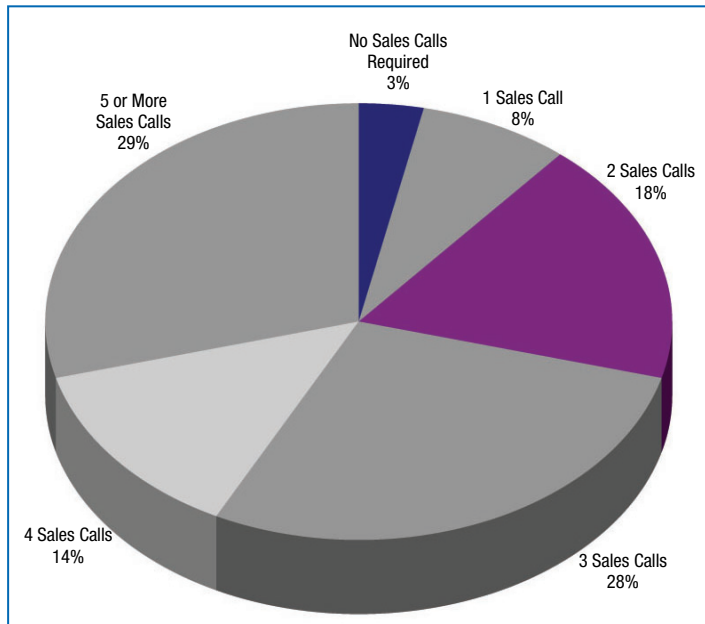


## The Cost Effectiveness of Exhibition Participation: Part II

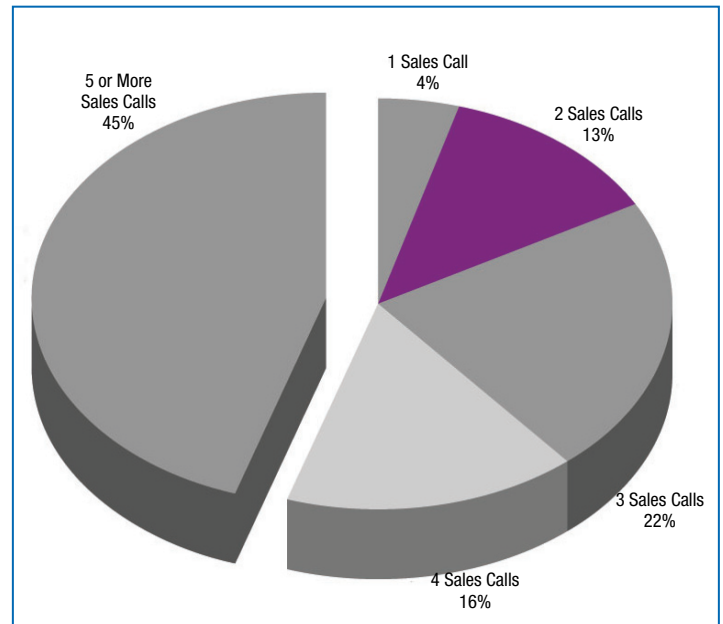
### How Many Sales Calls Does It Take to Close a Sale?

New research shows that it takes an average of 4.5 sales calls to close a sale without an exhibition lead, and only 3.5 sales calls to close a sale with a lead from an exhibition.

**Figure 1** – Number of Field Sales Calls to Close Sale *With Exhibition Lead*



**Figure 2** – Number of Field Sales Calls to Close Sale *Without Exhibition Lead*



**54%** of sales that started with a lead from an exhibition are closed after only 3 or fewer sales calls.

**61%** of sales that started without a lead from an exhibition require more than 3 calls to close.

## How Much Does It Cost to Close a Sale?

<u><i>With an Exhibition Lead</i></u>	<u><i>Without an Exhibition Lead</i></u>
<b>\$2,307</b>	<b>\$3,102</b>
<p>This includes:</p> <p>the average cost of identifying a potential customer at an exhibition</p> <p style="text-align: center;"><b>\$215</b></p> <p>and the average cost of 3.5 sales calls to the prospect</p> <p style="text-align: center;"><b>\$2,092</b></p>	<p>This includes:</p> <p>the average cost of identifying a new customer outside of an exhibition</p> <p style="text-align: center;"><b>\$443</b></p> <p>and the average cost of 4.5 sales calls to the prospect</p> <p style="text-align: center;"><b>\$2,659</b></p>

Closing a sale with a potential customer from an exhibition versus one found in the field **saves an organization approximately \$795 per new customer!**

The data produced for Part I and II of this study support the evidence that it is much more cost effective to close a sale when a customer is first identified at an exhibition versus non-exhibition means. Exhibitions save companies an average of \$795 per new customer when closing a sale and, moreover, **companies can save 79% by making a first face-to-face contact with a potential customer at an exhibition.**<sup>1</sup>

As businesses adjust to today's economic climate, a cost saving measure based upon these findings would be to use exhibitions as a prime means for identifying new customers and renewing relationships with existing clients.

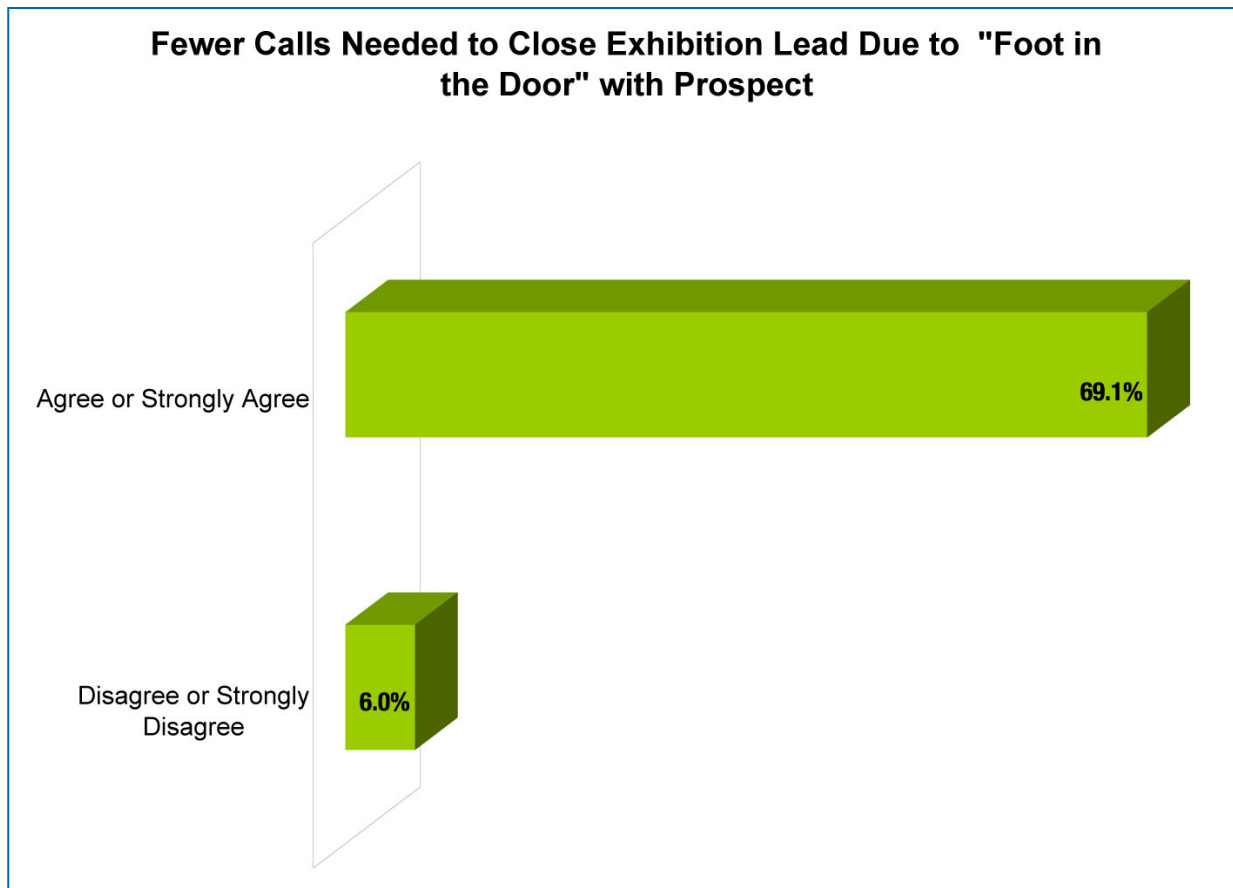
<sup>1</sup> CEIR, SM 37 *The Cost Effectiveness of Exhibition Participation: Part 1*

CEIR released a similar study on the cost to close a sale in 2001<sup>2</sup>. Although the difference in the number of field sales calls needed to close a sale with an exhibition lead as compared to without an exhibition lead has decreased compared to the findings in the first study, the following factors can be attributed to the decrease:

- a. The volatile 2008 U.S. economy at the time the survey results were gathered, and
- b. The current reduction in customer spending which leads to an increase in the number of sales calls needed as purchase hesitancy is heightened.

In addition to the many other valuable aspects of face-to-face marketing on the exhibition floor, it remains *significantly more cost effective* today to generate sales leads at exhibitions than it is to generate those leads through other means.

Study respondents also clearly indicated their support for the claim that exhibitions are valued for their ability to both increase corporate recognition, and gain or protect market share. Specifically, when it comes to closing a sale, respondents agreed that fewer sales calls were needed to close a sale with an exhibition lead because these events give them a ‘foot in the door’ with potential customers.



<sup>2</sup> CEIR, SM 17.01 *How Much Does It Cost to Close a Sale?*

## How This Study Was Conducted

This study was conducted by the Alfred P. Sloan Foundation Travel & Tourism Industry Center at the University of South Carolina for the Center for Exhibition Industry Research. The object of this study was to establish the cost effectiveness of exhibition participation as it relates to the value of leads secured by qualified organizations. To identify the cost of converting an exhibition lead, it was necessary to determine how many additional sales calls were needed to close a sale.

The sample frame of respondents was sales and marketing managers of firms with annual sales totaling more than \$50 million. A telephone survey was used to gather data from the sample frame of 2,500 records. The resulting final sample size was n=214 of qualified survey participants. Among other findings, respondents reported that their average, annual cost (non-salary) of exhibiting, based on an average 6.8 shows per year, was \$153,763. Based on the results of this study, it is evident that it is more cost effective to close a sale when a potential customer is first identified via an exhibition versus non-exhibition means.

To obtain the complete report on the findings of this study by the Alfred P. Sloan Foundation, contact [info@ceir.org](mailto:info@ceir.org) or call +1 (972) 687-9225.

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