



# Digitization in the Live Marketing + Exhibition Industry - Opportunities + Challenges

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## Welcome

This Whitepaper gives a brief overview about developments, strengths, weaknesses, opportunities, and threats of digital and hybrid event formats. It is a "work in progress" document since developments in this field will evolve. It is the total opposite:

The pandemic has acted as a catalyst for an industry that until then had shown itself to be very resilient to far-reaching digital changes. Now the ideas, concepts and developments are overflowing, and it will take some time before measures, paths and concepts have crystallized into efficient solutions. However, companies do not have the time to observe these changes and then decide in favor of one path or another. Therefore, IFES has decided to accompany the process with a Whitepaper designed to assist clients in making the right decisions for their company.

The document is primarily aimed at small and medium sized enterprises (SMEs), as our experience has shown that this is where the uncertainty is particularly great and the need for advice particularly high.

We wish you an inspiring lecture!

## Preamble

### Classification

The Corona pandemic has shone like a burning glass on the event industry and brought to light a "lack in digitization." This Whitepaper, which is sure to evolve over time, provides an assessment of the situation and ventures an outlook in the area of hybrid event formats. Opportunities and risks, as well as strengths and weaknesses, are scrutinized.

### Recent situation

Event organizers have not yet presented any standard concepts on how they can digitally enrich events in the sense of their "exhibitor-customers". However, successful educational formats have taken place.

Client companies need to be broken down into three categories:

- Large corporations, internationally active groups
- SMEs that have an affinity for digital media - although medium-size enterprises can also be global market leaders
- SMEs that are more traditional in their approach to digital media

It should be noted that there are SMEs that behave like large international corporations. There are also regional branches and subsidiaries of global corporations that are more comparable with an SME than with a global player. The categorization is silhouetted to illustrate the trend statements.

- Large corporations have developed strategies and measures in their own departments and together with service providers to exploit the positive effects of digitization. They will continue to do so and will use trade shows and events differently in the future, with greater digital integration.

SMEs are united by the fact that they have to be much more economical with their communications budgets.

- The digital traditionalists use possible online channels if they have already established themselves as target-oriented and will continue to exhibit at trade shows in the future. In doing so, they are not willing or capacity-wise able to prepare and execute an online clone parallel to the trade show. They will use digital and hybrid formats only to a slimmed-down extent.
- The digital-savvy SMEs will use existing online offerings and platforms, which have developed in a variety of ways in recent months. Their challenge will be to find the right offering for their requirements and to adapt it as best as possible with the help of service providers.

### **What does this mean for service providers?**

In large companies, the corporate culture with regard to the communications department will change to the effect that online, marketing, PR and possibly sales will be combined into a single unit. In organizational terms, this will be anchored close to the executive board.

If you want to serve these customers, you have to have consulting expertise. First and foremost, strategies must be developed and broken down into individual operational tasks. How this is ultimately implemented is of secondary importance. Service providers are either consultants or they supply the consultants without providing strategic input themselves.

Digital-savvy SMEs need support and advice in selecting the right platform and in networking the digital clone/ component with the physical event. Here, the technical know-how of the service providers must be expanded accordingly, and the customer must be supported in decision-making and implementation.

Digital traditionalists will limit their digital engagement as much as possible and focus on physical events. Since these will likely be smaller for the foreseeable future, less space will be needed. This will be accompanied by a decline in order volume.

There is a risk for service providers waiting for a return to the good old days believing that there will be a large supply of service providers that have no particular USP. The decision will then be made for or against a service provider purely on the basis of price.

### **Who is this Whitepaper for?**

This Whitepaper is aimed primarily at SMEs that currently have to clarify for themselves how they want to set up their marketing and sales in the future.

## **Virtual + hybrid Event formats**

In this context this Whitepaper addresses opportunities and challenges of virtual and hybrid event formats and their future importance in the market. It includes the role of three dimensional and experience marketing and the role of its service providers. What are the customer requirements in a next normal? What changes will there be in the customer journey and sales process? How has the Event Industry adapted itself to meet these needs? What is everyone's new role in the game?

The global CoVid-19 pandemic led to a temporary halt in face-2-face events. Mass gatherings have been effectively forbidden globally due to the increased risk of infection through airborne transmission of the virus. Despite many proof of concept initiatives for the safe execution of events, CoVid-19 remains a global risk that many governments, institutions, and corporations have either outright banned or have only permitted on a smaller, more local scale.

The pandemic served as a catalyst to drive digitization in the live event and experiential marketing industry. In order to offer customers a business platform for product presentation and customer contact, virtual and hybrid event formats were developed. The basis for these virtual trade shows and conference platforms were developments from different industries: Gaming or IT that are not presently familiar with the MICE industry.

Today, trade show and congress organizers as well as companies by themselves are trying to establish an online clone of exhibitions, conferences, or sales meetings to give some examples.

Within a very short period of time, the requirements for companies who are used to offering 3-dimensional marketing concepts has expanded to include solutions for online and hybrid platforms as well. So, in order to meet these demands, exhibit houses and other exhibition service providers are forced to expand their sales portfolio, especially in the mid- and long term.

## Some definitions for a clearer understanding

### Distinction of the involved parties

This Whitepaper defines and delineates the different roles of the parties involved:

#### **Organizer / Initiator / Facilitator**

In the Whitepaper, the term organizer is used to refer to the party that acts as the initiator/facilitator or platform provider, where offer and demand are enabled to come together for business opportunities. Their role is sales driven:

The term is used for parties that initiates and organizes an analog, hybrid or virtual event for themselves and their own marketing goals.

**Offering Party:** exhibitor or presenter or platform host

#### **Buying Party** (Visitor, or participant)

The term "visitor" or "participant" refers to the individuals attending in the hybrid event with the idea of "buying" a product or service.

#### **Service Provider**

The term "service provider" refers to organizations that assist either the exhibitor or the organizer (digitally or physically) in an effort to reach the visitor.

### Live Marketing Channel / Exhibition

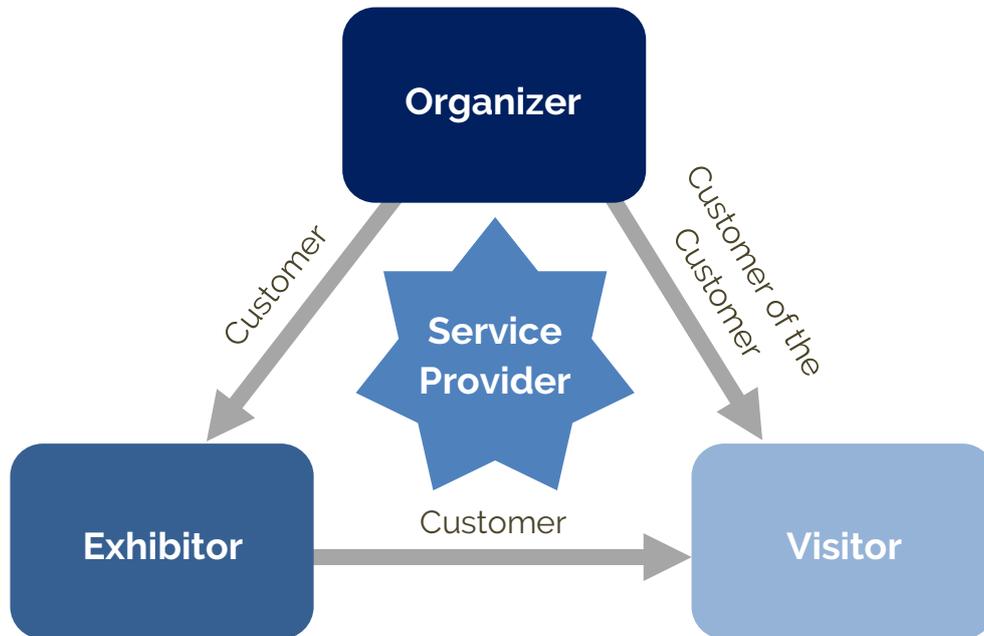
In terms of hybrid event formats, trade shows represent a unique platform.

A distinction is made between:

- the organizer,
- the service provider
- the exhibitor and
- the visitor.

Here, the organizer is initially seen as the organizer of the trade fair. The organizer provides a business meeting platform.

In a triangular relationship, the exhibitors represent the customers of the organizer, and the visitors represent the main customers of the exhibitor. In addition, the organizer and the visitor are also connected and are considered as the "customers of the customers" (i.e., the customers of the exhibitors). This is visualized by the following graphic.



In addition to the trade show organizer, however, an exhibitor can also decide to include hybrid event components itself. This can happen completely independently and is described in more detail in the following section under the point "Definition approach of hybrid by initiator".

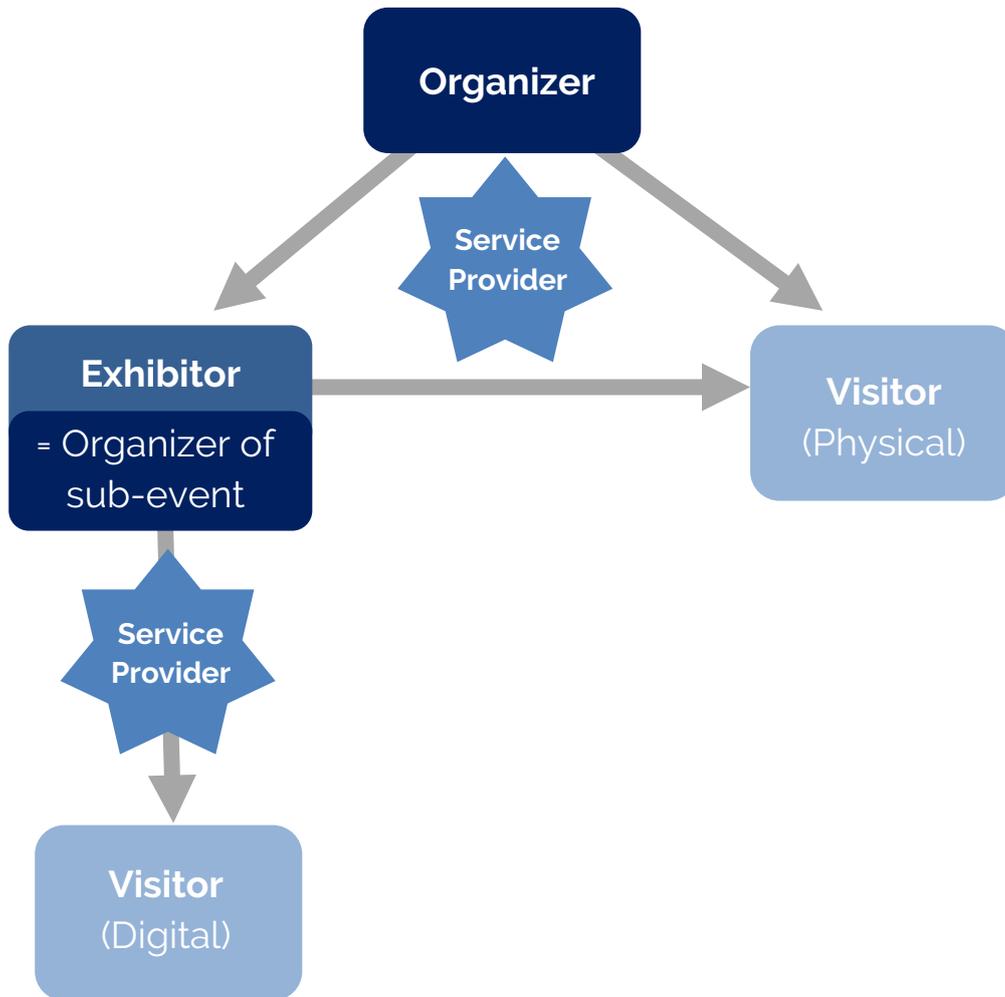
In such a case, exhibitors can therefore also be considered as organizers/facilitators of their own small sub-event, using additional tools to the existing platform provided by the organizer.

Therefore, a trade show is seen on the one hand as an independent event, but also as a (potential) framework, for many smaller sub-events.

An example to illustrate:

A trade fair organizer holds a purely physical trade fair on site at the exhibition center. The organizer does not plan to integrate digital components.

Of its one hundred exhibitors, ten decide to extend their portfolio with digital components to allow virtual visitors to participate in the trade show experience.



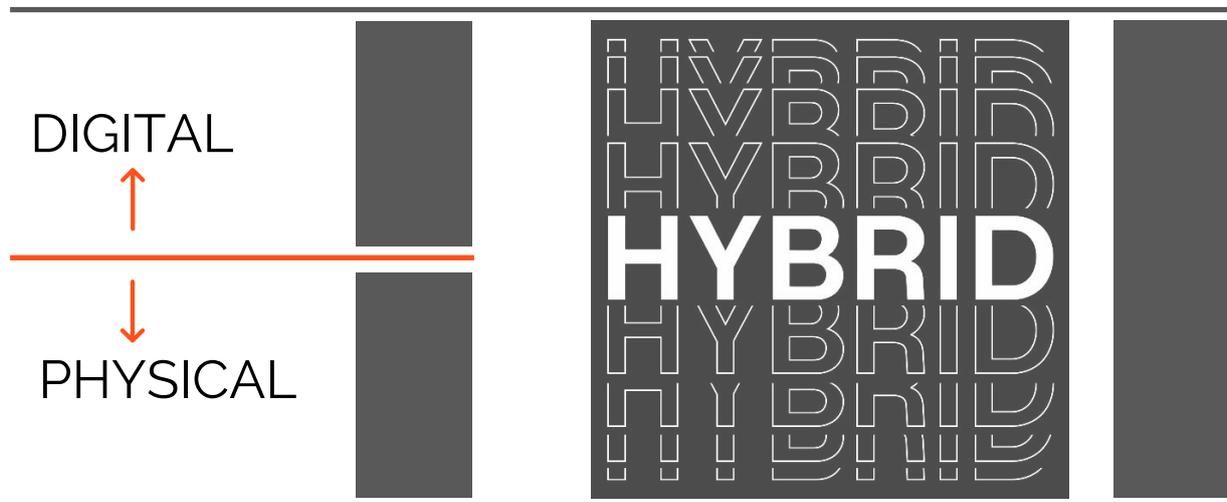
In this case the following applies:

- trade fair organizer = organizer of the physical exhibition  
+ Framework for sub-events of the ten exhibitors
- exhibitors = organizer/ facilitators of their own hybrid sub-events (combining physical and digital components)

## Definition of "hybrid" events

In general, a hybrid event describes a mixture of physical and digital components for staging an event. There are different, sometimes overlapping, views and approaches as to how "hybrid" is defined in this context and which factors are decisive for this categorization.

A simple definition of hybrid as the addition of both ways of meeting (physical and digital) is visualized here:



Different approaches are presented below.

Definition Approaches for "hybrid"																		
By Scope																		
4 Level Approach	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Visitor Type</th> </tr> <tr> <th colspan="2"></th> <th>Live</th> <th>Digital</th> </tr> </thead> <tbody> <tr> <th rowspan="2">Organizer / facilitator Platform</th> <th>Live</th> <td>Live (face-2-face Event)</td> <td><b>Hybrid</b></td> </tr> <tr> <th>Digital</th> <td><b>Hybrid</b></td> <td>Virtual (= Online Event)</td> </tr> </tbody> </table>					Visitor Type				Live	Digital	Organizer / facilitator Platform	Live	Live (face-2-face Event)	<b>Hybrid</b>	Digital	<b>Hybrid</b>	Virtual (= Online Event)
			Visitor Type															
			Live	Digital														
Organizer / facilitator Platform	Live	Live (face-2-face Event)	<b>Hybrid</b>															
	Digital	<b>Hybrid</b>	Virtual (= Online Event)															
<p>The 4 Level Approach deals with the communication between organizers/facilitators and visitors at a trade show during the event itself. A distinction is made between physical and digital participation in the event. Pre- and post-event preparation is not included in this model. If both, organizers, and visitors, are present at the event, it is considered a face-to-face event. If both groups of participants are only represented digitally, it is referred to as an online or virtual event. (A virtual event can nevertheless be supported by external, haptic factors to create more engagement, such as sending a food package before the event to conduct a joint tasting digitally). Only when the two components differ, i.e., when one of the two formats takes place digitally and the other one live, it is referred to as a hybrid event.</p>																		
Holistic Approach	<p>In contrast to the 4-level approach described above, the holistic approach also includes the preparation and follow-up of the event. Here, basically every event is hybrid due to the fact that a bundle of digital measures before, during, and after the event is taking place, which serve to support the physical event. The on-site event is the focus of this definition and the "cherry on the cake" of the holistic customer journey. Digital components are</p>																	

	<p>used to extend the customer experience of the live event. For example, a broader target group can be addressed and, depending on requirements and targets, there can even be up to a 365-day/year communication platform for addressing, informing, and retaining customers. This approach would combine to major industries such as the event industry and publishing industry.</p>
<b>By group of participants</b>	
<p>Merged group of participants</p>	<p>In this approach, the physical and virtual participants are viewed as a unified group, with the aim of making the experience equal for all participants. Digital components are incorporated into the physical event to link online and on-site participants. An example would be a Panel Discussion with speakers and participants on-site as well as online. Through interaction, both participation options "merge" into a unified experience.</p>
<p>Differentiated group of participants</p>	<p>In this approach, the participants are divided into two groups, the physical and the digital. An online platform offers participants, who are not able to take part in the physical event, the opportunity to still attend virtually. This is operated independently of the physical event but can contain content such as the live transmission of a presentation. In addition, the platform is available for preparation and follow-up of the event and for communication with the participants.</p>
<b>By Initiator</b>	
<p>A further consideration of the definition can be made according to the initiator of the hybrid event. A distinction can be drawn between the organizer of the trade fair, the exhibitors or a third, independent party. An example for the latter case would be a company or organization that decides to organize a digital (or possibly also physical) event, in addition to the trade fair that is taking place.</p> <p>The various initiators can influence each other in this process. If, for example, an organizer decides to hold the entire trade show in a hybrid context, exhibitors will be faced with the decision of participating in only one or both formats. If only the physical presence is chosen, there could be disadvantages from neglecting the digital component, and vice versa. In this course, exhibitors are in a sense forced to also participate in the hybrid implementation of the trade show.</p>	

Conversely, the increasing number of exhibitors incorporating digital components at a physical trade show could force a trade fair organizer to restructure the entire format of the event and provide a hybrid format for all participants of the event.

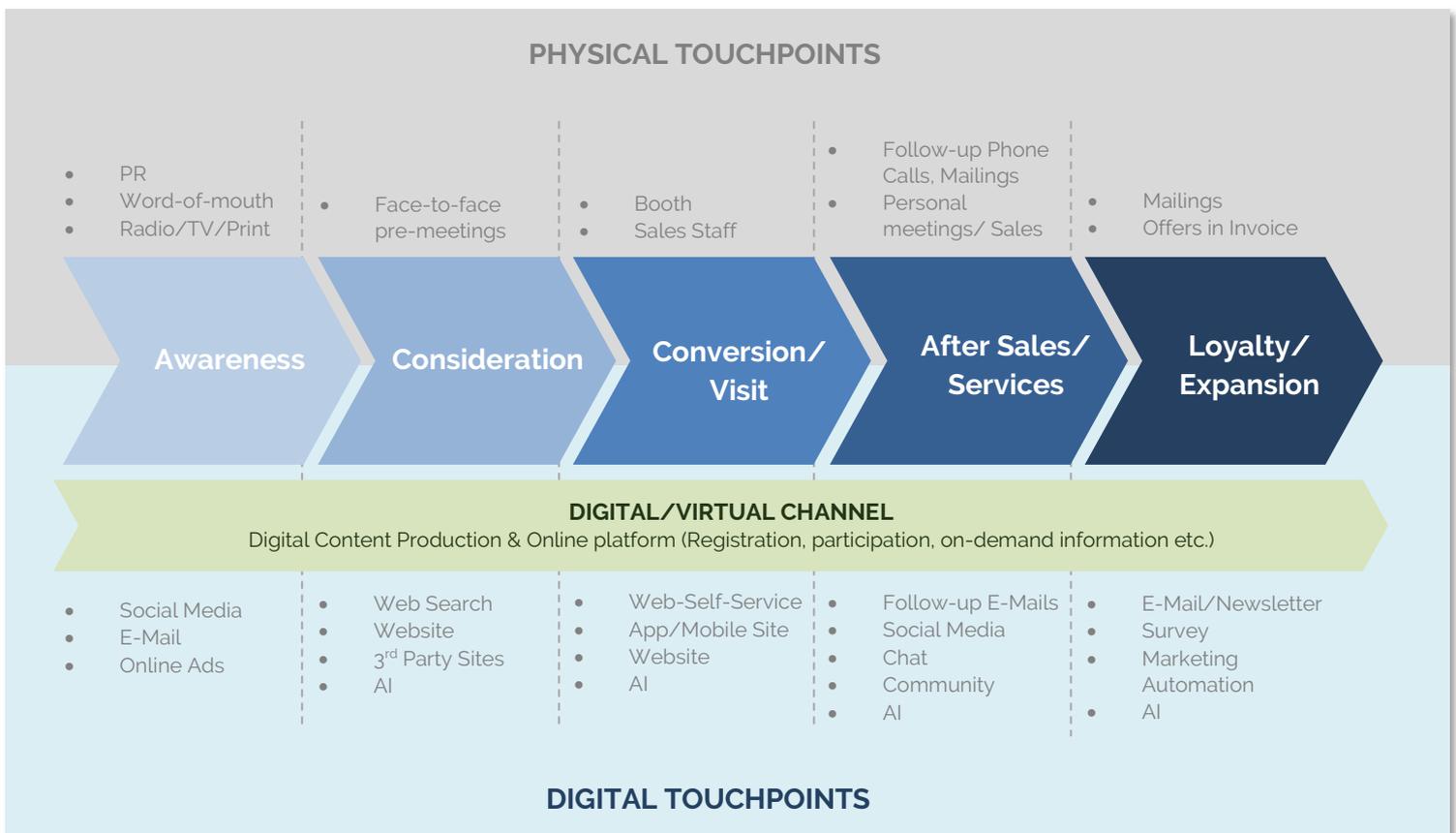
### **Definition of Hybrid**

As a summary of the various approaches, hybrid is defined as follows:

"Hybrid can be defined as a mixture of physical and digital components with the ultimate goal of increasing the purpose, reach and content of the event in order to extend the experience."

## How to start a Customer Journey

Effects of digitization, such as time savings due to less travel and the possibility of permanent accessibility and easy distribution and multiple usability of content, also have an impact on the customer journey during exhibitions and events. In the form of the digital meeting/information component, the "new digital channel" was added, which among other things offers the opportunity to bind the participants both before and after the trade show as well as to address a larger target group during events.



### Example

In addition to the existing digital touchpoints, this new component, the "new digital / virtual channel," offers additional opportunities for addressing, informing, and retaining customers. This is illustrated by the example of an industrial machinery manufacturer.

Presenting large machines at an exhibition - if at all possible - is not only complicated and costly, but often, there is insufficient time to adequately explain the functionality to customers on site.

This machine can be digitized in an appealing way using augmented reality (AR) and virtual reality (VR) elements. This offers the possibility to illustrate the functionality either in advance, during the trade fair itself or afterwards. This could go far beyond just functionality description.

"Teasers", e.g., in the form of shorter presentations, arise the interest of customers at the trade fair. This shortened presentation saves time and allows exhibitors to connect with more customers and prospects over the duration of the trade show. Here, the physical meeting serves primarily to get to know the customer personally and to build a level of trust that is more difficult to achieve virtually. The actual information transfer takes place either before or after the trade show, depending on whether the leads are existing or newly generated. General and content relevant stories for the specific community are transmitted during a trade show online on highlighted stages, offering "airtime" to the public.

Through pre-scheduled and subsequent individual appointments with prospects, a better rapport can be established, and the functionality and benefits of the machine can be featured according to individual requirements.

Nevertheless, the haptic component is elementary for final decisions and trust building. Therefore, on-site presence stays a key factor for sales.

To still offer potential customers a sense of the machine, smaller, easier-to-handle parts of the machine can now be physically displayed at the show. *The optimal trade show appearance combines the physical and digital components to provide the customer with a holistic experience.*

Furthermore, the new digital and/or virtual channel can also be utilized as a 365-day/year communication and information platform. This virtual medium enables participants who are unable to travel themselves to participate in the show or to obtain all the information of the event. As already described, the interactivity with the digital participants can vary. In order to provide added value after the event, information can be made available on-demand.

## SWOT Analysis of the new digital/virtual channel

The digital and virtual touchpoints of the customer journey all have their own advantages and disadvantages. The strengths, weaknesses, opportunities, and risks are examined in a SWOT analysis.

### STRENGTHS

- Time extension of communication/contact
- Permanent, on-demand availability of content
- Easy access to information + maintenance
- Available for a wider group of participants
- Easier participation for a wider audience (e.g. with travel restriction, special needs etc.)

### WEAKNESSES

- Lower attention span during digital/virtual participation
- Span of attention cannot last for 365 days
- Personal contact/ empathy etc. cannot be reflected digitally/virtually
- Interactivity level is not equal to face-2-face events
- Lack of haptics, smell, emotion...
- Dependent on a good internet connection and tech equipment
- In case of hybrid events: investment for going both ways (digital+physical)
- No serendipity
- Higher cost + higher efforts

### OPORTUNITIES

- Addressing a larger and/or more specific target group
- Simplified customer retention
- Less travel required, thus:
  - time savings
  - cost savings
  - carbon footprint savings
- Due to the rapid change/development: technically better trained participants
- In case of hybrid events: better informed participants / higher quality leads

### THREATS

- Underestimation of the requirements for extended communication
- Lack of clear dividing line between the individual events and thus:
  - Overloading of all parties due to overabundance of participation opportunities/obligations
  - Loss of relevance of events
- Global technical standards required
- Global educational standards required
- Loss of leads (i.e. through poor implementation)
- Data protection
- Fail to reach the targeted audience

## Strengths

The new digital / virtual channel is an online platform on which information is permanently available. Depending on the model, it is even possible to create a 365-day/year communication platform on which participants can access information on-demand. Strengths here are above all the ease of accessibility, as well as the ease of maintainability of the platform and its content. As a comparison: physical flyers would have to be destroyed and recreated if information became outdated. Digital display allows data to be updated quickly and usually without much difficulty.

Participation via internet has the potential to access a large target audience. Enabling attendance via different end devices (PC, laptop, tablet, smartphone, etc.) further enlarges this group. In addition, it is also possible for participants with special requirements, such as special needs or private/business travel restrictions, to participate partially or completely in the event.

All content generated can be used on multiple platforms and even be addressed individually to specific audiences without any boundaries.

## Weaknesses

When participating in digital events, the attention span is lower than in physical events – and most probably cannot be held for 365 days. In the context of the CoVid-19 pandemic and the increased use of digital meeting platforms, the term "zoom fatigue" was introduced to describe this phenomenon. On the one hand, it refers to the lower attention span, which results from the lack of movement and the limited interactivity compared to physical events. On the other hand, it also refers to the large selection of digital events from different sectors. As a result, participants feel overwhelmed and lose interest in attending after too many meetings. The focus on creating relevant content is becoming the key driver which is not a common practice in the trade show business yet.

Personal contact with all senses cannot be established via digital tools in the same way, as is the case with physical events. Empathy, a fundamental factor in building trust, also cannot be mirrored to the similar extent digitally. The same applies to the lack of a haptic component. For example, when a new perfume or sweater is launched, participants want to experience the product through sensory stimuli. This can only be partially incorporated in digital events. Referring to the example of the perfume, a scent sample could be sent to participants, which supports virtual participation. However, this would require by prior registration of participants.

Another condition of the new digital or virtual channel is access to a good/stable Internet connection. Without such, the experience of the participants can be severely affected (frustration due to delays or poor representations) or, potentially, even make participation impossible.

Of critical importance to note as well are the socializing/networking opportunities during live events in terms of building trust that cannot be reached at the same level through digital solutions.

In terms of hybrid events, an additional weakness is the approach of different target audiences at the same time, which forces the offering party to use additional time and additional investment to plan and execute the event. A recommendation is to plan on a holistic approach to use any content for multiple purposes within the marketing of a company throughout the year. Both, the physical and the digital components have to be included, which leads to a more complex use of resources. In general, it can be stated that cost for a hybrid presentation could be double that of a regular in-person event and will require additional time and staff with potentially different skill sets.

## **Opportunities**

The identified strengths of the new digital/virtual channel result in many opportunities, such as reaching a larger target group. In addition to regular participants, those who would not usually travel to a physical event can now also take part. Furthermore, it makes it easier for participants with special requirements to attend, since the physical conditions of the event location do not have to be considered.

The fact that there is extended communication time with the participants facilitates greater customer retention. With the help of on-demand information and the simplified organization of digital event formats, e.g., webinars, the customer can be provided with real-time data. In terms of hybrid events, this creates the opportunity for visitors of physical trade show to get information in advance, resulting in higher quality leads at the show. The follow up process on the same platform can also be integrated into the communication process easily.

The pandemic has made the use of digital platforms and devices almost inevitable, both in personal and business settings. As a result, the general population is trained and somewhat competent in the use of this technology.

Event participation via the digital channel also leads to less travel, which in turn results in lower emissions. This also yields great cost savings (no travel costs, less staff costs) and time savings (no travel time, jet lag, etc.). Creating and producing content along the entire value chain lifts us in the position to re-use and remanufacture existing content. This is a huge impact for a real contribution towards sustainability.

## Threats

However, the permanent accessibility or contact with the customers implies the requirement that requests must be responded to promptly. Depending on the model, an extension of availability up to 24/7 on 365 needs to be secured which might cause enormous, extraordinary costs and might lead to a total cost ineffectiveness. Furthermore, failure to respond to customer inquiries in a timely and competent manner could result in visitor frustration and, in the worst case, a loss of trust in the company/brand.

In addition, the dividing line between individual events becomes blurred. A platform that offers interactivity with the participants beyond a defined event period can overload all involved parties with its possibilities and obligations. Furthermore, with the large number of providers, there is the problem that customers have to decide at which time they participate in which event. If no defined dates are selected (as in the case of physical events, for example), the decision is made even more difficult.

Just like technical problems, which also affect data security, poor implementation of the digital channel can also lead to a loss of trust among participants and, in the worst case, to a loss of customers. This impacts the usability and user experience of the digital event component.

Lastly, it should be considered that participants without technical training or without access to the Internet or the corresponding peripherals are prevented from participating.

To store and send confidential data, patents, technical descriptions, blueprints etc. on a server with public access might cause high data protection issues and bares the threat of hacking attacks. The existing capacity in a company as well as the ROI will decide to which extend hybrid solutions will be put in place.

## Reliable partner: The service providers industry

As already mentioned, the requirements profile and the scope of activities of service providers in the exhibition and event industry have changed considerably. The pandemic served as a catalyst for integrating existing and new digital services in the market and bringing new event formats to the forefront.

For experiential marketing providers it is important to expand their existing portfolio to include additional services in order to offer customers a complete package that covers all their needs. This no longer only includes services related to the trade show itself (design, project management, installation & dismantling, etc.), but also communication

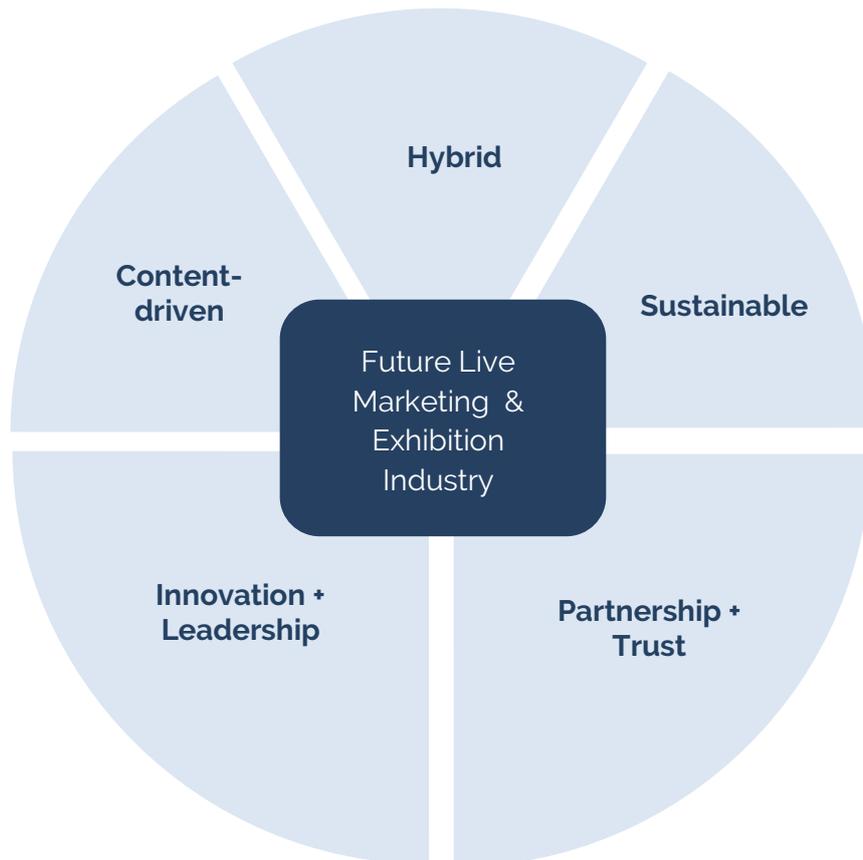
and marketing before, during and after the show. The extension of services offered can be witnessed with several players already.

Clients need purpose driven solutions for the best possible user experience, presentation, and transmission of their messages in relation to the services offered. Story telling should be mentioned in this context. This means that the customer will ask for consulting at an earlier stage. Suppliers need to offer the advice to the marketing and communications managers. Together, customer and service provider will develop the "story" digitally and also physically.

The focus is on collaboration with the customer. Not only are service providers currently deprived of the physical touchpoint of face-to-face events, but customers too, are now equally faced with the new challenges and are looking for solutions. Therefore, the exchange of ideas and information is essential to develop together. Exhibition Service providers have a significant advantage when doing portfolio extensions because they have already gained the trust of customers in previous projects and have a unique understanding of the mentality of the exhibit attendee that a web development firm cannot yet grasp.

## Columns of Future Live Marketing and Exhibition Industry

The future of the live marketing and exhibition industry is based on 4 interacting elements that are defined and demanded by the market.



### ***Content-driven***

Content is the king of all stories and messages for live communication. The development of new concepts and the application of corresponding tools for digital and physical marketing is based on purpose driven content.

### ***Hybrid***

The future will inevitably bring a combination of digital and physical event and communication formats. As a matter of fact, most of them are already a mix. The decisive factor here is a prolonged communication process (which can even run up to 365 days a year) that seeks constant interaction with customers with the aim of retaining them. Face to face remains the "cherry on the cake" but the in-between role or new product offerings of the service providers requires further discovery and development.

### ***Sustainability as a greater goal***

The next big deal will be sustainability. In this context within the massive change process our industry is facing, it is our obligation and responsibility to play a more involving role within the marketing communications industry.

Serving clients along the entire communication value chain will put event service provider in the position to think and act sustainable from the beginning. Therefore, it is key to define standards, goals, and a roadmap to achieve improvement to the relevant SDGs (Sustainability Development Goals of the UN) for the industry.

### ***Innovation + Leadership***

Innovation needs leadership, and it is up to the exhibition and event industry to move forward with leading innovations and, for example, to offer customized platforms for different communities. The market requires that we act and take the project lead.

### ***Partnership + Trust***

The innovations mentioned above cannot be developed alone. It is important to evaluate your own strengths and competencies and to look for relevant and suitable partners for the gaps in the service value chain. An essential asset for the partnership of equals is trust, both on the partner and customer side.

Based on these elements, organizations formerly termed as "stand builders" or "design houses" should expand and extend their portfolio accordingly to meet the new customer requirements. This will create new value for the organization as these organizations will become essential partners acting like communication execution agencies.

**Thank you,  
To the companies involved in the creation of the White Paper:**

- Duo Display, France
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IFES provides a platform of global collaboration achieved through networking and sharing knowledge.