

# **Making the Case for Business Webinars**

**An Osterman Research/QLM White Paper**

*SPONSORED BY*

**GoToWebinar**



**Osterman Research, Inc.**

P.O. Box 1058 • Black Diamond, Washington • 98010-1058 • USA  
Tel: +1 253 630 5839 • Fax: +1 253 458 0934 • [info@ostermanresearch.com](mailto:info@ostermanresearch.com)  
[www.ostermanresearch.com](http://www.ostermanresearch.com) • [twitter.com/mosterman](https://twitter.com/mosterman)

## EXECUTIVE SUMMARY

Marketers and marketing departments are under growing pressure to deliver an increasing number of sales leads and to ensure that these leads are highly qualified. Although marketing budgets are expected to increase for about one-half of firms in 2014, marketing budgets as a proportion of revenue are declining<sup>i</sup>.

Marketing events – such as trade shows, in-person seminars, online conferences/virtual trade shows and Webinars/Webcasts – have traditionally been good sources of quality sales leads for organizations in a wide range of industries. However, many decision makers have not had quantitative guidance to help them direct scarce marketing dollars toward the venues and activities that will help them to generate leads in the most efficient and effective manner.

### KEY TAKEAWAYS

- Although marketing budgets and staff are recovering from their fairly significant cuts following the 2008 financial meltdown, expenditures continue to be carefully evaluated and scrutinized.
- Traditional methods for educating prospects are changing. For example, StrongView published a survey in December 2013 that found planned net declines in print advertising and direct mail for 2014, as well as fairly modest net increases in trade show spending<sup>ii</sup>.
- There has been a growing trend in the past decade to replace in-person meetings and events with online or remote events.
- Marketers need to cost-effectively reach a larger or more expanded target audience and leverage popular online media and marketing.

Events of various types continue to be an excellent method for generating new sales leads, but not all events are equally effective in terms of their ability to create new prospects and revenue opportunities. This means that there are two important questions that must be addressed:

- How can marketers and marketing departments create their event strategy within the marketing mix?
- What are the major costs of different types of events and how does an organization calculate the ROI of individual events or their event program?

### ABOUT THIS WHITE PAPER

This is an update to an Osterman Research and Quantum Leap Marketing white paper, sponsored by Citrix and originally published in November 2009. It discusses the results of a March-April 2014 survey of marketers using different types of events in the marketing mix, offers costs for running various types of events, and offers guidance for marketers and organizations to create an optimum event marketing strategy for their organization so they can achieve the greatest return from their marketing resources.

## SURVEY RESULTS

Osterman Research and Quantum Leap Marketing conducted a primary market research survey specifically for this white paper. The goal of the research was to determine how much organizations spend on four types of events designed primarily to generate marketing and sales leads: trade shows, in-person seminars, online conferences/virtual trade shows and Webinars. We spoke with organizations in a variety of industries and with companies of various sizes. Moreover, in order to qualify for participation in this survey, respondents had to have generated leads from

*Many decision makers have not had quantitative guidance to help them direct scarce marketing dollars toward the venues and activities that will help them to generate leads in the most efficient and effective manner.*

one or more of the four event types noted above.

### PRIMARY EVENT TYPES THAT ORGANIZATIONS USE

Not surprisingly, the survey found that in-person, one-on-one sales calls are the primary method used for generating leads, followed by Webcasts/Webinars, telemarketing activities, trade show speaking engagements, trade show exhibitions and conducting in-person seminars, as shown in Figure 1.

**Figure 1**  
**Methods Used to Generate Leads**

Activity	Primary Method	Secondary Method	Tertiary Method	Do Not Use
In-person, one-on-one sales calls	61%	16%	11%	12%
Conducting Webcasts / Webinars	34%	36%	9%	21%
Telemarketing / telesales	34%	16%	25%	25%
Key people in company speak at trade shows	25%	30%	25%	20%
Exhibiting at trade shows	19%	28%	35%	18%
Conducting in-person seminars or executive breakfasts	18%	24%	25%	33%

**Source: Osterman Research, Inc.**

### EVENTS CONDUCTED DURING THE PAST 12 MONTHS

Marketing decision makers report that their organizations exhibited at a mean of 8.6 trade shows, conducted 5.7 in-person seminars, held 6.4 Webinars, and held 1.8 online conferences/virtual trade shows during the past year. However, in-person, one-on-one sales calls were much more common than other methods for generating leads, far outweighing the number and frequency of other types of events.

### INVESTMENTS BY TYPE OF EVENT

Time investments by type of lead-generation event can vary widely. For example, a trade show normally requires a median of 4.0 staff members and a median of 4.0 days out of the office for each person for the event itself, travel to and from the event, etc. By contrast, an in-person seminar requires a median of 2.0 staff members and only 2.0 days out of the office.

Moreover, the normal out-of-pocket expenses required for a trade show total a median of \$8,000, whereas median out-of-pocket expenses for an in-person seminar total \$1,900. These expenses include things like airfare, hotels, meals, venue fees and the like. A summary of the time investments and expenses for various types of events is shown in Figure 2.

*The survey found that in-person, one-on-one sales calls are the primary method used for generating leads, followed by Webcasts/Webinars.*

**Figure 2**  
**Time Investments and Costs for Trade Shows and In-Person Seminars**  
 Values shown are medians

Cost	Trade Show	In-Person Seminar	Webinar/ Webcast	Online Conference
Staff members sent to event / working on the event	4.0	2.0		
Days required per staff member working on the event	4.0	2.0		
<b>TOTAL PERSON-DAYS REQUIRED</b>	16.0	4.0	3.5	25.0
Out-of-pocket expenses (does not include labor cost)	\$8,000	\$1,900	\$100	\$100

**Source: Osterman Research, Inc.**

### WEBINAR/WEBCAST COSTS

Our research found that Webinars require significantly fewer investments of time and out-of-pocket expenses than trade shows, in-person seminars or online conferences/virtual trade shows. For example, we found that the median investment of staff time for a typical Webinar is 28 person-hours, which includes presenter and other staff preparation and participation in the event itself.

### TOTAL COST TO HOLD AN EVENT

If we assume an average, fully burdened annual cost of \$100,000 for staff members who would be involved in lead-generation activities, we find that Webinars are significantly less expensive than other types of events in terms of just the labor costs involved:

- Online conference/virtual trade show labor cost: \$9,615
- Trade show total labor cost: \$6,154
- In-person seminar total labor cost: \$1,538
- Webinar total labor cost: \$1,322

When the total cost of these events, which includes out-of-pocket expenses for travel, technology, etc. are included, the cost savings for Webinars is even greater:

- Online conference/virtual trade show cost: \$9,715
- Trade show total cost: \$14,154
- In-person seminar total cost: \$3,438
- Webinar total labor: \$1,422

It is important to note that the significant time investments required by trade shows, and to a lesser extent in-person seminars, can also impact individuals and departments outside of those directly involved in the off-site events, and so can have a productivity impact well outside of marketing and sales.

### QUALIFIED LEADS BY TYPE OF MARKETING EVENT

The survey found that the typical in-person seminar generates a median of six good, qualified leads, the average trade show creates a median of 25 leads, the average Webinar will produce a median 15 leads and an online conference/virtual trade show will produce a median of 23 leads. However, each organization will have different marketing opportunities, competencies, and a different target audience, and so these numbers may vary widely from event to event.

*Our research found that Webinars require significantly fewer investments of time and out-of-pocket expenses than trade shows, in-person seminars or online conferences/ virtual trade shows.*

## CALCULATING COSTS FOR EVENTS TO OPTIMIZE YOUR EVENT DOLLARS AND STRATEGY

To help weigh the benefits of a marketing event and improve results and ROI from limited marketing resources, it is necessary to determine both the true cost of an event, as well as the cost per lead. While these are not the only considerations that go into deciding how to spend marketing dollars, they provide a good starting point as decision makers plan how to make the most efficient use of their marketing dollars.

Just as many organizations mistakenly use the "salary" of an employee instead of the "fully-burdened salary" of an employee (the latter includes salary, benefits, bonuses, training, workspace-related costs, etc.), most marketing organizations until now have failed to include one major cost component in event leads – employee time. However, time is one resource that marketing departments and organizations can never generate more of, so it is essential to measure when evaluating the success and cost of any marketing event.

Toward this end, here are the major elements we took into account in order to generate a true cost-per-lead so that decision makers can evaluate the effectiveness of individual events, as well as their overall event strategy:

- **Determine number of people and total time involved in an event**  
It is important to determine just how much total time is involved in a given marketing event. One can do this by adding up the total number of days each person spends on the event, or by multiplying the number of people involved times the average time each spends. So if two people spend two days each on a seminar, that would be a total of four total days spent. If four people each spent one-half day on a Webinar, then the total time would be two days. It is important to include any travel time in these estimates, as well.
- **Determine the average, fully-burdened salary of those involved in the event**  
This can be tricky for the average marketer, but since marketing events are predominately executed by an internal or external marketing specialist or manager, a fully burdened salary of \$100,000, or \$385 a day, is a good starting point. If executives or higher-salaried speakers or salespeople spend significant time, be sure to include this as well.
- **Include the promotional costs of the event**  
These marketing costs include external promotions, direct mail, or telemarketing to drive event attendance. For some events, there may be little or no actual money assigned specifically to this activity. Note the actual marketing or promotional costs of the event are often considered as constituting the entire event budget, but this is typically not the case. And, one of the reasons that every organization can incur vastly different costs by event type or per event is that this number is highly variable. For example, many Webinars can have no budget set aside specifically for external promotions, while others could have tens or thousands of dollars, or more.
- **Include the room or space costs for the event**  
Booth space or room rentals can be a significant percentage of an event budget, while some venues, such as hotels, will charge only the cost of the breakfast, for example. Some Webinar room or delivery costs can be part of an overall Web collaboration contract by the organization, while others can be specific for the event or per attendee. Be sure to include these room or "virtual room" costs in your overall event costs calculations.

*It is necessary to determine both the true cost of an event, as well as the cost per lead.*

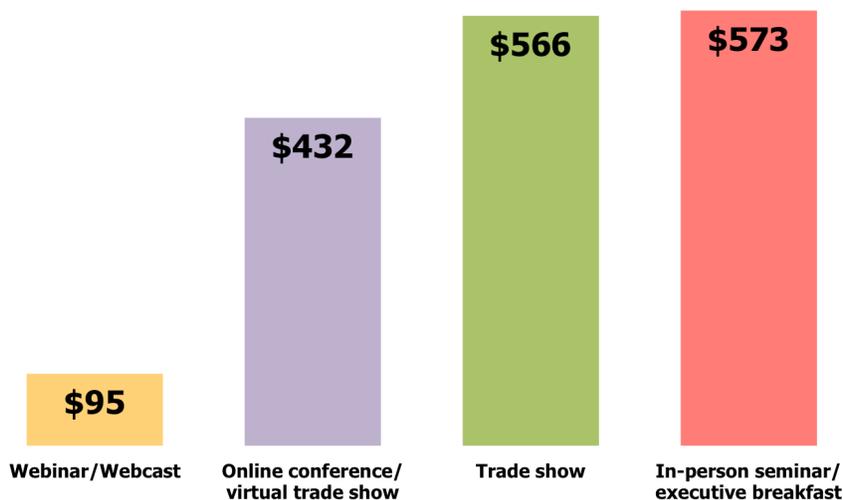
- **Add any related, event delivery costs**

It is important not to forget adding in related costs like travel, airfare, hotels, meeting rooms, outside personnel or speaker fees, audio-visual staff and equipment rentals, and media development costs of a presentation, or fees associated with collateral, giveaways or event materials.

A major disadvantage to participants of trade shows and in-person seminars is the cost and time involved. However, once these costs have accurately been captured and summarized, the costs of individual events or types of events, the cost calculations then typically add in the number of good, qualified leads from each event to generate a cost per lead by event or type of event.

Our research found that Webinars have the lowest cost per qualified lead of the four types of events on which we surveyed, as shown in Figure 3.

**Figure 3**  
**Cost per Lead by Type of Event**



Source: Osterman Research, Inc.

### SUMMARY OF THE COSTS

While it may be useful to benchmark a marketing event against industry averages, keep in mind that many published “cost-per-event” or “cost-per-lead” figures do not offer an accurate estimate because they do not incorporate what can be the largest cost component – time spent by salaried employees.

The next section of the white paper will outline key ways to help make marketing more competitive and discusses the new opportunities available to an organization.

## THE POWER OF KNOWING THE TRUE COSTS BEHIND INDIVIDUAL EVENTS AND OVERALL EVENT STRATEGY

While the information above presents an interesting comparison between different types of marketing events, it is important to understand that the information must be put into action rather than being left as a theoretical exercise.

*Our research found that Webinars have the lowest cost per qualified lead of the four types of events on which we surveyed.*

Here are some issues to consider to help harvest this new information's potential into valuable actions and results for any organization.

### **CONSIDER ALL OF MARKETING RESOURCES AND COSTS IN THE SAME LIGHT**

Many marketers will consider the cost to create a qualified lead on a marginal basis. For example, a lead generated from a search engine optimization system through a Web site will have no incremental cost because there may be no additional effort that goes into the creation of the next lead. Also, a Google Ads lead may cost \$25 in advertising to generate the next one, with no cost assigned to creating and managing this campaign or creating any Web pages or content requested.

Moreover, all leads are not created equal. We have used a definition of a marketing event lead of "good, qualified lead" – a simple way of describing the numbers of event leads regardless of the way they are generated. So, not every "booth swipe" at a trade show or Webinar registrant will qualify as a good lead that has the potential to turn into a sales opportunity. Similarly, decision makers may want to have a standard way of comparing leads across different events or types. Thus, a typical white paper download or e-newsletter subscriber may need further qualification to be considered on par with these types of event leads.

As a result, it is essential for decision makers to compare costs by marketing source or type using a common definition. This might be simply cost per raw lead, cost per sales opportunity, cost per proposal or trial, or cost per sale.

### **WEIGH OVERALL EVENT MARKETING COSTS AS A PERCENTAGE OF THE RESOURCES AVAILABLE**

Knowing the true cost of an event and its benefits allows decision makers to analyze both individual events and marketing event categories against their budgets and other resources available. Constant re-evaluation of marketing budgets, costs per lead and the quality of leads generated from various events is critical to optimizing scarce marketing resources.

### **IMPROVING THE EFFECTIVENESS OF EVENTS**

Once decision makers have a true picture of their inputs and outputs for marketing events, only then can they understand which ones are the most effective, and it also gives them the opportunity to analyze why some events may be under-performers, what to improve next time, and what is a baseline ROI for the next event.

Marketing events are dynamic activities, and no two events will ever be exactly the same. Consequently, it is important to use available tools to help improve the parts of events where the smallest changes will have the biggest impact in an organization's favor.

### **CONSIDER ADDING MORE WEBINARS**

Since our research determined that Webinars offer – by far – the greatest return on the marketing dollar when looking at an all-in cost, consider adding more Webinars to the marketing mix to get more from a marketing budget and staff. Based on our research, some organizations could add many more Webinars by simply reducing participation in events that are the least successful, thus generating more qualified leads and sales with the same resources they have been spending in other areas.

*Consider adding more Webinars to the marketing mix to get more from a marketing budget and staff.*

## SUMMARY

- Events of various types continue to be an excellent method for generating new sales leads, but Webinars offer the highest return and lowest cost per qualified lead.
- A major disadvantage cited by those who sponsor trade shows and in-person seminars are the costs and time involved in setting up and participating in a typical event. Webinars, on the other hand, require a fraction of these commitments and offer a cost per lead that is dramatically lower than for in-person events.

## About Citrix GoToWebinar

Citrix GoToWebinar is the easiest-to-use do-it-yourself event tool that projects your message to up to 1,000 online attendees. With GoToWebinar, you can reduce travel costs, generate more qualified leads at a lower cost and enhance communication with customers, prospects and employees. Host unlimited webinars for one low flat fee and give attendees the option to join from a Mac, PC or mobile device. GoToWebinar Premier Event is also available to provide custom-built solutions for thousands of attendees and available with video streaming. To learn more, visit [www.gotowebinar.com](http://www.gotowebinar.com).

*Events of various types continue to be an excellent method for generating new sales leads, but Webinars offer the highest return and lowest cost per qualified lead.*

© 2014 Osterman Research, Inc. and Quantum Leap Marketing All rights reserved.

No part of this document may be reproduced in any form by any means, nor may it be distributed without the permission of Osterman Research, Inc., nor may it be resold or distributed by any entity other than Osterman Research, Inc., without prior written authorization of Osterman Research, Inc.

Osterman Research, Inc. does not provide legal advice. Nothing in this document constitutes legal advice, nor shall this document or any software product or other offering referenced herein serve as a substitute for the reader's compliance with any laws (including but not limited to any act, statute, regulation, rule, directive, administrative order, executive order, etc. (collectively, "Laws")) referenced in this document. If necessary, the reader should consult with competent legal counsel regarding any Laws referenced herein. Osterman Research, Inc. makes no representation or warranty regarding the completeness or accuracy of the information contained in this document.

THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND. ALL EXPRESS OR IMPLIED REPRESENTATIONS, CONDITIONS AND WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED, EXCEPT TO THE EXTENT THAT SUCH DISCLAIMERS ARE DETERMINED TO BE ILLEGAL.

## REFERENCES

- 
- <sup>i</sup> Source: *2014 Services Marketing Budget Allocations and Trends*, ITSMA ([http://www.itsma.com/pdfs/research/ITSMA\\_BudgetTrends2014\\_B025\\_AbbSum.pdf](http://www.itsma.com/pdfs/research/ITSMA_BudgetTrends2014_B025_AbbSum.pdf))
  - <sup>ii</sup> <http://www.marketingcharts.com/wp/online/2014-marketing-budget-plans-by-channel-8888/attachment/strongview-2014-marketing-spend-plans-by-program-dec2013/>