

ABM Brand Extension Committee

Case Study Spot Lights

This series of case studies explores how B2B media companies are growing their businesses through brand extension projects.

TOPIC: CONFERENCES & SEMINARS

The Opportunity: Conferences and seminars are the “live,” person-to-person form of information exchange in the world of communications. For B2B magazine publishers, they are also a natural extension of a magazine, providing a venue where readers become attendees, writers and editors become speakers, and advertisers become sponsors and exhibitors.

The following spot lights explore two approaches to the conference and seminar business. The first case study on Red 7 Media describes a freestanding seminar that was not part of a trade show. Registration fees paid by attendees were the primary revenue stream, while sponsorships provided a secondary revenue source that helped lower the risk. The second case study of Ball Publishing’s GrowerExpo conference for commercial greenhouse growers delves into an event where the primary driver, the conference, is accompanied by a trade show.

World events and the economy softened the market for conferences and seminars over the past two years, but indicators suggest a rebound is under way. The need for training continues, and the value of face-to-face information exchange places the conference and seminar business high on the brand extension committee’s list of valuable spin-offs.

CASE STUDY #1 — Red 7 Media Launches a Seminar at a Sister Magazine’s Event

Publisher: Red 7 Media
Property: M10 Magazine’s *Event Marketing for Magazines*
Audience: Magazine Publishers, Event Managers, Advertising and Marketing Directors, Editors
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Objectives: To leverage knowledge from Event Marketer Magazine for the benefit of its sister publication, M10, in order to show publishers how to use events as brand-building revenue generators for their magazines. To differentiate this new launch from its competition, further establish M10 in the magazine publishing market, and provide the

foundation for a new line extension for the M10 brand. Revenue generation was a secondary objective.

Background: Red 7 Media owns two publications, Event Marketer Magazine and M10 Magazine. Event Marketer currently runs two conferences a year. The publisher wanted to measure the interest level M10's audience of magazine publishers might have in the area of event marketing. So Red 7 Media took advantage of the timing of the Event Marketer conference to stage a one-day seminar for M10. Because event marketing was a completely new subject for many magazine publishers, Red 7 wanted to test the waters first with a low-risk project.

Execution: *The Integrating Event Marketing Conference* was a two-day event held in New York by Event Marketer that attracted more than 250 attendees, including event planners, marketers and others from the financial services and packaged goods, among others.

The publishers saw this conference as a platform for staging a separate event for M10—a low-risk way to test their audience's interest and to test the viability of holding a conference in a cluttered marketplace. The M10 one-day event was planned to piggyback on the EM facility, operations, and speakers, but it was marketed separately to its target audience of publishing professionals.

Red 7 used a new model to create this event. They did not use people from the magazine industry, but instead recruited speakers from the events industry to show magazine people what was out there beyond what they knew—helping them understand events in terms their advertisers might be accustomed to.

In addition to revenue from attendee registration, there were two sponsors for the event, neither of which was an existing advertiser. One sponsor, an event marketing agency, had clients both in publishing and other markets. Red 7 was therefore in a position to offer the agency sponsorship of two events in one. Since the sponsor was not a current advertiser in M10, this was incremental revenue for that magazine.

A second sponsor was a conference management outsourcing company that works with publishers, but also did not advertise with M10. The seminar became an opportunity to introduce the sponsor to M10's audience.

Because Red 7 decided to do this test after plans were in place for the Event Marketer conference, they did not give themselves much time to market. The target was 75 attendees, and they ended up with 80. Red 7 believes that, with more marketing time, the seminar would have drawn even greater attendance.

Unexpected benefits? The confirmation that there's heavy interest, cross-pollination of advertisers from a completely different world into M10. They saw benefits flowing in both directions.

Resources: Because they had an existing contract with the hotel, Red 7 Media was able to leverage that relationship to add meeting space for the one-day seminar. They were also able to more fully use their existing staff resources, with M10 editorial and marketing people working with the staff of the Event Marketer conference to handle marketing and logistics for *Event Marketing For Magazines*.

Best Practices: The publishers identified an untapped subject area for publishing, and leveraged it off an existing event, which lowered their financial exposure. Since Red 7 Media owns magazines in both the event marketing and magazine publishing businesses, using the knowledge of Event Marketer to explore the interest level of magazine publishers was a natural extension for both publications. From an operational perspective, extending the use of a facility already in place for one publication meant that Red 7 was able to realize cost savings in addition to hotel contracts, such as staff planning and travel time, speaker travel costs, and shipping.

Success Measures:

From a financial perspective, the publisher wanted to increase gross revenue and cover their direct costs, and they exceeded that goal by actually making a small profit.

But beyond that, *Event Marketing for Magazines* was a strategic success, with over 80 attendees from a wide cross-section of publishing companies, as well as functional areas within publishing. Approximately 75% of the attendees understood the value of the information for their business, and responded positively to the subject. M10 staff measured customer satisfaction with onsite surveys, which were overwhelmingly positive. “We were building a case for event marketing as a new avenue for publishers, and we accomplished that,” said Kerry Smith, Red 7’s president

An interesting mix of attendees included large and small companies, from Delaware Today, to DuPont, to McGraw-Hill. The range of functional areas represented was impressive as well—from publishers to sales managers, marketing managers to editors. “We weren’t sure if anyone would show up, and if they did, what kinds of people would show,” said Smith. “This first effort showed us there is interest at multiple levels.” The event has benefited M10 as well—the publication now features regular coverage of magazine events, and will continue leveraging knowledge from the Event Marketer side of the house to keep that information fresh. While the editorial focus of Event Marketer Magazine is the strategy behind an event, the editors now see an opportunity to put a different spin on the subject. In M10, the approach will be, “Here’s how the magazine pulled it off.” Said Smith, “This helps set M10 further apart from others who don’t have access to this knowledge. The long-term plan to attract more advertisers from the EM side to M10 and vice versa.”

According to Smith, “The value of a successful event (a conference or seminar) for a magazine, especially for a magazine trying to establish a presence or image in a market, is huge—it brings the magazine to life. It creates a buzz that can really establish what you’re doing... it sets you apart. It allows you to have conversations with people that might not have happened otherwise. For both readers and advertisers, this event was a

way to say, ‘Come experience our worlds, see the people we are bringing together. We have something unique to offer.’”

A current M10 advertiser with only a peripheral interest was in attendance, and his feedback was gratifying: “I can’t believe you’ve only published two issues to date, and you can draw this type of audience.” The advertiser was impressed with the number of attendees and the speakers, and pleasantly surprised all around. The brand enhancement with existing customers and prospective customers alike was powerful.

Concluded Smith, “Our goal was to start with this group of readers, tell this group we’re here, we’re serious and we have something unique to offer. Mission accomplished.”

CASE STUDY #2 – Ball Publishing’s Event for Growers Evolves

Publisher: Ball Publishing
Property: GrowerTalks Magazine, GrowerExpo & The 2003 Perennial Production Conference
Audience: Commercial Greenhouse Growers
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Objectives: To develop a conference business that would expand the magazine’s relationship with its clients, both readers and advertisers. To create additional information exchange opportunities for readers and advertisers, while at the same time increasing revenue from both.

Background: GrowerTalks Magazine was launched in 1937 as the house organ for Ball Corporation, the largest horticultural distributor and flower breeder in the U.S. In 1983, Ball began accepting advertising in GrowerTalks, including ads from competitors. Today, the magazine’s audience is commercial greenhouse growers in a market that includes seven competing titles in the U.S. and Canada. In 1984, Ball Publishing launched a conference and trade show, GrowerExpo, geared toward greenhouse growers.

Execution: When GrowerExpo began, the conference was put together by editors and sold by the publisher and ad sales staff. The goal was to generate incremental advertising revenue from the sale of exhibit space. But from the beginning, Ball focused heavily on the conference content in order to attract the right audience. Today, the conference is the priority. Attendees pay between \$199 for a one-day pass to \$649 for the full conference, which includes a pre-conference day with tours and seminars, plus two full days of sessions.

Ball Publishing uses an outside meeting planner to handle arrangements with the hotel. “That’s not our business, negotiating hotel contracts, planning food and beverage logistics,” said Debbie Hamrick, editor of FloraCulture International and a conference team leader. “We’d rather pay someone who does events ten to 12 times year.” Hamrick estimates that a planner saves \$20,000, even considering their fee. “If you’re a small publisher, unless you have a lot of events, you don’t need someone on staff to do that.”

Hamrick relies on Ball Publishing’s editors to put the program together and on sales reps to pitch space to prospective exhibitors. “If your editors don’t have contacts to put program together, and same for sales reps and contacts, then there’s something wrong.” Ball promotes registration with an easy-to-follow seminar brochure.

The choice of the event’s location and timing has evolved over the years. Ball Publishing knows that 50-60% of the attendees drive to the event, so the location must be in an area with a significant concentration of growers. Since the event includes a trade show, healthy attendance is critical to avoid a black eye with exhibitors/advertisers.

Originally, Ball Publishing held the GrowerExpo conference in January because the industry’s largest conference was held in July. For their target audience of greenhouse growers, January is a slow time, just before they start gearing up for the busy spring season. As for location, it has been held in Chicago (despite the challenge of the January timing) and in Atlanta.

Ball Publishing repositioned GrowerExpo several times over the years. At one stage, they targeted larger growers, a smaller universe of approximately 1,000. Although the percentage of the universe attending was fairly high at 250 to 300, it was not high enough to make the event profitable.

Then came September 11, 2001. In the wake of the terrorist attacks, the publisher cancelled Grower Expo 2002, set for January 2002 in Chicago. The pace of registrations was lagging and the staff was fielding questions from anxious registrants about the proximity of their downtown hotel to Sears Tower, downtown Chicago and O’Hare Airport. The cancellation, GrowerExpo’s first ever, forced Ball Publishing to pay a steep attrition fee to the hotel, which wiped out their profit for the period. But the alternative of putting on a low-attendance event would have risked its relationship with exhibitors/advertisers.

At that point, the publisher reevaluated its event strategy. The first decision was to change the timing from January to late September or early October. This would remove weather as a factor, and the fall was still good timing for growers. Ball Publishing also adopted new goals: to find the right niche topics, develop a narrower focus and scale down the attendance target to 600 to 800 from 1,000 to 1,500.

What evolved was the *Plug & Cutting Conference*, held at Disney’s Coronado Springs Resort in Orlando in September 2002. Drawing nearly 1,000 people, the new event

surpassed expectations and gave the staff's morale a huge boost, especially after the cancellation of the prior event. "It was like a live version of our magazine," says Hamrick. "It helped to repair egos, and it was profitable." The next event, *The 2003 Perennial Production Conference*, was budgeted for 475 registrants and drew more than 600 attendees. In 2004, the plan is for the *International Bedding Plant Production Conference*, co-sponsored by sister pubs FloraCulture International and GrowerTalks Magazine.

Resources: Ball Publishing used the existing editorial and advertising staffers from GrowerTalks magazine. Editors plan the program and recruit speakers. Ad sales representatives, who sell the magazine to suppliers of plants, ag chemicals, greenhouses and other supplies to greenhouse growers in the U.S. and Canada, also sell exhibit space. The ad sales staff also coordinates trade show set-up and operations. An outside meeting planner negotiates contracts with drayage and the decorator, but ad sales handles the rest.

Best Practices: Editors drive content. Ball Publishing includes all editorial staff in devising the program and contracting with speakers. The company also has an established format, which is now followed every year. "The program we put on is good because editors come up with concepts, visit speakers and attendees alike, are on the phone with readers and know what they need," said Hamrick. Content drives the whole process. According to Hamrick, Ball would never put on a conference to sell a trade show with it. They put on a conference to satisfy the audience's informational need, and "sales comes along for ride."

Ball Publishing uses a meeting planner who has the expertise to monitor the hotel, approve menus, watch on-site expenditures and balance what's happening between the conference and the exhibit hall. The meeting planner also plays a role in nurturing relationships with speakers and sponsors.

The success of the event depends on knowing what will draw attendees. "We've done a great job of networking," said Hamrick. "Networking is an important component of our company culture. We know our audience and know our advertisers; we live for hooking people up. Our editors know advertisers, and sales reps know readers."

Ball's position is, "How can we create an event that maximizes our corporate culture and enables us to do what we do best?"

Success Measures: The job of the event organizers is to deliver a contribution back to the corporation, which they do. However, Hamrick as a team leader sees a challenge measuring the true costs of ancillary projects like GrowerExpo. What is the most accurate way to allocate overhead when using existing magazine resources: To the magazine? To the conferences? As a result, she's not sure the company measures the profitability of the two as accurately as it should.

A separate measure of the conference's success is the PR value to the company. For Ball Publishing, the PR and prestige factors are key because they are the only magazine in the

industry that puts on a conference. Hamrick sees it as an affirmation of the company's connection with its audience. "Exhibitors want more time with our audience," she said. "If we get the right people, that's what's important, and that comes from having the right content, the right conference program. We want to connect people. Our goal is to promote a networking free-for-all."