EventTrack 2021

The Event & Experiential Marketing Industry Forecast & Best Practices Study

mosaic | event marketer

Survey of Consumers & Brands on the Impact of Event and Experiential Marketing

Executive Summary

Embrace the Change. Re-Set Your Events and Experiences for the New Era

In 2020, the world changed dramatically for the event and experiential marketing industry. Yet, in 2021 brands have been starting to reactivate their in-person programs—or are planning for the re-start—and as this unique study shows, there will be a strong in-person event and experiential marketing industry again.

In response to what had once been nearly unimaginable challenges, event and experiential marketing groups rapidly shifted to programming digital/virtual events. In the first quarter of 2021, 72% of brands said they were implementing online options to stay connected to audiences, customers, partners and stakeholders. But digital/virtual events are very different in many ways from live in-person events and experiences. They are essentially two different channels. As one brand marketer responded in the EventTrack survey:

> *"Going to digital/virtual events won't replace in-person event goals. We are treating them as separate strategies. In-person events are still and will always be more important."*

Consumers Have Changed and Want to Move Forward. Events and Experiences Will Help Lead the Way

A critical issue is how consumers and audiences have changed as a result of the pandemic, and how they will behave in the future. The way brands tailor products and services, marketing messaging and experiences to serve customers and prospects will be critical. As one brand executive mentioned in the survey:

> *"We need to realize that how a consumer shops is changed for the long term, and how they engage at events and activations is also different than before. We need to ensure when someone engages with the brand they feel safe and comfortable."*

Consumers have been understandably shaken. This is starkly shown in many of the write-in responses to questions about how they have been impacted by the pandemic and the resulting changes they have made. One of the consumer survey respondents summed up their own feelings, which fits with many others, when they wrote:

> *"I'm paying more attention to the little things in life to be grateful for."*

Another explained their outlook like this:

> *"Our family focus is now on experiences vs. objects."*

These types of sentiments were expressed in one way or another by the majority of the consumer respondents.

There's Significant Pent-Up Demand for Live Events and Experiences

Probably the most relevant insight from the study is that there is significant pent-up demand to get back to live in-person events, experiences and gatherings. A large majority of brands expect their budgets to snap back to levels last seen in 2019 once the pandemic subsides and restrictions are lifted. Consumers highly value and miss being able to attend a wide range of events and experiences. The desire to gather face-to-face in groups is innate to humans. But there are still many questions about the path forward. One path is suggested by one of the respondents to the consumer survey:

> *"The more brands can get innovative to help busy consumers and surprise and delight them, they will remain top of mind."*

Clearly, the in-person reactivation and recovery period will require potential major changes to events, consumer experiences, exhibitions, meetings and gatherings of various types. There are a number of issues and challenges, many of which focus on the fundamentals of health and safety, and following new protocols for conducting in-person group business and gatherings. But these changes also open up important opportunities.

Never Underestimate the Power of Experiential

The only sure thing is that there are still many uncertainties especially around the pace of recovery and reactivation. But the pent-up demand for live in-person events and activations is real. How the industry collectively responds to the range of challenges and opportunities, especially how the event and experiential reactivation process moves ahead over the next few years—and how live events are re-imagined and integrated with hybrid digital platforms and in-person programs—will set the course for the industry for many years.

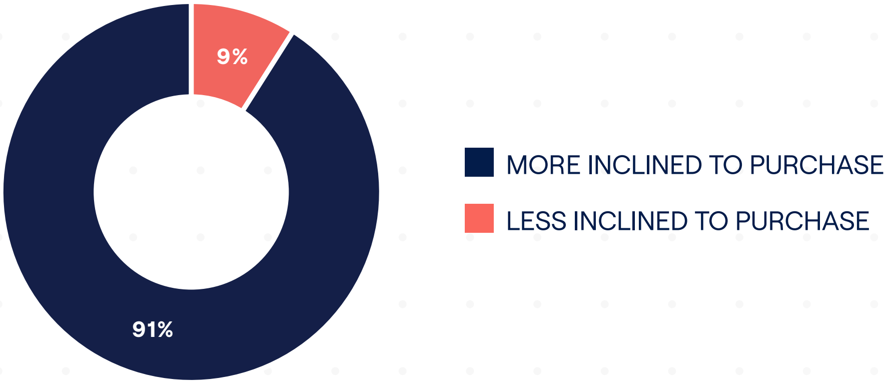
What follows are summaries of eight key insights from the new consumer and brand research followed by specific action steps brands need to consider.

Experiences Create Meaning and Connections—and Drive Sales

Key Insight #1: Consumers say that events and experiences work very powerfully to drive sales—and significantly improve how they feel about and perceive brands

At a time when many consumers are accessing a significantly increasing amount of digital content and information, and shopping more online, the power of in-person events and experiences to improve brand perception and product knowledge is still very strong. The impact of live in-person events and experiences on purchase inclination remains powerful in the minds of consumers. In the new EventTrack survey of consumers conducted in the first half of 2021, 91% said, assuming the product/service demonstrated was one they were interested in, that participating in events and experiences makes them more inclined to purchase the brand.

Consumers Say Participating in Brands' Events and Experiences Makes Them More Inclined to Purchase



It's also important to note that 46% of consumers say they feel more positive about a brand or product/service after participating in a brand-run event or activity—and 41% say they maintain the same opinion of the brand after participating. Another survey question found that over 40% of consumers feel they become more loyal to brands after attending their events and experiences.

Consumers value events and experiences to learn something new, sample a product, see a demonstration, access an incentive, interact with brand staff or ambassadors, and, critically important, have fun and enjoy themselves. After a year of lock-down, consumers deeply miss live events and experiences and want them back. They want to see what they've been viewing on screens come to life. One consumer responded in the survey: *"It's hard to replace the assurance of being able to touch and feel a product before purchase."*

The takeaway for brands is that in-person experiences help build stronger bonds with consumers by engaging the full range of senses and emotions. And live experiences are almost always more memorable than other marketing channel engagements. While there are still many unknowns about the timing of re-openings around the country, and in-person event reactivations, brands need to prepare for how to respond to the significant pent-up demand consumers have for events and experiences. The expected explosion of demand for events, experiences and gatherings, whether it happens in 2021 or 2022, is likely to be significant, although after six to twelve months of "getting back to normal" the excitement may subside. That means brands need to look at the first year of in-person reactivations as a once-in-a-lifetime opportunity. In this environment, effective live in-person programs have the potential to strengthen, or even remake, consumers' connections to brands.

Action Points:

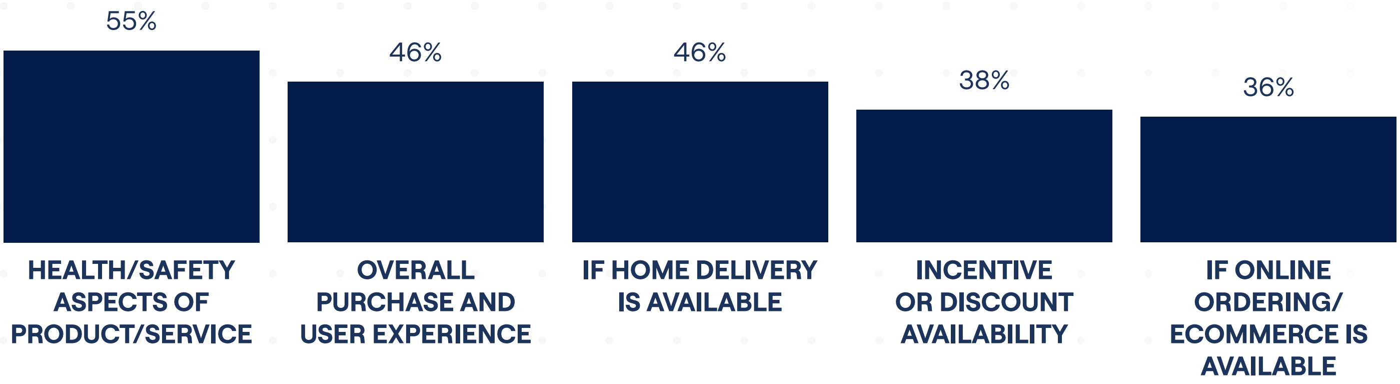
- Welcome consumers and attendees back to in-person with sense of celebration and appreciation.
- Understand the power of experiential to make connections, drive sales and build loyalty.
- Sampling programs and demonstrations now need to be designed for safety.
- Screen fatigue is real and will help drive demand for in-person events and experiences

Make Consumers Feel Safe, Special and Appreciated

Key Insight #2: Health and safety concerns are the top issue influencing consumers' most meaningful purchasing decisions

Besides the critical issue of health and safety, the other top issues impacting important purchase decisions are the overall purchase and user experience, and if home delivery is available. These areas are more important than the availability of incentives or discounts. The survey question was: *In response to the challenges faced in 2020, which of the following now have greater influence on your most meaningful spending and purchase decisions?*

What Now Has Greater Influence on Consumers' Most Meaningful Purchase Decisions



According to the survey, essentially over half of consumers are now considering the safety of products and services as well as the purchase process before they buy. They are also concerned or at least are more often thinking about the overall purchase and user experience. They're asking a basic question: is your brand safe? Consumers have been shaken by the pandemic and the memory is likely to last for years.

Analyzing the data by age group finds that over 70% of consumers under 25, as well as those over 55 years old, say product/service health and safety concerns now have a greater influence on their purchase decisions. This is much higher than the respondents between the ages of 26 and 55. Online ordering availability is more important to people aged 36 to 65, compared to younger survey respondents. Similarly, product home delivery options are most important to those between the ages of 36 to 55. Online ordering and home delivery, which are often closely related, is most important, overall, to those mostly likely in the workforce and raising families.

Age Breakouts: What Now Has Greater Influence on Consumers' Most Meaningful Purchase Decisions

	Under 25	25 to 35	36 to 45	46 to 55	56 to 65	Over 65
HEALTH AND SAFETY RELATED ASPECTS OF THE PRODUCT/SERVICE	71%	57%	54%	53%	79%	89%
OVERALL PURCHASE AND USER EXPERIENCE	51%	46%	46%	51%	69%	56%
IF HOME DELIVERY IS AVAILABLE	44%	43%	49%	53%	46%	44%
INCENTIVE OR DISCOUNT AVAILABILITY	58%	40%	47%	44%	43%	39%
IF ONLINE ORDERING/ECOMMERCE AVAILABLE	23%	38%	45%	43%	44%	22%

Action Points:

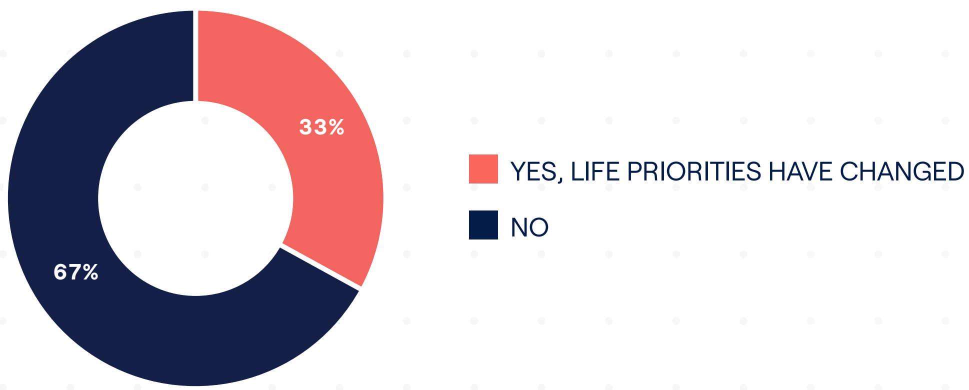
- Make consumers feel safe and comfortable at your events and experiences.
- Tie your experiential reactivation safety plan to your strategic plan, and make this a continually updated "living" document.
- Realize you're selling features and benefits, but also safety and comfort.
- It is well understood that in-person event formats and operations need to change, including: audience traffic patterns and flow, contracting larger or different spaces, using outdoor areas when available, adding touch-less technology, and possibly providing on-site temperature and health screening.
- Consider providing smaller guided-tours through your experiences.
- Capture more video of your initial reactivated live programs to show how they work and the approach to health and safety.
- Over-communicate about the health and safety procedures and protocols before events as well as on-site.

Change Opens Opportunity. Now's the Time to Re-Imagine Your Experiences

Key Insight #3: One-third of consumers say their top life priorities and values have changed as a result of the challenges and opportunities faced in 2020

The survey asked consumers if the issues faced in 2020 have changed any of their key life priorities and values. One-third of consumers say their life priorities and values have changed. Many of the themes in their responses can be grouped in the following core areas: they're spending more time with family, focusing on health and wellness, and saving money. Many consumers are simply getting back to basics and evaluating their core beliefs and priorities.

Percentage of Consumers Whose Life Priorities and Values Have Changed



While 33% of the surveyed consumers have changed their life priorities and values, certainly many more have deeply thought about and reevaluated these concerns for themselves and their families. Major societal changes and uncertainties have forced reflection. Interestingly, the age groups that have changed their priorities and values the most are those between the ages of 25 and 35 as well as consumers between 56 and 65. The age breakouts are in the table below. These two age segments are often experiencing major life transitions anyway—such as starting careers and families for the younger cohort, and transitioning to late career and retirement for the older group—and the pandemic may have accelerated these changes.

Age Breakouts: Percentage of Consumers Whose Life Priorities and Values Have Changed

	Under 25	25 to 35	36 to 45	46 to 55	56 to 65	Over 65
YES, LIFE PRIORITIES HAVE CHANGED	21%	42%	35%	34%	43%	25%

Action Points:

- Understand in detail how your customers, prospects and audiences have changed.
- Have your key customers and influencers help you build your new events and experiences. Address their concerns and feedback.
- Reassess your commitment to sustainability and diversity and inclusion issues, areas growing in importance to consumers.
- Remember, consumers have also been bored for over a year. How can you add excitement and interest to their lives with your experiences?

We're All in This Together: Innovate to Help Consumers Make Their Lives Easier

Key Insight #4: Large segments of consumers expect their pandemic-related lifestyle changes to continue in the future

Looking out post-pandemic, over 40% of the respondents say they will continue to save money, shop more online, and pay more attention to their health and wellness. Only 6% checked the answer option *none/no change/not applicable* suggesting just how many consumers have changed their habits and behaviors in one year.

Top Five Lifestyle Changes Consumers Say are Here to Stay

Consumers have certainly been forced to reassess many areas of their lives and make changes. But they also yearn to get back to a sense of what had been normal before. Consumers tell us in the survey they are budgeting and planning more, scrutinizing or deferring large purchases; and many are buying higher quality products, or are trying to spend more with local businesses. They are also more conscious and cautious. This is a challenge and balancing act for brands: what do brands change about their products and services, and messaging and experiences, while keeping a sense of what consumers valued in the past?

Action Points:

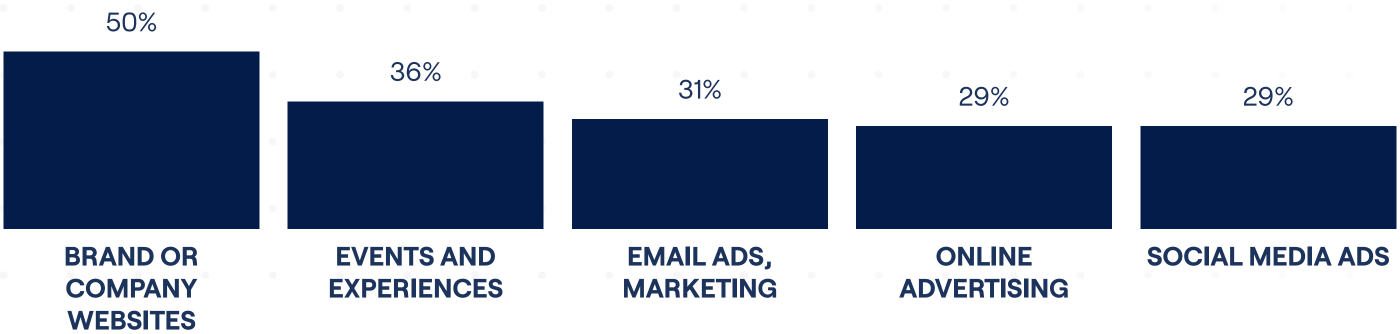
- Emphasize how your products and services—and experiences—help consumers save money and, if possible, positively impact their health and wellness.
- Online shopping has accelerated and will continue to grow rapidly. Better integrate in-person events and experiences with online purchasing and home delivery options.
- Digital and streaming content consumption has exploded and will continue to grow rapidly. Consider how your customers and prospects have changed in this regard and build your experiential programs with a more robust digital content sharing strategy.
- Consumers are open to what's new and different in a safe environment. This requires brands to reassess their approach to live events and experiences. Embrace the change and re-set for the new era.
- Remember, consumers have been through a crisis and need care and attention.

No Other Channel Provides the Full Value of Experiential

Key Insight #5: Event and experiential marketing—along with brand websites—continue, even in a pandemic that's sharply limited gatherings, to lead other advertising and marketing channels in terms of effectiveness and value to consumers

The chart below provides a ranking of the most effective advertising methods that best help consumers understand the benefits of products and services. Brand websites and events and experiences are the primary advertising and marketing channels that provide the most value, according to consumers, followed by emails and online ads.

Consumers Rate the Best Advertising Methods to Understand Product Benefits



Event and experiential marketing is so highly valued by consumers because it offers a sense of spontaneity and fun, and they are simply more memorable than other marketing channels. Brands come to life when consumers and brand staff interact in-person.

That websites are considered the best channel for learning about products and services is not surprising. It's almost second nature to go to a brand or company website, or find a site via a search engine, when considering product and service categories or to find out basic brand information. But brand websites only provide information and content, and are not experiential. Brands with event and experiential programs may need to do a better job at connecting their websites and digital strategies to their in-person activations, and vice versa. For example, too often information about "events" on brand websites is hard to find, very limited, or even not provided at all. Hybrid in-person and digital events and activations are an obvious potential bridge between experiential programs and websites and other digital media.

Action Points:

- Reassess how events and experiences need to play a greater role within your integrated campaigns.
- Consider how your websites can better integrate with event and experiential programs to more effectively leverage both channels.
- Build your hybrid in-person and digital strategy with the connection between the brand website and experiential programs in mind.
- In-person and digital amplification and content sharing strategies that received so much attention pre-pandemic will need to be increased, and should be better integrated with brand websites.
- Don't underestimate the power of fun, unique and memorable experiences. These are what make events and experiences stand out and so effective.

Budget Expectations Show Pent-Up Demand for Live Experiences is Real

Key Insight #6: Post-pandemic, 81% of brands believe their event and experiential budgets will match or exceed their pre-outbreak levels—and this positive sentiment has increased over the past year

The findings here provide some of the best news for the live events and experiential marketing industry during a challenging period. Sixty-one percent of brands believe their live in-person event and experiential marketing budgets will be reinstated to a level similar to before the pandemic, and 20% expect their funding to actually be increased above that level. This good news is underscored by the one-year comparison in the data table below. The total percentage of brands expecting their post-pandemic budgets to rebound to pre-pandemic levels, or be even larger, jumped from 63% in the summer of 2020 to 81% as of the first half of 2021. This reflects growing confidence in the future of the industry and significant pent-up demand to reactivate face-to-face marketing activations.

Will Post-Pandemic Event and Experiential Budgets Rebound to Pre-Outbreak Levels?

	2021	2020	*Difference*
BUDGET WILL INCREASE	20%	9%	*+11%*
REBOUND TO LEVEL SIMILAR TO BEFORE THE OUTBREAK	61%	54%	*+7%*
DECREASE	19%	37%	*-18%*

Why are brand budgets expected to snap back so quickly? As one of the executives that responded to the brand survey noted: *"There is no single solution that gives you everything a live event does."* But let's be clear, live events and experiences will be different. Other *Event Marketer* research conducted recently has found brands expect to emphasize the following as they reactive live in-person programs: hybrid experiences, more regional events and community activations, as well as road shows and mobile tours. Most brands have also been making a number of important investments, mainly around health and hygiene, event technology, and adding new staff roles to prepare for in-person reactivations.

Industry Sector Comparisons: Will Post-Pandemic Event and Experiential Budgets Rebound to Pre-Outbreak Levels?

The findings to this questions are broken-out by five key industry sectors in the table below: IT and Consumer Technology, Entertainment and Media, Financial Services, CPG (Consumer Packaged Goods), and Retail. The data show a mixed picture, but overall the majority of brands in each industry expect their event and experiential budgets to rebound or exceed the level in 2019 once the pandemic is over. Comparatively, the IT and Consumer Technology sector has the highest percentage of respondents (27%) that expect their post-pandemic event and experiential marketing budget to be larger than it was in 2019. Over 20% of entertainment and media and CPG brands also expect their post-pandemic budgets to be higher than in 2019.

	IT and Consumer Tech	Entertainment and Media	Financial Services	CPG	Retail
BUDGET WILL INCREASE	27%	22%	19%	21%	11%
REBOUND TO LEVEL SIMILAR TO BEFORE THE OUTBREAK	47%	78%	56%	50%	67%
DECREASE	26%	0%	25%	29%	22%

Action Points:

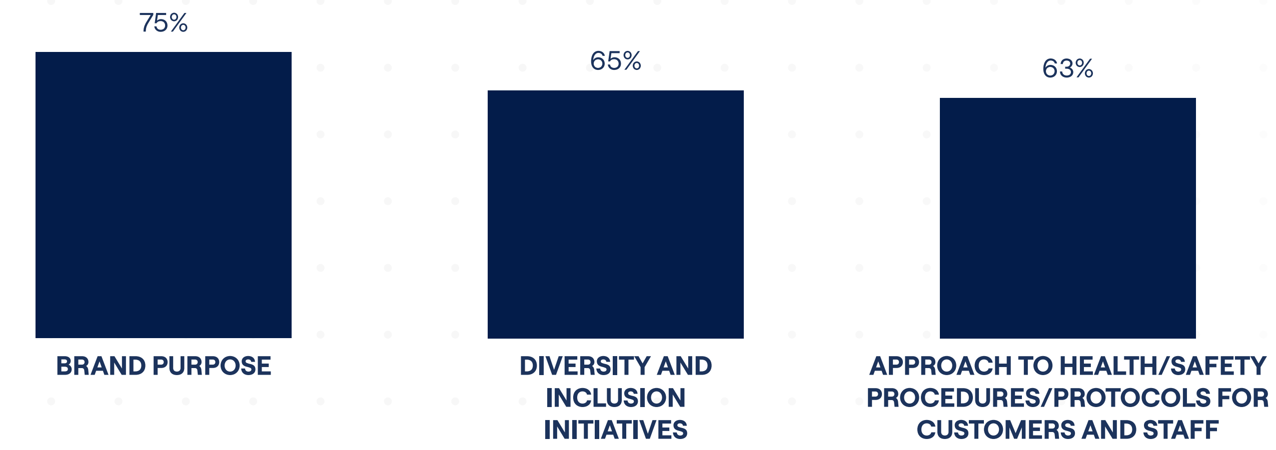
- Understand that post-pandemic safety requirements require significant attention and planning, new formats, and more communications and signage—and likely increased resources for these areas.
- Clearly, new budget lines for PPE, different locations, audience traffic flow, touch-less technology and social distancing is required.
- Watch your competitors closely. Some will hold back on in-person reactivation while others will see the new opportunities and move quickly to reactive in-person. Don't be left behind.

New Brand Purpose and Changed Customers Require New Experiences

Key Insight #7: Brand messaging themes and marketing communications have changed considerably with major reviews and changes in brand purpose

By far today's most important brand messaging themes relate to reinstating brand purpose, explaining diversity and inclusion initiatives, and the brand's approach to health and safety. A number of other areas and themes are also considered to be important to brands, and are outlined later in this report, suggesting just how challenging the marketing and communications industry is today and will likely remain for a number of years.

Top Three Extremely/Very Important Aspects of Brand Messaging and Marketing Communications



Yet these challenges also point to new opportunities. Many brands have undergone significant brand purpose reviews. Many have increased their community support efforts and messaging, and are emphasizing sensitivity during this challenging time of change. One brand executive responded in the survey: *"Experiential is always about the user journey. Our job is to make that journey as seamless as possible, and ensure that at the end, the brand's objectives are met. This means it's always changing as the customer's needs change."*

Action Points:

- Tie event and experiential programs even closer to brand purpose.
- Build initiatives and messaging around the key themes of health and safety, community, problem-solving, empathy and resilience.
- Use your in-person programs to show your commitment to sustainability and diversity and inclusion initiatives.
- Better understand audiences and how they have changed due to the pandemic, and be aware of how their media consumption and purchase behaviors have changed.
- Consider more targeting and personalization in communications.

Your Brand Has Changed or Been Reevaluated. Now Your Experiences Need to Change, Too

Key Insight #8: Large segments of brands have made significant business shifts and developed new products and services as a direct result of the challenges faced in 2020

Less than half but a still meaningful 38% of brands say that their company has shifted or pivoted what their business does in a significant way as a result of the challenges faced in 2020. Forty-two percent of the brand respondents say their company has developed new products or services as a result of the pandemic and related issues. This level of major corporate change, in less than one year, has simply never been seen before in the modern era.

% of Brands that made significant business shifts	*% of Brands that developed new products/services*
38%	*48%*

Even if your brand hasn't changed much due to the pandemic, a significant segment of your customers probably have changed. A new or additional brand purpose should be considered to engage these changed consumers.

Industry Sector Comparisons: Percentage of Brands that Made Significant Business Shifts and Developed New Products/Services

CPG, financial services, and entertainment and media brands were the most likely to have made significant business strategy shifts during the pandemic. Entertainment and media along with IT and Consumer Technology companies, on a percentage basis, developed the most new products and services in response to the rapid shift to streaming and digital content consumption resulting from consumers' increased time at home. Entertainment and media companies also had to shift as restrictions stopped events and gatherings.

	IT and Consumer Tech	Entertainment and Media	Financial Services	CPG	Retail
% OF BRANDS THAT MADE SIGNIFICANT BUSINESS SHIFTS	28%	43%	50%	50%	33%
% OF BRANDS THAT DEVELOPED NEW PRODUCTS/SERVICES	40%	76%	33%	23%	11%

Action Points:

- Embrace the change.
- Build and strengthen a sense of community tied to events and experiences.
- Show consumers new ways to use your products and services.
- Be ready to make changes and adjustments quickly, and develop contingency plans.
- Remain creative, audience-focused and flexible.

With re-openings around the country, optimism is building. There are many challenges and unknowns still. But the risk for brands may be in not moving fast enough to reactivate safe event and experiential programs.

The new era in experiential marketing starts now.

About the Consumer Survey Respondents: The consumer survey received responses from consumers in the U.S. and Canada that have participated in branded events and experiences. Half of the respondents are based in the U.S. and the other half live in Canada. Slightly more females than males responded to the survey.

About the Brand Survey Respondents: The survey respondents primarily work for large companies in a range of categories including technology, financial services, retail, beverage, medical and pharmaceutical, entertainment and media, consumer packaged goods, automotive and other lifestyle-related sectors. In terms of total company revenue, 56% work for companies with over $100 million in revenue, and 32% generate over $1 billion in annual gross revenue.

The findings in this Executive Summary provide only a portion of the insights from the study. The next sections are packed with additional insights, data and benchmarks. The consumer findings are presented first, followed by the brand data.