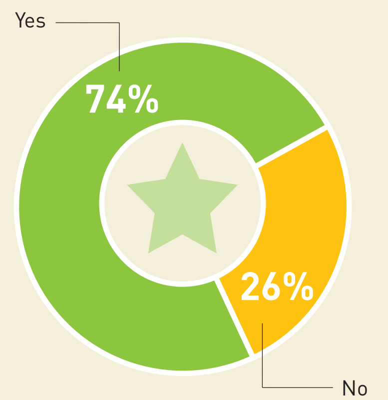
Fifty-four percent of consumers purchase the product or service promoted at the event or visit. This is a slight increase from 52% found in the 2013 survey.



Source: EMI/Mosaic EventTrack 2014

Event Participants are Likely to Become Regular Customers

Nearly three out of four event and experience participants that purchase once then become a regular customer.



Source: EMI/Mosaic EventTrack 2014

What Most Influences Purchase Decision

The survey asked: *If you did buy the product/service being promoted at the event, what most influenced your decision to purchase during that visit?* The key purchase decision factor is the ability to sample the product or see a demonstration, and when comparing this finding to the 2013 survey, this is becoming more important.

	2013	2014
I sampled, used, or saw a demonstration of the product/service and liked it	71%	83%
I had a better understanding of the product/service from the event	33%	36%
I was given a coupon offering a discount	25%	34%

Source: EMI/Mosaic EventTrack 2014

Powerful Word of Mouth

The world-of-mouth communication, both digital and in-person, that results from event and experiential marketing is significant, and the brand impact is powerful. According to the survey, 98% of consumers that tell a friend or family member about their experience mention the company or brand running the event.

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Social Media Usage

The survey found across the board increases in overall social media usage. Eighty-six percent of consumer respondents use Facebook, followed by LinkedIn and YouTube.

	2012	2013	2014
Facebook	74%	76%	86%
LinkedIn	27%	35%	68%
YouTube	39%	46%	64%
Twitter	25%	29%	47%
Instagram	n/a	n/a	45%

Source: EMI/Mosaic EventTrack 2014

Use of Phones or Tablets During In-Store Events

Most event and experiential marketing activities are becoming a social media and technology experiences. In short, most consumers *do something* with their phone or tablet— such as comparing pricing, take a photo, or do a social media post, etc. — when participating at an event or experience. For example, the percentage of consumers that use their phones or tablets when in stores at events and experiences to compare pricing has jumped to 55% this year compared to 42% in the 2013 survey (and only 29% in 2012). In fact, the use of phones at in-store events has increased significantly over the past three years.

	2012	2013	2014
Compare pricing	29%	42%	55%
Take a picture to share it with family/friends	29%	40%	51%
Scan a QR code to get more information	18%	30%	40%
Send a message about my experiences to family/friends	18%	28%	35%
Receive instant sales incentive or text	11%	24%	27%

Source: EMI/Mosaic EventTrack 2014

To summarize the new survey findings, consumers like well executed events and experiences related to product and service categories important to them. They particularly like samples and demonstrations, as well as event staff and presenters that are outgoing and engaging. Importantly for brands, events and experiences drive purchases and customer loyalty.

About the Consumer Respondents

Fifty-four percent of the consumer survey respondents are female. The respondents' age categories are broken-out as follows: under 25, 4%; 25 to 35, 46%; 36 to 45, 28%; 46 to 55, 15%; 56 to 65, 7%; over 65, 1%. The events attended most often by the consumer audience surveyed were held at large big box retail stores, grocery stores and supermarkets. Half of the respondents to the survey live in the U.S. and half are based in Canada.

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III.

key findings & insights from the agency survey

Leading agencies and service providers were also surveyed and the key findings and insights are provided in this section.

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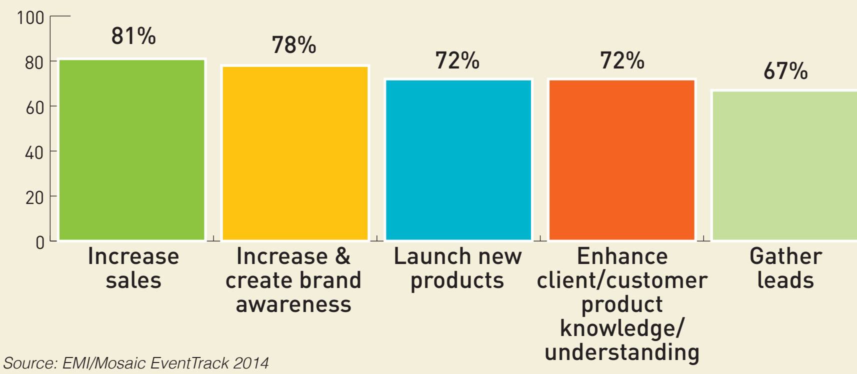
Agency Clients' Event and Experiential Marketing Goals and Strategies

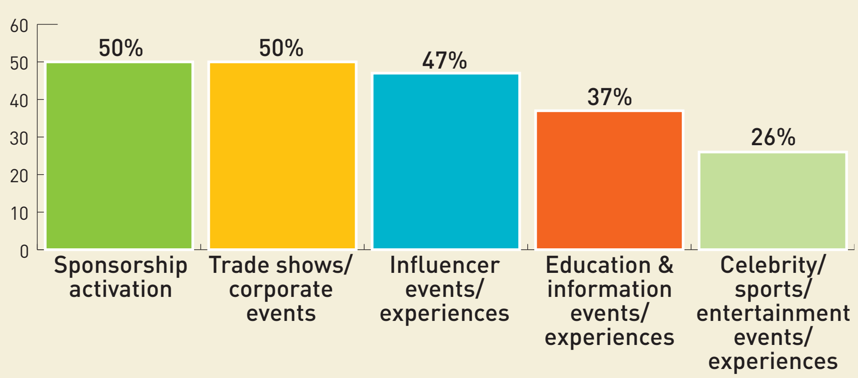
Agencies say their clients' primary event and experiential goals and strategies are to drive sales, increase and create brand awareness, and launch new products. And these findings match the brand survey data, although agencies say that gathering leads is a little more important than brands.



Source: EMI/Mosaic EventTrack 2014

Where Clients are Focusing Experiential Budgets in 2014

Half of the agency respondents say their clients are focusing their experiential budgets on sponsorship activation and trade shows/corporate events currently. Forty-seven percent indicate their clients are focusing on influencer events and experiences.



Source: EMI/Mosaic EventTrack 2014

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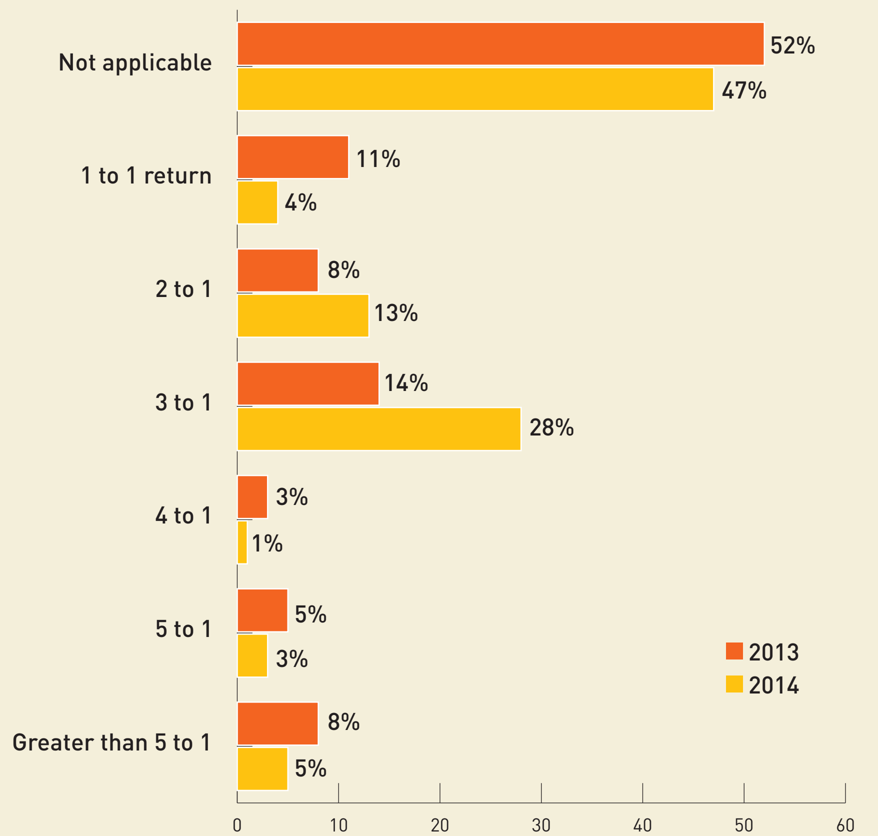
Agencies See Clients' ROI Improving

The new survey findings compared to the 2013 data show that agencies feel their clients are improving their event and experiential marketing ROI. An example is that 28% of agencies say their typical client's ROI is 3 to 1 this year compared to 14% that indicated this in the 2013 analysis. As previously noted, brands also indicate their ROI is becoming higher, although a larger percentage of brands are seeing increases at the top end of the range, meaning improvement in the greater than 5 to 1 category.



Source: EMI/Mosaic EventTrack 2014

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Sixty percent of agencies today compared to 52% last year say quantifying Facebook and other social media activity is part of their measurement process, and 50% now track website hits related to their client programs.

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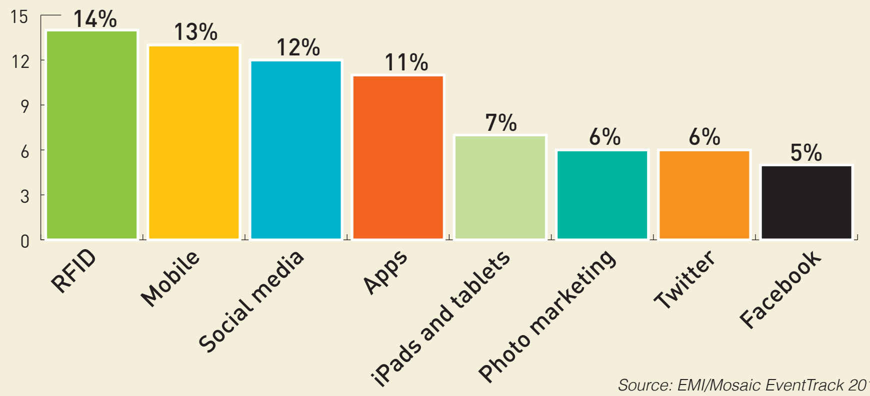
Top Technologies Clients are Using the Most Today

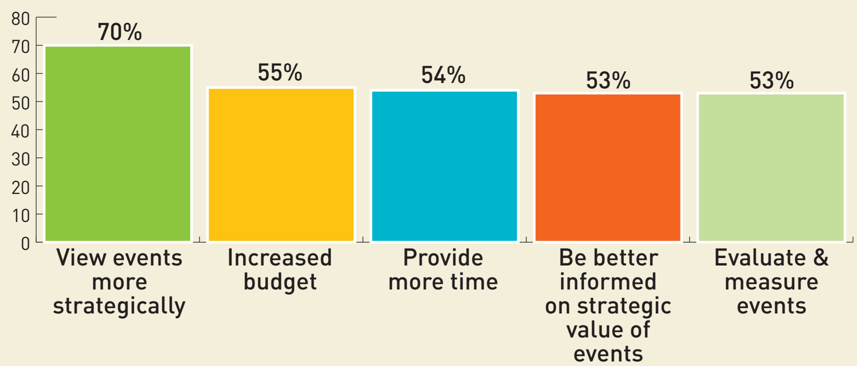
The table below is based on an analysis of write-in answers to a question on the top technologies agencies see clients using in 2014. There is a wide range of technologies and social platforms used by top brands and agencies. All of these that received mentions from at least 5% of the agency respondents are quantified in the chart below.



Source: EMI/Mosaic EventTrack 2014

How Agencies Suggest Brands Can Achieve More Value

Agencies feel that brands can achieve more value from the agency and client relationship by viewing events more strategically, increasing budgets, and providing more time to develop concepts and execute programs.



Source: EMI/Mosaic EventTrack 2014

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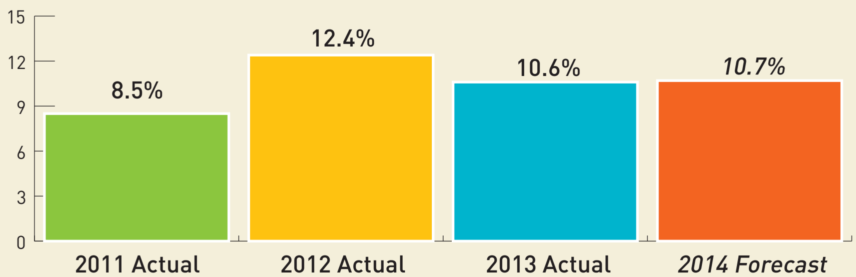
Agency Revenue Growth Rates 2011 to 2013 with 2014 Forecast

Agencies are experiencing strong revenue growth. The EventTrack agency survey finds the agencies that responded to the survey say on average their gross revenue expanded by 10.6% in 2013 — and the collective expectation is for similar growth in 2014. Agency event and experiential marketing is continuing to grow significantly faster than the U.S. economy as measured by GDP expansion.



Source: EMI/Mosaic EventTrack 2014

About the Agency Respondents

The average number of individual events managed for clients by the agencies in 2013 was over 1,400. On average, 58% of the agencies' client business is consumer focused compared to 42% that is business-to-business. The primary industry sectors represented by the agencies' key clients are consumer products, IT, consumer electronics/mobile technology, medical and pharmaceutical, financial services and automotive.

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about Mosaic

Mosaic is among the fastest growing marketing agencies in North America. Utilizing its People as Media™ approach, Mosaic delivers fully integrated solutions that connect with consumers at every point along the path to purchase. With Brand Ambassadors at the core of every experience, Mosaic executes thousands of consumer events and retail visits across North America each year, making one-to-one consumer connections in store, online and in the community.

Mosaic's U.S. operations are headquartered in Dallas, Texas, with offices in Chicago, Illinois, and Bentonville, Arkansas. Its Canadian operations are headquartered in Mississauga, Ontario, with offices in Toronto, Ontario and Laval, Quebec. Recently acquired by Acosta Sales & Marketing, Mosaic now operates under Acosta's marketing arm, AMG.

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about the Event Marketing Institute

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The mission of the Event Marketing Institute 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.event-marketing.com.

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