R.I.F.E.L.
Research Institute for Exhibition and Live-Communication

THE STUDY

The Future of Live Communication

Strategies ▪ Value creation chains ▪ Formats

Academic Director
Dr. Cornelia Zanger R.I.F.E.L e.V./Chemnitz University of Technology

An initiative of the Cross-sectoral Task Force on Trade Shows

GOAL OF THE STUDY

The future of live communication – the customers’ view

As a result of the digital transformation and its acceleration due to the COVID-19 pandemic, the live communication industry is facing **the greatest upheaval in its history**.

In fact, the entire value creation chain in the live communication industry is changing (clients/customers are placing new demands on marketing communications, event formats are changing, new players with digital expertise are becoming more relevant, proven strategic paths must be abandoned, and the industry must strategically reinvent itself).

Previous studies by R.I.F.E.L. e. V. have shaped the industry's view of itself (THE MACROECONOMIC SIGNIFICANCE OF THE EVENT INDUSTRY [June 2020], LiveCom Alliance studies from 2020 and 2021, Mapping the Event Industry in Germany [August 2021]).

What's missing? The view of the customers of the live communication industry.

Thus, the **objective of this study** is to gain deeper insights into the emerging changes in the value creation processes from the customer's point of view and to obtain guidance for the strategic realignment of the event industry "eco-system".

STUDY METHODOLOGY

The future of live communication – study profile

Step 1: **Desktop research and preliminary quantitative study**

Identification of the main focal points of the study, preliminary survey of the companies as clients conducted by the Cross-sectoral Task Force on Trade Shows (Branchenübergreifender Arbeitskreis Messen [BÜM]) and the members of the Advisory Board of R.I.F.E.L. e.V., quantitative analysis

Step 2: **Qualitative primary study**

Four focus group discussions à 1.5-2.5 hours each,
Participation of 14 managers in the area of marketing/communication from 10 internationally operative German companies in the automotive, chemical, transport, technology, banking, telecommunications, electrical/electronic, cleaning systems, medical and medical technology sectors

Content analysis of the material via transcription, classification and interpretation

FOCAL POINTS

The future of live communication – study topics

Focal point 1

Changes in communications strategies of the companies as customers of the live communication industry

Focal point 2

Changes in the value creation chains and partnerships

Focal point 3

Changes in the event formats used

Focal point 4

Customer expectations for the strategic realignment of the live communication industry

FOCAL POINTS

The future of live communication – study topics

Focal point 1

Changes in the communications strategy of the companies as customers of the live communications industry.

TOPIC 1: CLIENT STRATEGIES

Assessment of the situation as we emerge from the crisis

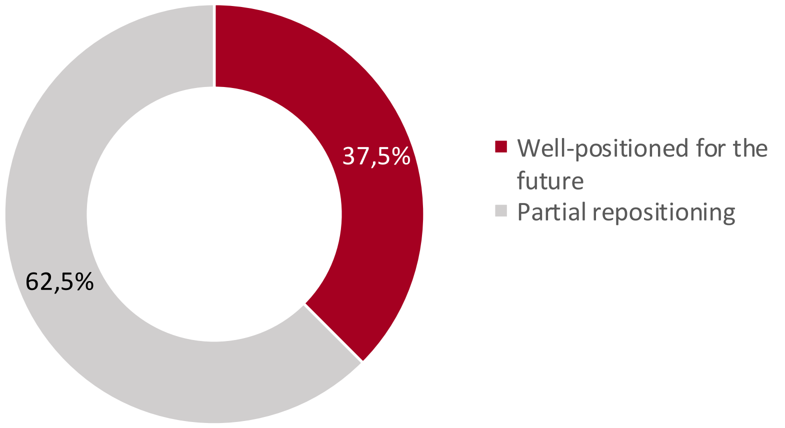
The Covid-19 pandemic has created great **uncertainty in the market** due to disruptive changes in technology and society.

This has unsettled all value creation partners, including those in the live communication industry as well as those responsible for marketing and communications at the client companies.

Events were repeatedly planned and then postponed; people realized only gradually that all previously planned events first had to be scrapped and the strategy adapted.

Even before the coronavirus appeared on the scene, many companies had already initiated **strategic repositioning processes** in the wake of societal changes (digitalization, sustainability, climate transition, mobility transition).

"The strategic repositioning of the PR events function with the integration of virtual formats to complement face-to-face events was greatly accelerated by Covid-19." (Landers, BMW Group)



Analyses of the players' own strategic situations in communications
Result of the preliminary survey (n=8)

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - the future is hybrid

As a consequence of previously planned structural changes and the Covid-19 pandemic, companies are **quantitatively and qualitatively** repositioning communication.

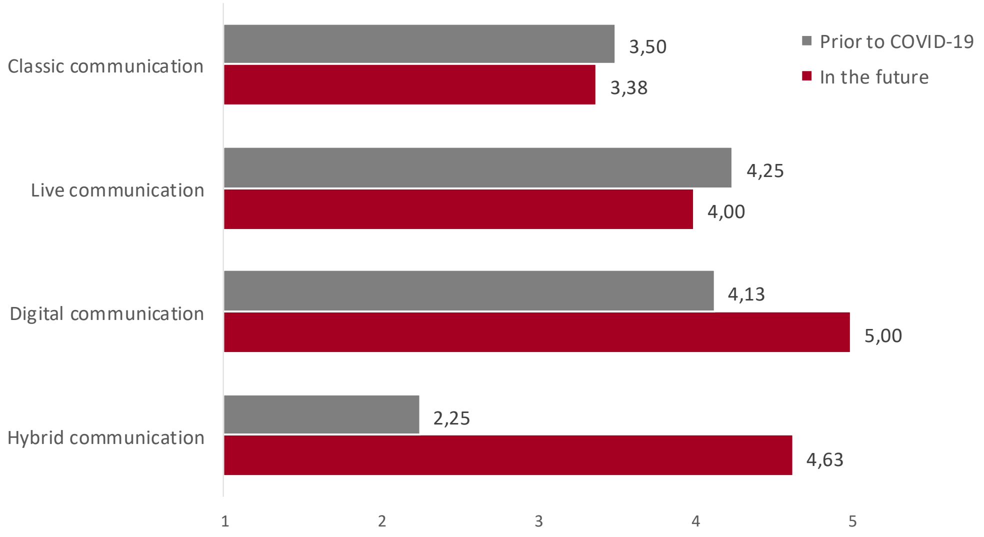
"In the future, there will be fewer purely live or purely online activities, but a whole lot of hybrid ones." (Gödert, BASF SE)

Both the number and size of events are changing: **"Reduce to the max"** is the goal of the strategic repositioning of corporate communications.

Covid-19 was the booster for the rapid development, professionalization and acceptance of **virtual communication formats**.

Hybrid events - not merely as streamed events but in an entirely new quality - are the future.

"Hybrid events are the 'new normal' that will ensure an appropriate approach to the media and the general public across all channels." (Landers, BMW Group)



Relevance of communication formats prior to and after Covid-19
From 1=unimportant to 5=very important
Result of the preliminary survey (n=8)

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - real live communication is indispensable

The important, positive message: **Real live communication is indispensable for companies**

Despite the increased acceptance of online and hybrid formats, all companies have firmly anchored real live communication in their **communication strategies**.

"As far as simple knowledge transfer goes, virtual events are widely accepted, but a genuine experience functions only in person." (Müller, Samsung Electronics)

The clients awarding contracts agree that the emotionalization of the participants and the "goose bumps" felt during immersive live communication events are indispensable for the delivery of unique brand experiences. In particular, the "**multisensory experience**" is deemed important, e.g. with product launches.

"Real driving experiences and haptic product impressions cannot be experienced online." (Landers, BMW Group)

But real, in-person activities in the form of events and trade shows will also remain relevant in the future with regard to **personal (confidential) discussions**, getting acquainted with new partners, and **networking**, which is especially vital in a highly digitalized world.

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - digital competence is a must

The Covid-19 pandemic gave the already initiated digitalization of the live communication industry a powerful boost and created **strategic acceptance of virtual and hybrid formats**.

The target group that participates in virtual events poses challenges different from those of visitors at a classic live communication event: the content must lead to the **continuous engagement of the participants**, as their focus on virtual content rapidly attenuates and they are much more likely to be distracted when working from home than at an in-person event.

The highlight of a virtual event cannot be saved for the climax as is customary in the classically escalating dramaturgy of a conventional event, so that **new dramaturgical approaches** are required.

“The digital target group that uses social media channels is different from the classic audience in attendance at trade shows. To ensure successful communication, the highlight must come at the beginning, i.e. the ‘big bang’ has to come first.” (Landers, BMW Group)

The content presented in digital formats must be more appealing and more entertaining. Customers want **new technologies** such as virtual worlds, holograms, and xR/VR/AR.

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - competence in content is a higher priority

Companies are **quantitatively and qualitatively** repositioning live communication.

“Consolidation is taking place with regard to events held on the basis of tradition, where no one ever really questioned the reason for their existence, other than to see their buddies. Hybrid and digital formats are forcing us to focus much more intensively the objectives and content of events.” (Winter, Siemens AG)

Real, virtual and hybrid worlds are merging with the goal of transforming brands and products into tangible experiences. The flawless use of technology is now simply expected, while content, its staging and dramatic implementation in live communication formats is much more important.

During the strategic repositioning it became clear to companies that digital and hybrid event concepts require significantly **more qualified content**.

The companies are using **creative workshops** and developing **review processes** to support content production and ensure quality.

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - with a stronger focus on sustainability

Covid-19 has temporarily pushed society's global demand for **sustainability** into the background a bit, but it is still a **top priority** for corporate strategic positioning.

People have now realized that **digital events are not necessarily more ecologically sustainable**.

In the future, the question of the **climate-neutral trade show stand or the climate-neutral event** will be more pressing than ever.

ISO certification of agencies and service providers with regard to sustainability will be increasingly important in order to collaborate as a partner in the value creation chain with companies and to win orders in the future.

“The sustainability of events to reduce the carbon footprint is becoming increasingly important for companies. Agencies need to focus more intensively on these demands to remain successful ‘ in the long term and to win contracts from large corporations.” (Landers, BMW Group)

Alexandra Landers
BMW Group

TOPIC 1: CUSTOMER STRATEGIES

Strategic repositioning - structural changes on three levels

The strategic repositioning of communication in companies is accompanied by **structural change**.

During this process, the companies will undertake **modifications in three dimensions**:

- changing the **organization** by bundling expertise, merging organizational units and integrating tasks
- adapting the skills of **staff** to the demands for digital and hybrid formats alongside physical live communication, and to the development of content and innovative formats
- responding to changes in the communications strategy by adapting **communications budgets** to the new conditions

TOPIC 1: CUSTOMER STRATEGIES

Organizational adaptations (I)

Customers have adapted their **organizational structures in the area of marketing/communications** to the new developments. In many cases structural changes that had been strategically initiated prior to the Covid-19 pandemic were continued and/or accelerated.

Leaner structures and optimized processes are intended to improve the efficiency of communication, and **typically the following organizational modifications** were implemented:

- various previously separate organizational units (e.g marketing, communications, PR, press) were consolidated in one or more new units

  "Previously there were the classic Event, Trade Show, Service etc. departments, but the boundaries were blurred; the department boundaries were dissolved and new teams established that each had trade show, event, editorial and streaming specialists or producers, which had a positive effect on the networking opportunities, including those within the corporate group". (Winter, Siemens AG)

- more individual responsibility for specialists and managers (e.g. in partner selection or content development)

Stefanie Winter
Siemens AG

TOPIC 1: CUSTOMER STRATEGIES

Organizational adaptations (II)

Other **typical organizational adaptations** included:

- increasing **flexibility in operational organization**; companies are shifting from rigid process workflows (e.g. for pitches/awarding contracts) to more flexible solutions
- viewing classic project organization as too inflexible for continuous adaptation to new external and internal requirements, so that companies now rely on **agile project management** in live communication
- some organizational units (e.g. departments) were **newly established** for specific event formats (such as conventions) or cross-sectoral tasks (e.g. content development)

As a result of the organizational adaptation, the companies reported experiencing a **significant learning curve** during and after the Covid-19 pandemic, which opened their minds to future change processes in the area of live communication.

TOPIC 1: CUSTOMER STRATEGIES

Organizational adaptations (III)

The customers' demand for their own digital expertise led, in addition to the recruitment of corresponding staff, the **development of new digital infrastructure** with which to produce digital and hybrid events. All companies rapidly created options for digital communication with customers via streaming and streaming platforms, frequently in close collaboration with partners in the live communication industry who possessed the required digital expertise.

Several companies (including BMW, Siemens, Kärcher and Merck) set up **their own digital film/TV studios** for streaming hybrid events, live feeds, panel discussions or forums, or even virtual general meetings of shareholders. In these cases high quality was ensured with the help of external service providers from the film/TV sector, including sound and video engineers, sequence directors and providers of special technical equipment (e.g. spider or crane cameras).

Other organizational changes: In response to statutory requirements, **data protection and privacy policies were revamped**, and in the wake of the pandemic many companies appointed **hygiene managers**.

TOPIC 1: CUSTOMER STRATEGIES

Changes in the skill profile of customer personnel

The Covid-19 pandemic triggered an **intensive learning process** in the companies, in which both the managers and other staff members had to continuously expand and update their skill profiles.

The **requirements for employees** changed: experience from the analog world such as participant management and hotel booking was no longer so important; what mattered was an understanding of the digital world.

“Employees who had previously worked largely in an analog manner suddenly had to expand and realign their skills on the fly.”
(Müller, Samsung Electronics)

Michael Müller
Samsung Electronics

All the companies found it important to develop their employees’ **digital skills** in the area of communications.

They also focused on improving staff skills in **content development** for virtual and hybrid events.

TOPIC 1: CUSTOMER STRATEGIES

Change in the communications budgets (I)

The good news: The overall trend is for companies to **maintain the same level** for communications budgets, but to restructure within these budgets.

Live communication budgets are being converted to digital and especially hybrid budgets, as hybrid extensions are also expected for live events.

Klaus Gödert
BASF SE

"When a live event takes place these days, one of the first questions attendees ask is, 'What virtual/digital options do we have?'" (Gödert, BASF SE)

Key insights from the companies awarding contracts:

- **Digital events** are **not always cheaper** than live events:

  "Virtual does not necessarily mean less expensive. New technologies open up great and innovative possibilities for staging; they're cool and fancy but also very expensive." (Landers, BMW Group)

- **Hybrid events** are very complex and technically demanding from a conceptual standpoint, and thus **tend to be more expensive** .

TOPIC 1: CUSTOMER STRATEGIES

Change in the communications budgets (II)

Today, companies want to offer intelligent, coherent concepts, but their services **must not become more expensive overall**, despite adding a digital component to the live event in order to be able to offer a hybrid event.

Thus, they look for **potential areas of cost optimization**:

- event portfolios and particularly trade show portfolios are redefined
- the number of events is reduced
- target groups are specified more precisely, defined more narrowly and invited
- focused (specialist) events are favored over broad-based mass events
- event sizes are optimized
- venues are scaled back, as the hybrid extension of events enables target group members to be reached digitally as well
- expenses for travel, accommodations and logistics are minimized

TOPIC 1: CUSTOMER STRATEGIES

Updating event evaluation is on the agenda

Digitalization has also repositioned the live communication industry in terms of its **prospects for economic success**.

Event planning must focus more than ever on clearly defining the **goals** to be achieved with an event in order to facilitate professional evaluation.

Digital performance review tools integrated in the digital participant management system, in participant apps or via visitor tracking will significantly improve the data pool for evaluating the success of an event.

A revision of existing KPIs and the further development of **monitoring/evaluation approaches** are urgently required, as linkage to "old figures", e. g. for trade shows, no longer produces accurate results, since the world of communication has changed both qualitatively (new formats) and quantitatively (fewer events but higher quality due to a focused approach to target groups).

FOCAL POINTS

The future of live communication – study topics

Focal point 2

Changes in the value creation chains and partnerships

TOPIC 2: VALUE CREATION CHAINS

Transformation of the “ecosystem” in the live communication industry

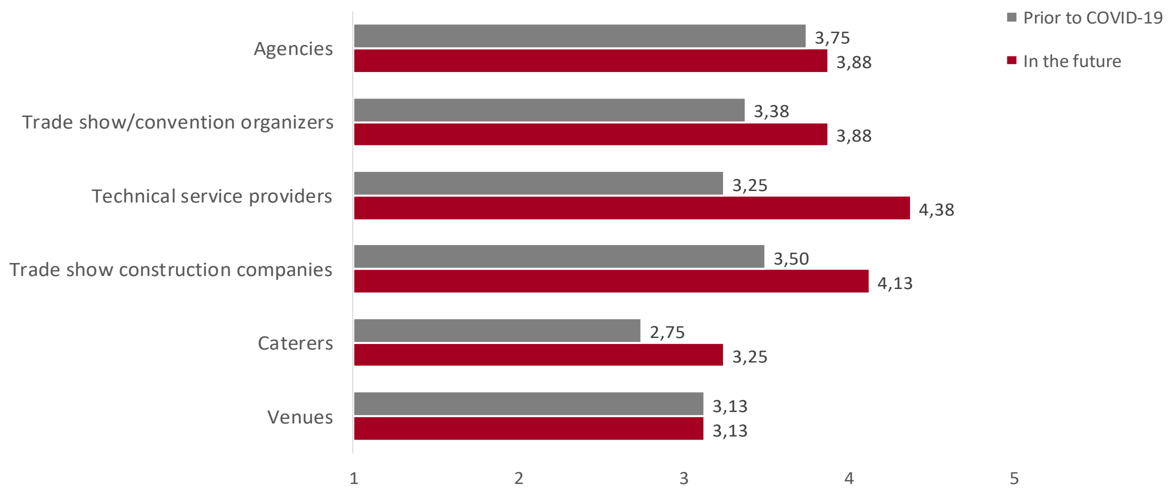
After customers in the live communication industry overcame the shock caused by Covid-19, they re-established contact with their value creation partners.

“We’re all in the same boat.” (Straub, Deutsche Bahn AG)

The surprising result: The relevant players, i.e. the value creation partners in the ecosystem are not changing as much as had been assumed, but in some cases have increased in importance.

Value creation chains ensure success

However, the **expectations placed on the partners have changed both qualitatively and quantitatively.**



Relevance of value creation partners currently and in the future
From 1=unimportant to 5=very important
Result of the preliminary survey (n=8)

"Many customers have made the journey through the Covid-19 crisis together with partners from the live communication industry, with the focus on full-service agencies. From my point of view, the latter have responded very flexibly by adding sought-after services to the portfolio and adapting their organization." (Müller, Samsung Electronics)

TOPIC 2: VALUE CREATION CHAINS

Trust is the most important currency in the value creation chain

The relaunch of live communication after the Covid-19 pandemic has shown that the companies awarding contracts have overwhelmingly relied on **proven partners** in both the agency and service provider sectors for the realignment of their communication measures.

The **trust in the expertise, performance and flexibility** of the partners from the live communication sector was the basis for the decision to continue the collaboration.

"Live communication thrives on long-term partnerships, on trust, otherwise none of it works." (Straub, Deutsche Bahn AG)

Successful agencies thus responded very quickly to the new customer demands for digital and hybrid events and either built up their own digital expertise or included technology partners in the value creation chain, with whom in turn the agencies had established trustful relationships.

"The value creation chain of digital offerings was built up via the lead agencies, as they brought together and offered the necessary services via their networks. The key factor was the high level of adaptability." (Müller, Samsung Electronics)

TOPIC 2: VALUE CREATION CHAINS

Customer expectations of value creation partners from the live communication industry

In the wake of the strategic repositioning of marketing communications, **customers** of the value creation partners from the live communication industry are **readjusting their expectations**. These include:

- customer centricity for all concepts developed
- understanding of customers in terms of brand, positioning and target groups
- consulting expertise throughout the customer journey
- development of a functional network of partners within the live communication industry
- flexibility in view of the fragile market and environmental conditions
- an agile approach and the acknowledgment that it is occasionally necessary to "reschedule" at short notice
- digital and content competence

TOPIC 2: VALUE CREATION CHAINS

Digital competence is now a success factor in value creation

Digital competence is the new "must have" required in all corporate communications

Companies have taken three different paths to develop and offer digital event formats to their customers and employees:

- developing **their own digital expertise** in-house (hiring new staff, redeploying capable staff from the IT department, acquiring digital companies).
- working with a **dedicated tech partner** (as there was a digital component in live communication prior to Covid-19, such partnerships were often already in place)
- regular **collaboration with a full-service agency** that has developed digital expertise itself or can draw on professional service providers as partners

However, the **quality of digital offerings** needs to undergo a fundamental change in order to be accepted; simply replicating a live event digitally is not sufficient.

TOPIC 2: VALUE CREATION CHAINS

Changes in the pitch culture

Due to Covid-19 and the general conditions of the VUCA world, the **lead times for event planning are becoming shorter**

All partners in the value creation chain from the customer to the agency to the service providers are experiencing a **high degree of planning uncertainty**.

Currently, depending on the pandemic situation, there is **additional uncertainty** as to the form in which an event can actually be held (real live, digital, hybrid) or whether it will actually have to be canceled

Conventional **complex procedures for awarding contracts** via lengthy pitch procedures and decision-making processes at multiple levels are no longer appropriate and are perceived by customers as too inflexible.

Simplified **awarding procedures** and the inclusion of partners in the development of event concepts from the outset, e.g. via joint workshops between the client and the agency, could better focus the classic pitch process to target the objective more precisely.

TOPIC 2: VALUE CREATION CHAINS

The search for new partners is being conducted through new channels

Purchasing services from providers in the live communication industry requires a **high level of unilateral trust** in new partners, since the actual quality of the service cannot be fully assessed in advance. To reduce this **information gap**, companies try to obtain recommendations, monitor award ceremonies and use rankings as a guide.

Referral marketing is an important method for finding partners, not only in Germany (where many value creation partners already know each other) but particularly in global business.

The search for partners also takes place in areas **outside the live communication sector**, e.g. in social media, influencer marketing, branded entertainment, gaming platforms, fashion and lifestyle platforms, virtual worlds with purely digital platforms or completely new options for digital interaction in very early stages of development at start-ups. Google or Facebook might also be possible partners.

This requires being generally open to new developments and constant screening by both customers and agencies.

FOCAL POINTS

The future of live communication – study topics

Focal point 3

Changes in the event formats used

TOPIC 3: EVENT FORMATS

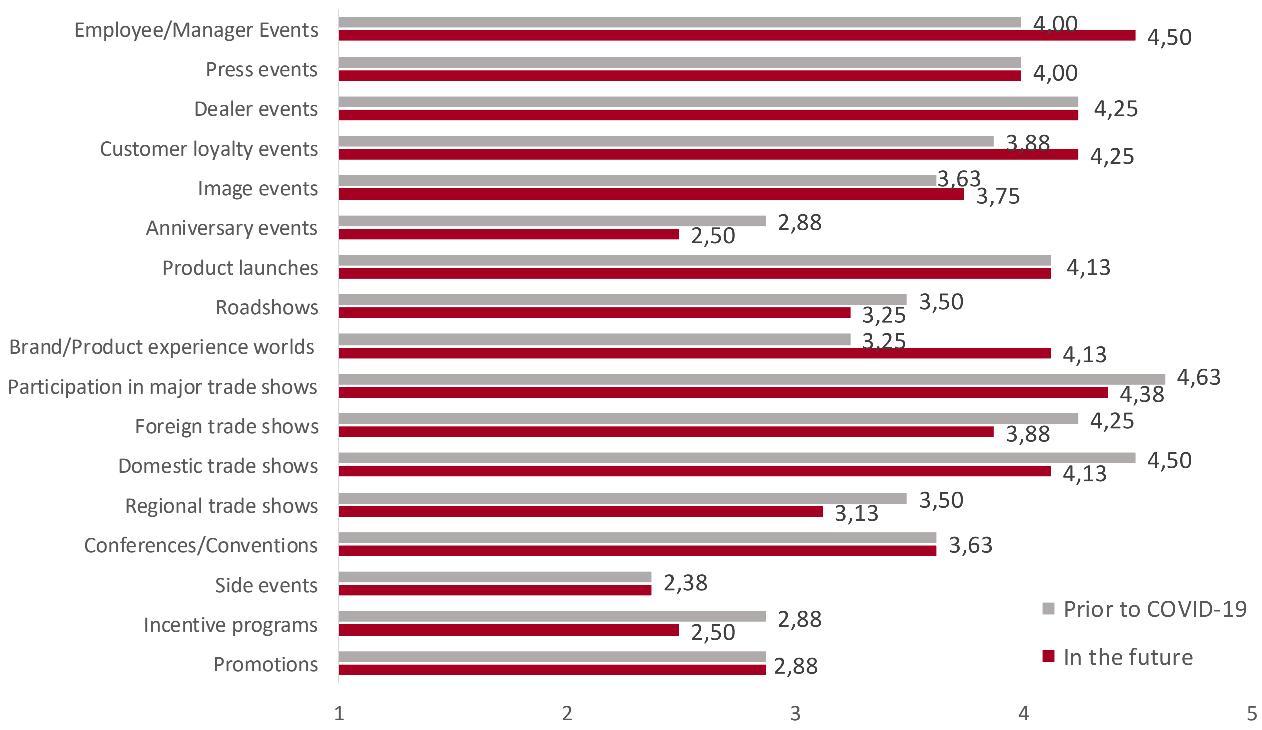
Event formats are here to stay, but their relevance is changing

Customers plan to continue activities in **all live communication formats** in the future.

However, formats that were successful before the Covid-19 pandemic will be **critically evaluated** against the background of current developments
or completely redesigned.

The significance of individual formats is changing:

- After periods of lockdown, working from home and travel restrictions, **employee and customer events** are being given high priority.
- Entire **trade show portfolios** are undergoing sweeping changes.
- **Press conferences** are viewed critically.



Relevance of event formats before and after COVID-19
From 1=unimportant to 5=very important
Result of the preliminary survey (n=8)

TOPIC 3: EVENT FORMATS

Push for modernization in the live communication industry

The sudden need to switch from live on-site to online events as a result of the pandemic accelerated the digitalization process in communications and led to a **push towards modernization**.

- In addition to on-site live communication formats, **digital event formats were quickly developed** that went beyond pure streaming and adapted both design (e.g., backdrops, lighting, sound and video) and content presentation to the new medium.
- Some companies have been investing in **digital infrastructure** or working with partners who possess the appropriate resources themselves or can access them via their network.
- The available technology is considered **fundamentally suitable** for the development of digital and hybrid forms of events.
- However, the companies are not happy with the **range and performance of matching platforms**, which are absolutely necessary to enable interaction between participants at digital or hybrid events; the customers are demanding development work from the tech service providers in the live communication industry as well as a look at other sectors and start-ups.

TOPIC 3: EVENT FORMATS

The boundaries between different event formats are becoming fluid

The formats of live communication such as events, trade shows and exhibitions or meeting and convention formats are **converging**.

The mix of event formats must be subordinated to the **objective of the event** (no more events as ends in themselves) and combined to address the target group specifically.

The focus of the event is on the **message to be communicated and the customer experience**, the unique and special event experience.

For example, a trade show stand offering the opportunity to attend forums, conventions, meetings, discussion hubs and a stand event, as well as a customer event with an exhibition, presentations and interactive workshops, provides visitors with a **wealth of information and experience** and creates **networking** opportunities.

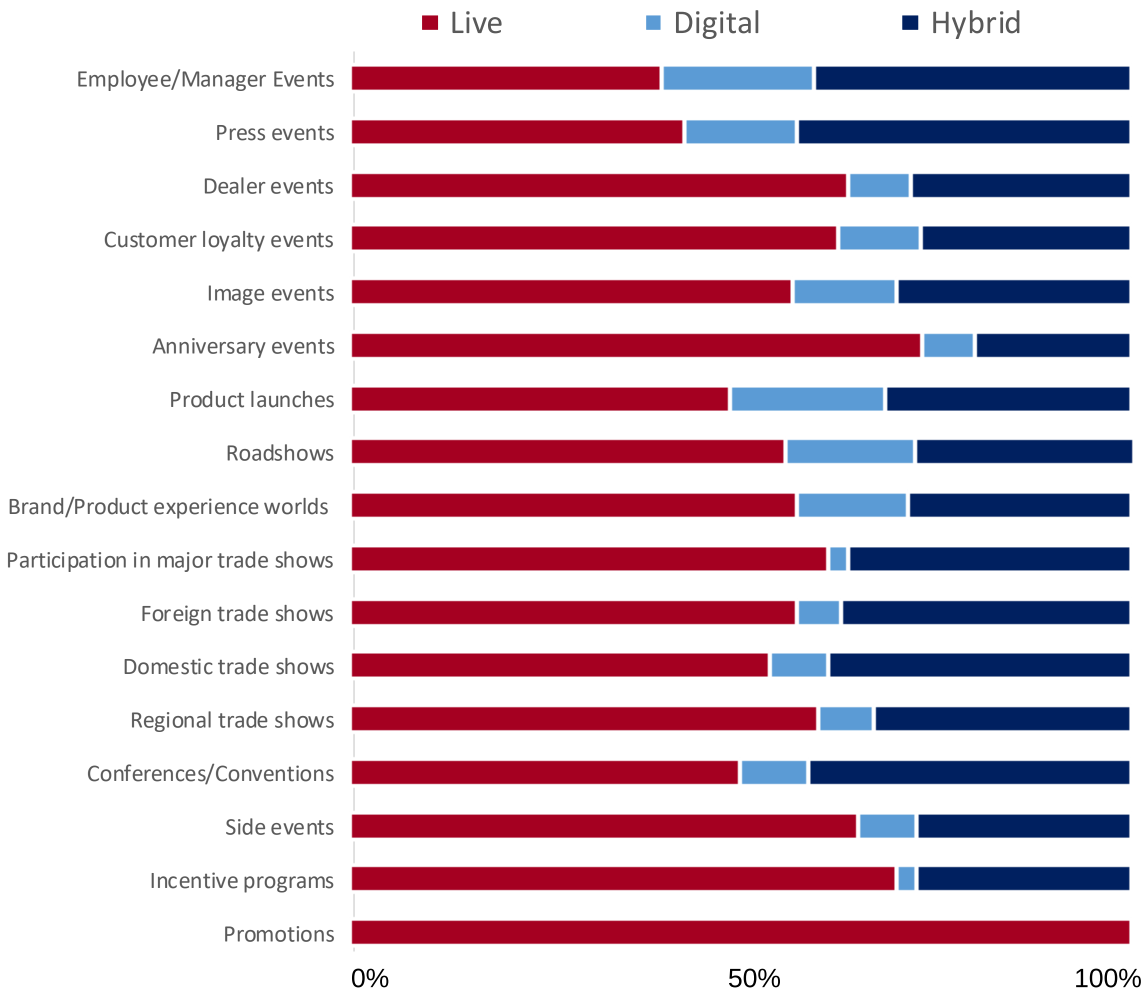
This requires **holistic solutions** that demonstrate an understanding of the brand as well as a mastery of storytelling, dramaturgy and staging, and only then can the actual implementation be designed.

TOPIC 3: EVENT FORMATS

The boundaries between live on-site, digital and hybrid are increasingly fluid

The most significant change ushered in by the Covid-19 pandemic relates to the **form in which events are delivered**:

- **prior to the pandemic**, event formats certainly incorporated digital tools and elements (xR, social media streaming, pre- and post-event follow-up on social media, etc.), but purely digital events were the exception.
- During the pandemic, digital formats were established and will persist on their own, as well as complementing live formats, thus leading to the widespread use of hybrid formats.
- **After the pandemic has ended**, events will be live as well as digital and hybrid, with the boundaries becoming increasingly fluid.



Delivery form of live communication events post-pandemic Result of the preliminary survey (n=8)

TOPIC 3: EVENT FORMATS

Hybrid formats pose new challenges (I)

The hybrid implementation of event formats requires a **new standard for linking live on-site and digital delivery**, which in turn presents special challenges for hybrid concepts:

- Hybrid events require their own unique concept, as they have to reach two target groups who engage differently with media.

"With live on-site formats, you can improvise quickly, but with digital formats, everything has to be 100% planned, there's no room for error." (Straub, Deutsche Bahn AG)

- The multisensory live experience of the on-site participants must be conveyed digitally to the online participants; the staging for the live on-site and online components must be separate, but interconnected.

"Hybrid formats are not the old standard, as hybrid needs to serve two arenas, nor is it simply a matter of 1+1=2 but rather 2½, as the connection and integration of the formats need to be established." (Winter, Siemens AG)

- Emotionalization and immersion in the world of experience must also succeed online.

"If digital events are merely replicas of physical events, the live experience will probably always be preferred. In this case, nothing innovative will emerge. But if the possibilities of the various levels of reality of virtual spaces are unlocked, then we will create and experience events that go far beyond the limits of previous ones." (Müller, Samsung Electronics)

TOPIC 3: EVENT FORMATS

Hybrid formats pose new challenges (I)

Customers have also identified special **technical requirements** for hybrid events designed to meet premium standards.

- Participants in digital events must be provided with a **platform** that is technically and functionally flawless but also intuitive in use.
- Live on-site and online participants must be able to **interact with each other in both formats**.

Perfect technology for hybrid events is associated with **higher costs**, but this also results in greater acceptance among customers

Implementing standards and sharing experiences can help to optimize costs.

TOPIC 3: EVENT FORMATS

Trends in trade shows (I)

Overall, exhibitors are still **reluctant** to plan trade shows, as purely digital trade shows do not meet expectations.

and there is still uncertainty as to whether live trade show events will be possible. Companies agree in their assessment that no return to the pre-Covid era is possible in the trade show sector, but that **trade shows will remain an important communication tool in the future**.

With regard to trade show visitors, companies are looking for higher **quality rather than quantity**.

In the future, the focus will thus be on **specialist trade shows** that target visitors very specifically, not on trade shows for the general public.

The companies see the revival of the leading large-scale trade shows in Germany as difficult; they therefore expect the trade show companies to come up with **new concepts** not only in terms of content, but also in terms of pricing for exhibitors and visitors, as well as support with trade show platforms.

TOPIC 3: EVENT FORMATS

Trends in trade shows (II)

With a few exceptions, exhibitors intend to restructure their trade show portfolios.

Fewer trade shows are to be attended overall, with a **focus on key markets** such as Germany/Europe, North America and Asia.

National/regional trade shows will be given priority, as changes in travel habits, which companies expect to continue in the near future, mean that visitors are still reluctant to attend.

Trade show stands will tend to be smaller but of higher quality, enhanced by the use of digital elements.

The **3D brand presentation** should be the focus at the trade show stand (and not the catering, giveaways or side events).

Trade show objectives should be planned in greater detail and their achievement rigorously evaluated to facilitate informed decisions on attendance/future attendance.

TOPIC 3: EVENT FORMATS

Trends in trade shows (III)

After the initial euphoria about the fact that digital trade show formats can convey information very well, that trade show participation is much more cost-effective for the exhibitor, and that a better carbon footprint is also achieved, **disillusionment** has set in:

- **Visitor and exhibitor numbers** at digital trade shows in 2020/2021 remained far below those of the 2019 trade show year.
- The willingness of visitors to attend digital trade shows is limited, **digital fatigue** is evident, and it is not possible to handle or try out new products.
- The **technical possibilities** for designing a digital trade show stand are still **rudimentary** or can be implemented only with an unacceptable level of effort and expense.
- It is virtually impossible for visitors and exhibitors to achieve their important goals of engaging in one-on-one dialogue, getting to know new partners and networking, given the currently available **matching tools**.

TOPIC 3: EVENT FORMATS

Trends in trade shows (IV)

Exhibitors are relying heavily on **hybrid trade show concepts** for future trade shows.

Physical **live trade shows** where the companies create a personal, emotional trade show experience for visitors via the trade show stands, the exhibits and the stand personnel are absolutely essential.

Visitors who cannot be on site, especially those from foreign markets or who are only interested in certain parts of the trade show presentation (such as the press conference for the product launch) should be given the opportunity to participate via **complementary digital channels**.

Companies have identified the possibility of extending the trade show digitally/in hybrid form via platforms of the trade show company or their own corporate platforms; existing approaches must be evaluated on the basis of the latest data.

"After the trade show is before the trade show": customer contact can be maintained independently prior to the temporary trade show, and the trade show can be **extended digitally** throughout the year until the next live event.

TOPIC 3: EVENT FORMATS

Trends in trade shows (V)

The merging of trade shows with other event formats and even the replacement of trade show activities with other forms is a trend.

Conventions and conferences as well as workshops on selected trade show topics will still be of interest in the future, as will side events.

The strategy, which was already emerging before the Covid-19 pandemic, of inviting customers to in-house trade shows instead of presenting one's own range of products and services at trade shows where the quality of the visitors is difficult to assess, will be revived in the future.

Instead of visiting trade shows with little focus on the target group, companies are also considering new roadshows so that they can meet customers directly on site; the many opportunities offered by digital extension can thus be very usefully leveraged.

TOPIC 3: EVENT FORMATS

Trends in trade show construction

Trade show stand construction companies must adapt to **smaller stand sizes**.

However, the trade show stands must still enable visitors to experience the customers’ brand worlds in 3D and multisensory form, which requires exceptional **creativity and expertise**.

The focus is on the **creation of mediatecture**, i.e., the pairing of creative stand design, architecture and construction with digital media and tools.

In addition to the classic skills in design and construction, developing **digital competence in trade show stand construction** is crucial to meeting customers’ current expectations and requirements.

“Some of the old pre-pandemic partners have been moving quickly. For example, one trade show stand builder created a new subunit called ‘Digital Brand Spaces’ and acquired a new range of digital expertise.” (Gödert, BASF SE)

This requires even **greater flexibility** of the trade show construction sector, as their range of tasks is expanding while the time frame for awarding contracts and implementation is shrinking.

TOPIC 3: EVENT FORMATS

Trends in customer events (I)

The organization of **on-site live events** by companies and the live communication industry will start up again in the future and is also expected by customers.

“The desire for face-to-face events is immense among all the participants.” (Thomsen, DSGV)

Manuela Thomsen
Deutscher Sparkassen- und Giro-Verbund

In addition to events concentrated in a single venue, companies are considering **distributed formats** and are developing these in collaboration with their partners from the live communication industry. A central event can be linked to multiple international hubs in hybrid formats.

TOPIC 3: EVENT FORMATS

Trends in customer events (II)

New formats that motivate participants and convey brand messages to younger target groups as well are in demand.

From the corporate standpoint, **partnership/collaboration formats resembling festivals** are trending; these had already been identified prior to the Covid-19 pandemic as models for future events such as TEDx, SXSW, meConvention, dmexco and re;publica, or music formats such as that of Coachella.

New live event formats focus on target groups and, in addition to the brand experience, place personal encounters and **dialogue at eye-level** between companies and customers at the center of the event.

"During the pandemic, individualized formats such as industry conventions were very easily converted to digital formats with this target group on a 1:1 basis. The target group was there, and members knew each other from previous live events, but now they want to return to the live format and meet up in person."
(Straub, Deutsche Bahn AG)

Steffen Straub
Deutsche Bahn AG

TOPIC 3: EVENT FORMATS

Trends in PR events/press conferences

Companies are seeing **changes** in the area of PR events and press conferences.

The classic press conference is now seen as an obsolete model that will “dissolve” into digital and hybrid formats.

Digital press conferences have the advantage of unlimited reach, so that **the international press** can also be reached, which is important to corporate groups, and company spokespersons from around the globe can be connected. The digital event direction/production is crucial here, as everything must be technically flawless.

Hybrid PR events and press conferences have the advantage that important players can be live on-site, thus enabling lively panel discussions, for example, and journalists can enjoy unlimited reach online (and there are no expenses for security or hygiene).

TOPIC 3: EVENT FORMATS

Trends in employee and shareholder events

There is an **immense pent-up demand** for **employee events** after the pandemic, as most staff members were working from home for months and their only contact took place via video conferences and digital media, so that they are hungry for direct personal interaction.

The **annual general meeting (AGM) format** became a digital event during the Covid-19 pandemic.

Due to the need for data security and technical perfection, **digital AGMs** are associated with relatively high production costs, but offer the options of handling questions with ease, adherence to a specified time frame, and enabling shareholders from abroad or those who can’t or don’t want to travel to participate.

As the approval for digital shareholder meetings requires a change in the German Stock Corporation Act, the **companies are exercising caution** in planning for the next few years.

TOPIC 3: EVENT FORMATS

Trends in meetings/conventions (I)

In the area of meetings, seminars and conventions, digital options were developed very quickly during the Covid-19 pandemic, and thanks to the investment in streaming platforms as well as TV and film technology to date, they have achieved a **high professional standard**.

“In the beginning there were teething problems and everyone was struggling with hybrid formats, but now the technology is under control and stable, and people have gotten used to famous speakers, for example, who previously had to be flown in, are now on stage in an attractive digital setting and are embedded in hybrid formats with different background colors.” (Krüger, Siemens AG)

Frank Oliver Krüger
Siemens AG

As the **focus** in this area is on **sharing information/knowledge transfer**, the companies are planning on a large share of digital and hybrid events in the future as well. “Digital events will be used for knowledge transfer, and to expand target groups.

People that couldn’t be reached before can now be reached online.” (Thomas, DSGV)

There will also be people who cannot attend live conventions in person, such as international visitors from developing countries who cannot afford the travel expenses, women/men with children or on parental leave, or managers with scheduling conflicts, for whom customers want to provide an online participation option.

TOPIC 3: EVENT FORMATS

Trends in meetings/conventions (II)

The particular challenge with digital meetings, however, is the participants' **rapid loss of concentration** (as they are engaged only visually and aurally) and the **high potential for distraction** when participants are working from home.

Digital or hybrid meeting concepts must follow an independent dramaturgy that contains **activating elements** that continuously capture the attention of the participants and create emotionalization; in addition to high-quality content, companies consider **animations, film sequences and gamification** promising.

Customers are demanding events with **numbers of participants that can be changed over time**, i.e., depending on the topic, there may be parts of a convention or seminar that are accessible only to a precisely defined (paying) group of participants, while for other parts the stream is opened to everyone, so that the unlimited reach of digital media can be used effectively.

FOCAL POINTS

The future of live communication – study topics

Focal point 4

Customer expectations for the strategic realignment of the live communication industry

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

The live communication industry has repositioned itself

The fundamental and disruptive changes in all areas of society (VUCA world), which were only accelerated by the Covid-19 pandemic, must be seen by companies in the LiveCom industry as an opportunity to adapt to changing customer requirements and framework conditions with new strategic offerings

"Agencies must not pick up where they left off before Covid-19. They need to take the next step now." (Landers, BMW Group)

"In my opinion, the trade show landscape is now at the stage where print media was 10-15 years ago and the demise of publishers began. Only those who managed to change and respond to the changing conditions with monetizable solutions will continue to exist." (Müller, Samsung Electronics)

"There are only three options for service providers: 'make it', if I can do it myself, then I'll do it; **'buy it'**, if I can't do it myself but the customer demands it, then I have to see who will supply me, either on a case-by-case basis or with longer-term framework agreements/cooperations, or **'leave it'**, I have to go out of business." (Gödert, BASF SE)

The many positive examples of successful live communication measures over the past two years show that the players have understood the new situation and **accepted the challenge**.

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Competence requirements are changing

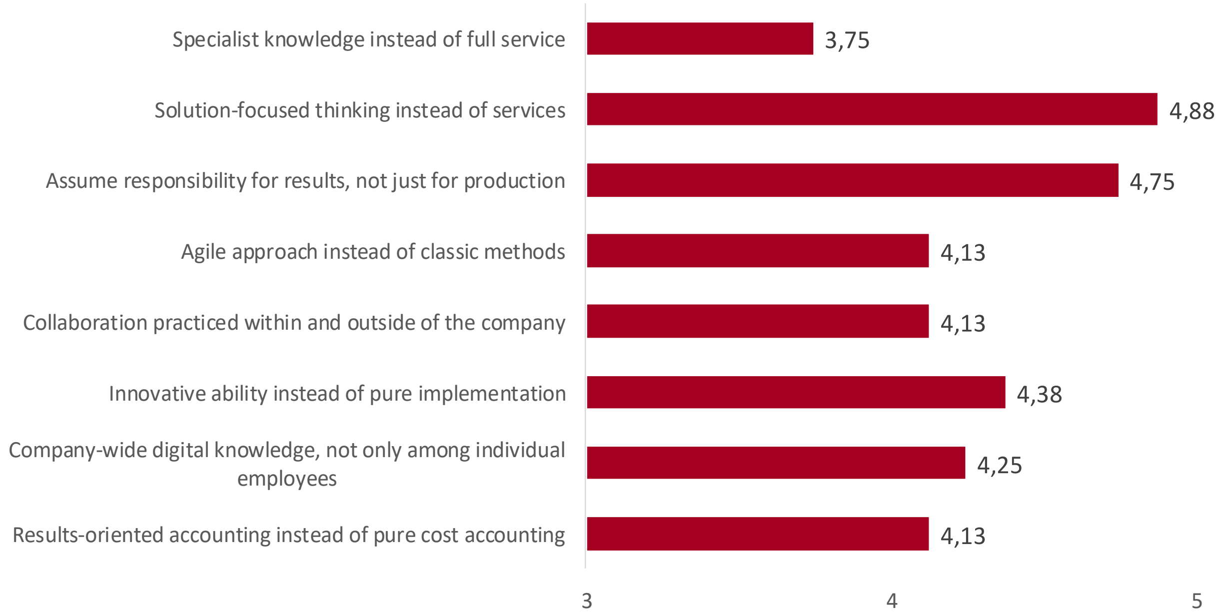
Customers want partners from the live communication industry who can **think strategically**.

"In the future, service providers must have a stronger understanding of strategy; instead of just trade-related or format-oriented thinking, problem solving is required." (Straub, Deutsche Bahn AG)

Agencies should **focus on solutions** in their work, take responsibility for the results instead of merely for production, and be innovative and creative.

The agency world as a whole must transform itself from a traditional live communication provider into a **hybrid/digital service provider**.

The customer wants a **full-service partner**, as that also reduces the effort involved in the tendering process.



Important skills in the service provider-customer relationship
From 1=unimportant to 5=very important
Result of the preliminary survey (n=8)

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Agencies must be "client whisperers" and identify USPs

Customers are looking for **partners in the live communication industry**, who actively listen to the customers and understand the goals, target groups and brand strategy.

"The customer wants to be accurately understood - for agencies, listening can be more important than always offering the very latest technology."

(Robertz, Fresenius SE & Co. K aA)

Markus Robertz
Fresenius SE & Co. KGaA

Customers expect agencies that develop a distinctive style and distinguish themselves by means of **genuinely unique selling points** that are documented by awards, for example.

TOPIC 4: VALUE CREATION CHAINS

Agencies must become strategic partners for their customers

Agencies must become **"media strategy consultants"** to the company, i.e.,

- they will be involved in the development of event concepts at an **earlier** stage than before the pandemic.
- For the customer, they will act as **strategic partners** more than ever before, which means that they will immerse themselves in the customer's brand/marketing strategy and develop it further in an advisory capacity.
- This partnership will be stabilized by **longer-term framework/cooperation agreements**
- They offer **customization** of communication solutions for the client
- They have to engage intensively with the customer's target groups and offer **target-group-specific concepts**

  "'One size fits all' no longer works with differentiated target groups; formats must be tailored to diverse target groups." (Winter, Siemens AG)
- Agencies must be able to work in **flexible configurations** for the customer, both as a full-service agency and as a sub-service provider.

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Exceptional new ideas are expected

Bold, courageous agencies are now in demand that can also offer customers new solutions if the latter are trapped in their own thought patterns.

Clients are looking for **experimental formats**, fusion of formats and especially formats with interactive approaches for the participants such as co-creation, collaboration or gamification, linkage of the real and digital worlds, and opportunities to make new contacts digitally as well.

Whether live on-site, digital or hybrid, customers expect **innovative, creative productions** that generate real experiences and create genuine enthusiasm among the participants.

It is expected that inspiration will be sought not only within but also **outside the live communication industry** (e.g., TV/film, music scene, digital episodes like those on Netflix).

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

A focus on sustainability is expected of the live communication industry

Customers insist that the LiveCom industry **intensively address** the issue of sustainability and engage in activities in the following areas:

- consistent **reduction of the CO_2 footprint** all the way to climate-neutral events
- **downsizing of structures** in the event sector ("Reduce to the Max")
- Use of **materials that are 100% recyclable**
- conscious decisions **to reuse** event structures and trade show stands or to pass them on to charitable organizations even before the event takes place
- In **catering**: use of regional products, reduction in the use of meat, consistent use of reusable dishes, glasses, etc.

Another focal point is the consideration of the **sustainability of the impact of events** on the participant; previous KPIs and monitoring approaches must be reviewed and revised as a matter of urgency.

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Customers expect hygiene concepts

Customers assume that, in addition to the required safety concepts, **hygiene concepts** will also retain a permanent place in all event concepts in the future.

"The hygiene concept will remain a 'new' permanent component of the event concept for future events. The times when everyone is allowed to sneeze on the buffet are arguably over for good." (Winter, Siemens AG)

Partners from the live communication sector are expected to develop the relevant **expertise on hygiene requirements** for various event formats and sizes in the agency or to have it available via their network.

The hygiene concept is an **integral component of the offer**.

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Changes in the skill profile of personnel in the live communication industry

The customers have developed expertise, especially in the digital and content areas, and have worked intensively on live communication and the new digital and hybrid formats, making them **partners on an equal footing** with the agencies and service providers in the live communication industry.

Customers expect **qualified specialist and managerial staff** in the live communication industry who can deliver on the customer's demand for media strategy consulting.

Particular importance is attached to **interface managers** who think outside the box, who are able to think their way into the customer's marketing philosophy and are familiar with the tools of the trade wielded by event and trade show managers.

Customers want the live communication industry to develop and support **new job profiles** that result from the convergence of analog/live on-site and digital formats; they also want the industry to exert influence on educational institutions to update their training programs.

TOPIC 4: STRATEGIES – LIVE COMMUNICATION INDUSTRY

Changes in the skill profile of personnel in the live communication industry

Customers particularly want **trustful collaboration with staff** in agencies and service providers in the live communication industry.

So be careful: especially in the difficult Covid and post-Covid periods, **permanent staff** should definitely be retained in live communication and junior specialists and managers should be firmly tied to the company with appropriate **personnel development measures** (career plan, appropriate pay, incentive systems, training and advanced training programs, delegation of responsibility, work-life balance and the option of working from home).

Customers no longer want to talk only to the project manager, but expect that live communication partners are **able to consult directly at employee level** to ensure that event concepts can be implemented quickly and flexibly.

EXECUTIVE SUMMARY (I)

Customers in the live communication industry have redefined their communication strategy. The number and size of events are changing, in line with the motto "Reduce to the Max".

The Covid-19 pandemic has accelerated the development, professionalization and acceptance of digital communication formats and made digital expertise a core competence in the live communication industry.

Live, in-person communication is indispensable for companies, as it is the only way to enable "an experience integrating all the senses" and to establish personal proximity to the customer, but in the future real-world, live communication will be expanded and extended in time through digital channels.

A large proportion of events will be planned directly as hybrids in the future, but not as mere event streaming. Rather, a new dimension of communication has emerged, which unites real-life and digital worlds in an innovative, target-group-focused, hybrid production.

In addition to digital competence, content expertise and sustainability will figure much more prominently in event concepts.

EXECUTIVE SUMMARY (II)

The customers’ strategic repositioning is accompanied by structural changes in the areas of organization (leaner, more flexible, more agile), personnel (in-house digital and content expertise) and communications budgets (restructuring, cost optimization).

Trust in the expertise, performance and flexibility of partners from the live communication industry has remained the basis for further collaboration.

The eco-system of the live communication industry will continue to develop, as agencies and service providers have responded very quickly to new customer demands for digital and hybrid events and are expanding their expertise.

The efficient collaboration of partners within the live communication industry and with their customers in the value creation network will ensure success in the future.

Referral marketing is important in the search for new value creation partners, but looking beyond the usual horizons also provides inspiration.

EXECUTIVE SUMMARY (III)

Customers plan to continue activities in all live communication formats in the future, but the boundaries between different formats will be just as fluid as the implementation in real live, digital and hybrid forms.

Hybrid events are not only technologically demanding but also require innovative concepts; the live and online staging components must be planned independently but firmly linked in terms of content, while emotionalization and immersion in the world of experience must also succeed on the virtual plane.

With regard to the trade show portfolio, customers anticipate changes in the future, with a stronger focus on specialist trade shows for specific target groups; fewer trade shows (with a focus on visitor quality rather than quantity) are to be attended in person, concentrating on major international trade show venues, and more attention will be paid to regional trade shows. Trade show stands will tend to be smaller, but of higher quality.

Trade show stand builders are expected to be flexible, digitally competent and creative in developing modern mediatecture.

EXECUTIVE SUMMARY (IV)

In the area of customer events, the live communication industry is expected to provide innovative hybrid concepts that enable spatially distributed (worldwide) participation.

The classic press conference is now seen as an obsolete model that will dissolve into digital and hybrid formats.

After periods of lockdown, working from home and travel restrictions, employee events in real life are considered very important.

The digital format will prevail for annual general meetings, provided the German Stock Corporation Act is amended to permit this format.

With regard to meetings and conventions, the focus is less on emotionalization and more on conveying information/knowledge, so that companies are planning a high proportion of digital and hybrid events in this area in the future as well.

EXECUTIVE SUMMARY (V)

The live communication industry has strategically repositioned itself to meet changing customer requirements.

Clients demand strategic partners who are solution-oriented, take responsibility for the results of an event and not merely its production, and are both innovative and creative.

Agencies must become media strategy consultants for clients, i.e. they must understand the clients in terms of their brand philosophy, positioning and target groups.

Clients expect "bold, courageous" agencies that are able to come up with extraordinary new ideas and implement them in creative event concepts.

In the future, clients will want agencies and service providers in the live communication industry to act as partners at eye level and to have permanent staff ready to engage in trustful collaboration.