

2010 VIRTUAL EVENT REPORT:
INSIGHTS & TRENDS
FROM INDUSTRY INSIDERS



| | |
|----|---|
| 2 | Report Background |
| 3 | Introduction by Rachel Wimberly |
| 4 | Executive Summary |
| 5 | Key Features of a Virtual Event Platform |
| 6 | Physical Event vs. Virtual Event Comparison |
| 7 | Detailed Reporting of Survey Results |
| 23 | Top-Line Conclusions Drawn |
| 23 | What the Future Holds |
| 24 | Industry Perspective by R.D. Whitney |
| 25 | Technology Perspective by Randy Selman |
| 26 | About Trade Show News Network & Onstream Media |

Report Background

Information in this report is designed to help guide event-industry professionals to create higher brand awareness, generate new revenue streams and to attract larger global audiences. Both the research and the findings offer keen insight into what elements to look for in a virtual event platform, revenue and monetary return strategies, the future of the virtual event industry, how to leverage virtual events for competitive advantage and much more.

In the pages that follow, you will find survey questions and results along with tabulated responses from over 800 event-industry insiders. You will also find key findings and insights from industry leaders, Trade Show News Network (TSNN) and Onstream Media, a leading provider of virtual event platforms and digital media services.

Overall, this report looks at the virtual events topic from the tradeshow industry perspective, rather than from an enterprise viewpoint.

Methodology

The survey was conducted by TSNN and Onstream Media to assess true market adoption, future spending and overall acceptance of the virtual event medium.

Survey parameters:

- Online survey with 14 key questions.
- Open from mid-April to mid-May, 2010.
- Over 800 respondents comprised of event industry insiders.

Definition

Virtual event – An online exhibition, community or marketplace with virtual booths, show floor and breakout sessions/rooms. This online forum offers networking and information-gathering opportunities for attendees and revenue/lead-generation opportunities for organizers, sponsors, and exhibitors. In many ways, it complements or extends, rather than replaces, a physical event and can run for a short time period (such as a few days) or permanently.

Introduction by Rachel Wimberly

TSNN Editor-in-Chief

Several years ago, when virtual events were first introduced into the marketplace, there was an instantaneous, knee-jerk reaction within the event industry as most perceived the new technology as a threat to the brick-and-mortar, physical, show-floor establishment. A lot of show organizers quickly turned their backs on the idea of virtual events, hoping that eventually they would just fade away.

Not only have virtual events not gone away, but they have ballooned into a fast-growing industry that now has caught the full attention of many sectors of the event industry. The Trade Show News Network (TSNN) and Onstream Media (a leading provider of virtual event and marketplace technology) recently surveyed 800 industry insiders on the state of the virtual-event industry and what's in store for the future.

The survey's findings clearly demonstrated how important it is for show organizers to have virtual events as part of their portfolio in order to truly engage an attendee in a year-round environment. More than 75 percent of the total stated that they viewed a virtual event as "an add-on or an extension to an existing, physical event." This certainly is a step in the right direction, indicating people realize that virtual events won't replace the physical-event environment. Instead, virtual events can enhance the physical event from an attendee and revenue-generating standpoint. What's more, virtual events are based on a web-based multi-media platform, and, therefore, enable show organizers and booth exhibitors to truly bring their online presence to life.

They can feature:

- Unlimited file downloads
- Multimedia demonstrations
- Streaming and recorded videos
- Online breakout sessions
- Multimedia libraries
- Chat sessions
- RSS feeds
- Press Release distribution — and so much more.

These online events also grant organizers and exhibitors significant revenue-generation capabilities. Organizers can charge exhibitors for booth space and advertising, while exhibitors can obtain valuable, qualified leads at a substantially reduced cost. They can also make select content available via a pay-per-view model and create e-commerce opportunities.

Another very important aspect of virtual events is their ability to develop a highly-targeted, social community in which the exhibitor, show organizer, subject matter experts and attendees can keep in contact with each other and exchange valuable industry information throughout the year.

There is no doubt that virtual events are a viable medium, as we enter into the early stages of adoption.

Executive Summary

The day of the virtual event is finally upon us. Service providers across various industry segments have already begun rolling out a multitude of virtual-event platforms for organizations to choose from – all offering various features and capabilities. In fact, analysts are already projecting the virtual-events industry to reach upwards of \$18.6B by 2015 (Market Research Media, 02/07/10). Over the last few years, virtual events have established a significant following with ever-increasing demand, interest and traffic. This major shift in how events are being produced and managed has caused a true sea change in event utilization and value — and this is just the beginning.

Unique Benefits

The nascent ascent of this new sales and marketing medium is due to the many unique benefits virtual events offer over physical events. Virtual events are much more cost effective, as they don't require meeting space, physical signage, etc. They can also be evergreen, meaning you can set one up and have it live online all year round, or even permanently. Many are also beginning to see virtual events as logical extensions to physical events. Furthermore, with their ubiquitous nature and social networking component, they have the ability to foster wider communication between vendors, partners, sponsors and prospects— the world over.

Bottom Line Savings

Virtual events offer a significant, bottom-line cost savings to companies in terms of sales, marketing and travel expenses. Just think about it; you're eliminating all of the expenses typically associated with flying and housing all event participants — not to mention dinners, entertainment, transportation, and so on. These cost-savings benefits are applicable to everyone involved in the event, whether you are an organizer, exhibitor or attendee. There are also the environmental/green benefits to recognize with virtual events. These can include less paper, less gasoline, less pollution, less electricity usage, and so on. The many positive aspects of "going green" are another reason many organizations are opting for virtual events over physical ones.

Virtual events offer a highly-unique value proposition, giving people what they want, when they want it and for as long as they want it. They provide the ability to present and share content at will with attendees in various forms (i.e., downloads, videos, online content) – saving the time and cost of carrying heavy bags full of company literature during the show and on the way back to your office or home. Simply point and click and consume/access all the content you could imagine right from the virtual event website.

KEY FINDINGS

- **Virtual events are a success** - *Of those who have participated in a virtual event, nearly three quarters (74.8%) deemed it a success.*
- **Not all industries offer virtual events yet** - *Of the responders who have not yet attended, it was because a virtual event does not yet exist for their particular industry, representing tremendous opportunity for early adopters.*

- **Virtual events extend the value of physical shows** - 75% of responders see virtual events as an add-on or an extension to an existing show or physical event (i.e., a hybrid event).
- **Content is the #1 reason people attend virtual events/deem them successful** – 62% cite access to useful, quality content; 60% say it is because of ease of navigation; and 55% say it is more cost-efficient than a physical show.
- **New revenue streams can be created by hosting a virtual event** – the three top means of monetary returns were sponsorships (49%), virtual exhibitor booth fees (44%) and online banner ads (39%).

The vendor landscape for virtual-event platforms ranges from do-it-yourself, affordable providers all the way up to “full-service” vendors charging substantial sums. The do-it-yourself route can take as little as a day or two and just a few hundred dollars to get up and running. On the other hand, the full-service approach can take weeks and cost thousands of dollars.

While adoption of virtual events is certainly maturing, understanding of their utility and value is lagging behind. In other words, people are starting to participate in and attend virtual events, but most are not 100% enlightened as to all the ways these platforms can help them generate revenue, reach larger audiences and enhance their other marketing activities. In many ways, virtual events further aggregate and enable the traditional sales and marketing vehicles (i.e., email, SEO, advertising, broadcasting). They also help to prioritize their costs and bring together these components into a single, easy-to-navigate environment while combining their individual power to increase their overall utility.

Key Features of a Virtual Event Platform

Virtual-event platforms vary greatly from vendor to vendor; however, there are certain capabilities and features that tend to be common among many, including:

Ubiquity and Flexibility – Anytime, anywhere web-based access to keep the focus on meeting rather than traveling.

Multimedia – Document downloads, audio and video on demand, etc. More extensive platforms also feature support for real-time multimedia events such as webcasts, conferences, and product demos.

Advertising – Revenue-generation capabilities for organizers by offering targeted advertising and sponsorship opportunities: pay-per-view downloads, links, banners, etc.

Lead Generation – More advanced solutions that feature lead scoring, attendee profiling, web analytics and reporting.

Reporting – More full-featured solutions provide advanced reporting capabilities indicating visitor statistics, event performance, etc.

Comparison: Physical Event vs. Virtual Event

From the collective standpoint of an event organizer, exhibitor and attendee:

| | PHYSICAL EVENT | VIRTUAL EVENT |
|---|--|--|
| Total expenditure (organizer, exhibitor, attendee) | Substantial (travel, hotel, show fee, meals, etc.) | Minimal |
| Time commitment (organizer, exhibitor, attendee) | Substantial | Minimal |
| Lead generation (exhibitor) | Not Very Targeted (hit-or-miss card swiping at the booth) | Highly Targeted (attendee profiling, tracking, reporting) |
| Reporting (organizer, exhibitor) | Manual to Non-Existent | Automated and Sophisticated (saves time and money) |
| Staffing (organizer, exhibitor) | Substantial (must always have booth coverage) | Minimal to Non-existent (once set-up booth runs itself) |
| Show Hours (organizer, exhibitor, attendee) | 9:00 a.m. to 5:00 p.m. (high staff cost) | 24x7x365 (low staff cost) |
| Booth maintenance (exhibitor) | Substantial (set-up, tear down; need to procure web connection, power, lighting, demo equipment) | Minimal (easy set-up and no tear down) |
| Sponsorship sales proposition (organizer) | Not Very Compelling (targeted audience but substantial cost and time commitment) | Highly Compelling (minimal time and money investment and precise prospect targeting) |
| Researching New Products and Services (attendee) | Difficult, Time Consuming | Easy, Quick (Automatic data capture) |
| Revenue Generation (organizer, exhibitor) | Difficult, Time Consuming (booth fees, sponsorships, attendance fee) | Easy, Quick (booth fees, online sponsorships, pay-per-view downloads, banners, etc.) |
| ROI (organizer, exhibitor) | Difficult to Recoup Costs and Minimal Revenue Opportunity | Easy to Recoup Costs and Generate Excess Revenue |

Detailed Reporting of Survey Results

Exposure to Virtual Events

1. Have you attended a virtual trade show or event?

| | | Response Percent | Response Count |
|-----|---|------------------|----------------|
| Yes |  | 52.9% | 443 |
| No |  | 48.3% | 404 |

Virtual Events – Growing in Popularity

Virtual events have truly come of age as more than half of event management professionals have already attended one. You will see later that the reason for the 48.3% is simply because there is no such event in their industry yet.

“Virtual events (e.g. virtual conference, virtual tradeshow, etc.) have gained in popularity due to the economic recession and budget restrictions. While leveraged extensively for events, virtual events have not yet been adopted as a larger part of the marketing mix like webinars. Wider spread adoption within the marketing realm requires that next-generation virtual platforms not only provide a more intuitive attendee experience but also address existing platform limitations to easily build and execute virtual events, more tightly integrate with CRM systems and social networks, and provide better analytics tools for measuring ROI.

“Over the next 12-18 months, we’ll see many innovations from the platform providers to address the above, which should further spur the adoption and growth of virtual events. Furthermore, I envision virtual events moving from the existing linear experience – lobby, exhibit space, and auditorium – to one that incorporates multiple facets, virtually and physically. This includes augmented reality, geo-location and more.”

Cece Salomon-Lee, Principal of PR Meets Marketing

2. If yes, what type?

| | | Response Percent | Response Count |
|-----------------------------------|---|------------------|----------------|
| A webinar |  | 60.5% | 271 |
| An online learning session |  | 32.4% | 145 |
| A social media or networking site |  | 22.3% | 100 |
| An online community event |  | 9.4% | 42 |
| A virtual trade show or event |  | 55.8% | 250 |
| Other |  | 2.2% | 10 |

How Virtual Events Enhance Other Event Attendance

Virtual events are catching up to webinars in terms of pervasiveness and overall adoption. It is important to remember, however, that some virtual event platforms enable organizers and exhibitors to embed the other web event types (including webinars, online learning sessions, networking, social media site integration, online communities, webcasts and web conferences) into their virtual event. Therefore, as virtual events/events continue to rise, so will these other web-based event formats.

“I think that webinars have already proven themselves to those who have attended them; they are short, targeted and impactful if set up properly. The technology behind them is good, and usually works seamlessly, so as an introduction the experience is quite good. This report states credibly the penetration of webinars as effective and valuable as both lead generators and valuable content providers.

“Are virtual events the next generation of webinars? Could they be the next big thing? The stickiness and the ROI of sponsoring virtual events still have to be shown. Once this tipping point has been reached, it can indeed be an additional opportunity for delivering value and profits.”

Warwick H. Davies, Principal - The Event Mechanic!

3. If no, why?

| | | Response Percent | Response Count |
|--------------------------------------|---|------------------|----------------|
| No virtual trade show in my industry |  | 48.2% | 150 |
| Poor content |  | 6.4% | 20 |
| Lack of good speakers |  | 1.0% | 3 |
| Too busy |  | 32.8% | 102 |
| Not interested |  | 15.8% | 49 |

Many Vertical Industries Do Not Yet Have Virtual Events

There is a prime opportunity for you to be the first (or one of the first) to put on a virtual event in your industry as almost half of the respondents indicated there isn't one yet for their show. Being first out of the gate can make you appear innovative and leading edge, as well as almost guarantee you a high rate of attendance and sponsors.

Those who indicated that they are “too busy” to attend a virtual event may soon find themselves having all the time they need as the demand for physical shows continues to wane and the demand for virtual events continues to rise.

“As this study suggests, digital extensions of physical events are already past the tipping point and, over the next few cycles of events, you will find that most physical events will be hybrids (combining physical and online attendees), though they won't all look alike or offer the same user experience.

“Though there are still challenges on the technology side (and I’m not talking about the digital event platform vendors but corporations that are using old technology like Windows XP and IE6), as new PCs and tablets hit the corporate user’s desk and modern browsers get blessed by IT, you will really be able to see what the virtual environments are capable of. Then, you will see a mushroom of adoption of virtual environments for all types of applications across the business and eventually the consumer market space.

“The demand for skilled strategic, creative, technical, operations, logistics, learning and content professionals will mushroom, as well, because this technology is only as good as the event or environment’s producers.”

Michael Doyle, Executive Director for Virtual Edge Institute

4. Do you plan on participating in a virtual event in 2010?

| | | Response Percent | Response Count |
|----------------------------|---|------------------|----------------|
| Yes – As a Producer |  | 10.6% | 72 |
| Yes – As an Exhibitor |  | 15.1% | 103 |
| Yes – As a Attendee |  | 59.4% | 404 |
| Yes – As a Supplier/Vendor |  | 13.4% | 91 |
| Yes – As a Venue |  | 2.8% | 19 |
| No Interest |  | 22.9% | 156 |

People Are Testing the Virtual Waters

More and more people (over 75%, in fact) are planning to participate in a virtual event this year, whether as an attendee, exhibitor, producer or supplier/vendor. The overwhelming majority (59.4%) plan to *attend* only. As these individuals experience these virtual events, they will likely realize their tremendous value and plan to add the virtual event format to their sales and marketing arsenal moving forward. This will, in turn, drive up the number of future producers, exhibitors and supplier/vendors. Next year, we will expect to see participation rise significantly.

As far as the 22.9% that express no interest at this point, we believe they, too, will be swept up in the wave of excitement and demand for virtual events. Likewise, we’ll see a much lower number of uninterested individuals in the future.

“With the technology shifts we see emerging now coupled with the new perpetual marketplace business models, we are granted the ability to cross-promote a physical event and create ongoing brand awareness. Additional advantages lie in the offerings of endless social media junctures and participation opportunities.”

**Stephen Nold: President, Tarsus Advon,
MTO Summit and MeetingTechOnline**

Perception/Opinion of Virtual Events

5. If you are a Producer, Organizer or Planner, what is the average number of exhibitors you have or expect to have per event?

| | | Response Percent | Response Count |
|----------------|---|------------------|----------------|
| 1 - 100 |  | 18.7% | 128 |
| 101 - 250 |  | 9.0% | 62 |
| 251 - 500 |  | 6.9% | 47 |
| 501+ |  | 6.9% | 47 |
| Not applicable |  | 60.2% | 413 |

The Masses Are Coming!

Over 20% of virtual events have or are planning to have between 100-500 participants. This greatly overshadows most B2B industry webinars today, where fewer than 30 attendees can be common. Furthermore, we can expect these numbers to grow significantly as more and more shows get underway and word of their tremendous value and utility is spread. Again, being the first virtual event in a given industry is sure to attract masses; but, so too are subsequent events, given the many advanced marketing features built into some of the new platforms – including SEO, RSS feeds, email marketing and so on.

“It’s exciting to see virtual event platforms (re)emerge at a time when the industry is receptive and in need of the benefits that this technology offers. They serve a valuable role in filling the content and engagement gap that exists most of the year for live event exhibitors and attendees. They also address the most pressing issues of the day—the weak economy, sustainability, and the entrance of the next generation of attendees into the marketplace.

“My vision of the future is that virtual events, conferences and meetings will exist side by side with live events, each filling a specific need for a specific audience and taking advantage of what each does best. Together, they will be critical components of the continuum of engagement that is necessary to grow communities around a market. As the virtual platforms continue to evolve, the early adopters (event organizers) will reap the benefits of overcoming the learning curve and growing the ranks of customers (sooner rather than later) using the generous content and rich media interactions that virtual events are so perfectly suited for.”

Michelle Bruno, President of Bruno Group Signature Events

6. How do you view virtual events?

| | | Response Percent | Response Count |
|--|--|-------------------|----------------|
| As a replacement option to an existing physical show |  | 11.6% | 84 |
| As an add-on or an extension to an existing show or physical event (i.e. hybrid event) |  | 75.2% | 545 |
| Not a viable solution for my industry |  | 16.6% | 120 |
| | | answered question | 725 |
| | | skipped question | 116 |

Virtual as an Extension of Physical

Virtual events don't appear to be taking over physical events as much as they seem to be helping to extend and add value to them. As virtual events continue to demonstrate value, they will be viewed by almost every physical show as a viable means of attracting additional revenue, attendees and reach.

“As this report states, ‘Virtual events have arrived and they are here to stay.’ I could not agree more. The models of a virtual event or a hybrid event have great merit in extending the brands of a show or an exhibitor’s presence in one of these events. As they discuss in this report, this trend is just the beginning. Over the next few years, this form of ‘experiencing’ content, taking action with exhibitors and building relationships with a unique community will be an everyday occurrence.

“If you are an exhibitor considering a virtual show, I would recommend that you take the plunge! The positive aspects of being an exhibitor should outweigh any negatives. As with any marketing activity, planning is critical. Virtual events offer a way to reach an audience that you might not have tapped into. Those attendees who take the time and effort to be online are serious about their education and want to interact with potential solution providers.

“As the report states, ‘In many ways virtual events are the true aggregate and further enabler of most traditional sales and marketing vehicles (email, SEO, advertising, broadcasting, etc.). Their ability to bring together all of these components into a single, easy to navigate environment, in many ways also combines their individual power to increase their overall utility.’ Virtual events are an option all marketers should consider adding to their portfolio.

Joyce McKee, CEO of Let’s Talk Trade Shows

7. What type of applications would you consider for a virtual event?

| | Currently Use | Would Consider | Would Not Consider | Response Count |
|------------------------|---------------|----------------|--------------------|----------------|
| Conferences | 19.0% (110) | 63.1% (366) | 17.9% (104) | 580 |
| Trade Shows | 19.0% (122) | 61.3% (386) | 19.4% (122) | 630 |
| Meetings | 23.4% (133) | 60.1% (342) | 16.5% (94) | 569 |
| Presentations | 25.0% (150) | 66.3% (397) | 8.7% (52) | 599 |
| Job Fairs | 7.4% (38) | 54.7% (283) | 37.9% (196) | 517 |
| Company Communications | 17.1% (92) | 58.6% (316) | 24.3% (131) | 539 |
| Company Marketplace | 12.1% (62) | 62.0% (317) | 25.8% (132) | 511 |
| Products Marketplace | 15.9% (88) | 66.1% (366) | 18.1% (100) | 554 |
| Lead Generation | 15.9% (90) | 67.0% (379) | 17.1% (97) | 566 |
| Certification | 11.2% (56) | 54.4% (273) | 34.5% (173) | 502 |
| Training / Education | 23.7% (142) | 65.9% (394) | 10.4% (62) | 598 |

A Multitude of Uses

There is a broad spectrum of uses for virtual event platforms. Over 38% feel there is a strong application around online events (conferences, tradeshow). Another 15.9% indicated lead generation was a good application. If you combine these numbers, as such events generally focus heavily on lead generation, you come up with 53.9%. Therefore, while there are certainly other applications for this type of virtual technology, more than half feel it is best suited for conducting virtual tradeshow and conferences.

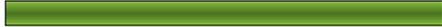
Twenty-eight percent see utility in the areas of marketplaces (both company and product-focused). This is particularly interesting as this is a relatively new area for this technology, and it is certainly a good one. For event producers, these applications help you create a centralized landing page to promote all of your events and create a virtual showcase of sorts with links to your other events and past successes.

“Augmented by hybrid events and social media’s long tail of chatter, which together enable event producers to encourage and perpetuate interaction all year long, the traditional, live event becomes an annual pilgrimage for attendees and exhibitors alike. There, the online community interacts in person, as well as with others who get to participate simultaneously from afar, online. Face-to-face attendance grows, and the overall influence of the live event’s brand expands.”

Brent Skinner, CEO of relationSearch Partners

Success of Past Virtual Events

8. If you have participated in a virtual event, would you deem it a success or a failure?

| | | Response Percent | Response Count |
|---------|---|-------------------|----------------|
| Success |  | 74.9% | 266 |
| Failure |  | 26.8% | 95 |
| | | answered question | 355 |
| | | skipped question | 486 |

People Find Virtual Events Worthwhile

While virtual events are still evolving in terms of their utility and format, the majority are already viewed as successful, according to 74.9% of respondents. This is a strong number for such relatively new technology and it certainly lends tremendous credibility to the perceived value of such events.

Next year, it will be interesting to see how many of the remaining 26.8% will change their minds.

“There’s been a decade of hype and promise around virtual events, sort of like the promised flying car; but, from this report and from the reaction we see in the market place, it is obvious there is a confluence of factors at play now as the scope gets stretched even wider. Virtual events bring with them enormous advantages, including extending the life of a physical show from a few days to a 365-days-a-year lifeline.

“Revenue can be generated from sponsorships, ads and booth sales and attendees who couldn’t make it to the actual show are able to take part online, which leads to a larger global audience. Reducing a company’s carbon footprint, with the absence of paper, directories, etc. is a marked trend which cannot be ignored. At TSNN, we find it beneficial to partner with vendors who will focus on our specific industry. Given that customized edge, the timing becomes right, all the ingredients come together and virtual becomes a reality.”

R.D. Whitney, President of Tarsus Ventures

9. If you answered SUCCESS, why?

| | | Response Percent | Response Count |
|---|--|------------------|----------------|
| Easy to Navigate |  | 60.3% | 161 |
| Useful, Quality Content |  | 62.2% | 166 |
| Established Business Relationships |  | 26.2% | 70 |
| More Cost Efficient |  | 55.4% | 148 |
| More Visitors to Your Online Booth |  | 11.2% | 30 |
| Generated More Leads |  | 13.9% | 37 |
| Increased Traffic to Website |  | 19.1% | 51 |
| Better, Quality Attendee Data for Analysis |  | 15.0% | 40 |
| Positive Press Coverage from Show |  | 7.5% | 20 |
| More Stickiness and Time Spent with Online Visitors to Your Booth |  | 10.1% | 27 |

Content is Still King

Content (62.2%), *ease of navigation* (60.3%) and *cost* (55.4%) are by far the most important success factors in designing and hosting a virtual event, followed by *establishing business relationships* (26.2%). This indicates the overwhelming need and demand for a virtual event platform that meets these criteria — one that’s easy to use, affordable and provides the necessary capabilities to showcase interesting and valuable content — whether it be via file downloads, audio and/or video. Add to that the ability to chat and interact in real-time with others and you have a winning, interactive virtual event platform.

“This new convergence of technology enables businesses to extend communications, collaborations and targeted information to create valuable online communities of interest. For example, online event platforms enable exhibitors to deliver targeted, search-optimized content in various formats, such as audio/visual presentations, instant messaging, RSS feeds, press releases and other forms of written communications.”

Christopher Faust, Founder & CEO of Fastlane

10. If you answered FAILURE, why?

| | | Response Percent | Response Count |
|---|--|------------------|----------------|
| Too Difficult to Navigate |  | 38.2% | 39 |
| Lack of Quality Content |  | 41.2% | 42 |
| No Meaningful Business Relationships Established |  | 63.7% | 65 |
| Too Costly |  | 5.9% | 6 |
| Lack of Sufficient, Quality Leads |  | 23.5% | 24 |
| Inadequate Technology That Translated into Poor User Experience |  | 25.5% | 26 |
| Lower Than Expected Attendee Data for Analysis |  | 21.6% | 22 |
| Little Positive Press Coverage from Show |  | 12.7% | 13 |

Relationships Matter

While only 26.2% felt *establishing business relationships* was a critical success factor in virtual events, 63.7% cite the same as a reason for failure. Regardless, this does indicate the need for event organizers to enable vendors and attendees to interact with each other using the right technologies —chat, etc. The high numbers around *lack of quality content* (41.2%) and *difficult to navigate* (38.2%) may not be overly telling, as they represent such a small number of survey respondents. Another interesting factor was the 25.5% who indicated inadequate technology led to a poor user experience. Again, this may not say much when based on only 26 respondents.

“How to use the virtual event technology effectively, and with confidence, poses a challenge to many organizations. Some feel that not being in the same room with the audience means that it’s difficult or even impossible to make a real impact and connection. Preparing your people to work a virtual show is as important as its live counterpart. Although avatars work as booth staff in the virtual world, they still speak on behalf of your organization and are your chosen ambassadors. “Just as in a live show, your virtual staff can’t just show up and expect to know what to do, how to do it and what’s expected of them. They need preparation. Participation at a virtual show may seem simple, but winging it will get you “wing-it” results. Your team needs to know how to ‘pro-actively’ interact with visitors. Since most conversations at virtual shows are still done via chat, they need to be prepared. They need to know what questions to ask of prospects so that they can maximize time with them.”

Susan Friedmann, CSP, The (Virtual) Tradeshow Coach

Revenue Potential

11. Do you see virtual events as a potential revenue builder for your company?

| | | Response Percent | Response Count |
|--|---|------------------|----------------|
| Yes |  | 35.9% | 268 |
| No |  | 22.9% | 171 |
| Not sure; would be interested in learning more |  | 42.2% | 315 |

Virtual Events Generate Revenue

Over 78% believe virtual events may have the potential to make them more money. Many believe they know how, while others would like to know how. As far as the remaining 22.9%, who indicated there was no imminent opportunity to generate revenue, this number can certainly decline, moving forward, as they start to see their industry counterparts utilizing virtual-event technology successfully to make more money. In other words, that number can be largely due to the fact that many are still just learning about these virtual events and haven't really experienced or seen the true value just yet — but they will. Specifically, the 42.2%, who weren't sure and wanted to learn more, indicates a need for more education on how event-industry professionals can make money using these platforms.

“Virtual events are among today’s hottest trends on the Internet. No more are online events limited to traditional one-on-one conferencing. Online events now extend to full-fledged virtual conferences/trade shows — essentially a clone of traditional live events in a virtual environment, introducing new, exciting (and valuable) implications.

“Our virtual event is an extension of our live, face-to-face expo. Live 24/7, the event adds another dimension to the conference, connecting exhibitors with qualified buyers from across the globe and provides attendees with valuable resources (i.e., recorded presentations, webinars, PowerPoint presentations, etc.) while also enabling them to engage with exhibitors in our virtual Exhibit Hall. As one of today’s leading online marketing channels, I highly recommend all companies become involved (where applicable) with virtual events.”

Curtis Carmichael, Virtual Event Director for THE Recruiting Conference

Marketing Expenses

12. Compared to last year, will your company allocate more or less budget on virtual events and/or events in 2010?

| | | Response Percent | Response Count |
|------------|---|-------------------|----------------|
| More |  | 18.7% | 134 |
| Less |  | 10.7% | 77 |
| Don't Know |  | 70.8% | 508 |
| | | answered question | 718 |
| | | skipped question | 123 |

Adoption is Ever-Evolving

18.7% see themselves increasing their spending on virtual events, and this number is sure to grow as the value propositions continue to surface around this technology. The large number (70.8%), who don't know whether or not they will increase marketing expenditures on virtual trade shows indicates the still- evolving nature of this industry.

“Virtual media is not just a tool for event producers and exhibit marketers. Anyone who is spending money to acquire an audience or to reach an audience should be looking at virtual media as a means to increase the return on their spending. As the media gains acceptance and evolves, it will be used to simulate a variety of experiences which include a spatial component and as a way to present information online, using the spatial component purely as a metaphor.”

Roger B. Wilson, Jr., President – The Conference Department, Inc.

13. What are the top items you would focus on to monetize a virtual event?

| | | Response Percent | Response Count |
|-----------------------|---|------------------|----------------|
| Banner Ads |  | 39.1% | 255 |
| Sponsors |  | 49.3% | 322 |
| Exhibitor Booth Space |  | 44.3% | 289 |
| Cost Per Lead |  | 32.5% | 212 |
| Pay-per-View |  | 14.5% | 95 |
| eCommerce |  | 27.3% | 178 |
| Other |  | 4.1% | 27 |

Sponsors, Banners and Booths Make Money

There are countless ways to generate revenue from virtual events, even more so than from their physical event counterparts. These include such online mechanisms as *banner ads*, *pay-per-view*, *lead generation*, etc. At this point, the industry seems to believe that sponsorships are the primary means of generating revenue — according to 49.3% of respondents, followed by 44.3% who feel that selling exhibitor booth space is most important means of making money. These are high numbers, and rightfully so, as these are two of the most obvious ways to make money with virtual events — getting vendors to exhibit and advertise.

“The primary purpose of any trade show spend, live or virtual, is to obtain qualified leads. All other factors being equal, the lower entry costs of a virtual trade show almost automatically will result in significantly lower costs per lead. Further, the interactive nature of the virtual event allows for better – and faster – qualification of leads, so that follow-up material can be generated immediately instead of waiting days or even weeks after the live event.

“Even with today’s badge-scanning technologies at live events, follow-up on leads is often a hit-or-miss, time-consuming proposition. The virtual event provides instant interaction with the prospect for better qualification plus electronic capture of key information, automatically downloadable to an event database. What’s more, when a live event is over, the booths are packed away and everyone moves on to the next activity. (How many bags of literature have you dumped in hotel rooms?) With a virtual trade show, it need never be over.

“The entire show can be archived, kept online with key requests emailed to inquiries, repeatable throughout the year and more. The lead generating process, therefore, remains in play indefinitely for maximum ROI. This is true, incidentally, for both the organizing company and the sponsors and exhibitors, all of whom are seeking qualified leads.”

George Duncan, President, Duncan Direct Associates

14. Please rank the importance of the following features when deciding to implement a virtual event into your business plans.

| | Critical | Important | Not Important | Response Count |
|--|-------------|-------------|---------------|----------------|
| Search Engine Visibility | 56.8% (335) | 36.3% (214) | 6.9% (41) | 590 |
| Social Media Platforms | 31.3% (176) | 54.1% (304) | 14.6% (82) | 562 |
| Behavioral Targeting | 20.1% (111) | 57.9% (319) | 22.0% (121) | 551 |
| Chat / Instant Messaging | 30.1% (168) | 47.1% (263) | 22.8% (127) | 558 |
| Video | 42.8% (243) | 46.3% (263) | 10.9% (62) | 568 |
| PowerPoint Presentations | 27.0% (152) | 55.4% (312) | 17.6% (99) | 563 |
| RSS Feeds | 16.9% (87) | 53.2% (274) | 29.9% (154) | 515 |
| Level of Service from Supplier | 45.7% (250) | 43.7% (239) | 10.6% (58) | 547 |
| Avatar-based 3D Immersive Environment | 8.5% (45) | 33.2% (176) | 58.3% (309) | 530 |
| Reporting and Analytics | 44.5% (244) | 47.1% (258) | 8.4% (46) | 548 |
| ROI | 55.4% (306) | 36.1% (199) | 8.5% (47) | 552 |
| Graphics | 42.4% (235) | 50.4% (279) | 7.2% (40) | 554 |
| Surveys | 25.7% (140) | 60.7% (331) | 13.6% (74) | 545 |
| Demos or Tutorials | 34.8% (195) | 56.9% (319) | 8.4% (47) | 561 |
| Ability to Customize | 51.5% (291) | 42.1% (238) | 6.4% (36) | 565 |
| Integration with Other Systems / Preproducts | 35.8% (194) | 53.3% (289) | 10.9% (59) | 542 |
| Price | 57.6% (337) | 39.1% (229) | 3.2% (19) | 585 |
| Ease of Use | 76.5% (447) | 21.6% (126) | 1.9% (11) | 584 |

Make It Easy to Use

Ease of use (76.5%), price (57.6%), SEO (56.8%), ROI (55.4%), customization (51.5%), reporting and analytics (44.5%), and graphics (42.4%) are the critical components when deciding to implement a virtual event. The overwhelmingly large number (76.5%) for ease of use validates the notion that event industry professionals (and virtually any user for that matter) don't want to have to take a course or read a detailed manual to facilitate and manage an online event.

When it's quick and easy to do, they are interested. Otherwise, probably not. Cost (57.6%) is obviously another big factor – rightfully so. Search engine visibility (or SEO) is another critical factor. This data point certainly makes sense, as effective SEO (56.8%) is likely to be a primary driver of attendance to one's show. This is also an important factor when an organizer demonstrates the value of your show to prospective exhibitors and sponsors.

With regard to ROI, at 55.4%, this can indicate at least some level of uncertainty around the true value that these platforms can bring. Lastly, over half of all respondents (51.5%) feel the ability to customize their virtual event is very important. This benefit also goes hand in hand with the ability to customize easily on one's own without bringing in IT help.

“Easy to use’ is the number-one-ranked feature for virtual event implementation — and rightfully so. This is not only true for designing, implementing and hosting virtual events This is key, too, to attracting and retaining prospective clients, the attendees of the virtual venues.

“In other words, users want easy access, no direction needed and all with the click of a mouse! This goes for all involved. It is not that surprising, since the number one choice for quick and easy reference to information and learning happens online with less than 3 clicks! Making virtual ‘easy to use,’ be it for setup or site navigation and you have a win, win solution to start and/or continue the conversation with your prospect clients.”

Anna Brekka, Vice President, onrec North America

15. Where are you focusing your marketing spend in 2010?

| | | Response Percent | Response Count |
|----------------------------|--|------------------|----------------|
| Email | | 71.1% | 453 |
| Video | | 21.4% | 136 |
| Mobile Marketing | | 15.1% | 96 |
| Blogs | | 25.0% | 159 |
| Social Media & Networks | | 50.1% | 319 |
| Pay Per Click | | 14.1% | 90 |
| Search Engine Optimization | | 40.8% | 260 |
| Virtual Tradeshows | | 16.3% | 104 |
| Online Advertising | | 35.9% | 229 |
| Public Relations | | 32.5% | 207 |
| Direct Mail | | 37.8% | 241 |
| Physical Events | | 44.6% | 284 |
| TV Advertising | | 6.6% | 42 |
| Print Advertising | | 33.8% | 215 |
| Billboards | | 5.3% | 34 |
| Radio Advertising | | 11.0% | 70 |

Integration of Traditional Marketing with Virtual Events is a Huge Opportunity

A relatively small percentage of survey participants (16.3%) see themselves focusing on virtual events this year, while email, social media, SEO and physical events remain the leaders. Once again, this number is very likely to rise significantly in 2011 and beyond as virtual events continue to evolve and their tremendous value continues to come to light.

Moreover, traditional marketing avenues cited as part of one’s budget – for example, email (71.1%), social media (50.1%), SEO (40.8%), online advertising (35.9%), blogs (25%), video (21.4%) and pay-per-click (14.1%), are all capabilities that can be built into a virtual event.

Certain platforms on the market already feature many of these components as integrated capabilities. Therefore, if you take that into account, then the 16.3% for virtual events is really not a true representation of the intent to spend on virtual events. It just means that once these individuals learn about the integration of many of these components, they will likely increase their virtual events budget.

“The most interesting result of the study, I find, is that 75 percent of the respondents see virtual events as an add-on or an extension of their live show. In my experience, event organizers have been—and still are—afraid that offering a virtual component will cannibalize attendance at their live event.

“But the study seems to point to a positive experience from the attendee perspective, with nearly three-quarters of those who have participated in a virtual event deeming it a success.

“And if new, virtual-event technology is able to take advantage of SEO by driving traffic to the virtual-event site, it is inevitable that more people will be interested in attending that industry’s live event—if, in fact, relationship-building is an important part of the sales and marketing process. Face-to-face is still very much about forming and strengthening relationships, about networking outside of the event floor; and, while social networking enables online networking, there is nothing that can equal the interaction at a live show. Extending those ties through a virtual environment after the show optimizes the live experience.

“In my experience, most event organizers understand that they need to offer virtual events as a way they must do business. But because the live event will not go away, at least for the immediate future, the cost savings for the organizers and exhibitors are not significant. Show organizers are looking at the additional costs of streaming educational content online, which is still the key reason for people to attend a conference or event virtually, and they are looking at a variety of ways to offset those costs, including getting people to pay for content.

“The idea of offering a year-round virtual community in an industry vertical is an idea whose time has come.”

Betsy Bair, Editorial Director – MeetingsNet

16. What Internet-broadcasting and social-networking tools do you use to reach your target audiences?

| | | Response Percent | Response Count |
|----------------------------|--|------------------|----------------|
| Webcasting | | 16.7% | 106 |
| Webinars | | 29.2% | 185 |
| Audio / Web Conferencing | | 15.8% | 100 |
| Podcasting | | 8.4% | 53 |
| Twitter | | 41.3% | 262 |
| LinkedIn | | 49.8% | 316 |
| Facebook | | 56.8% | 360 |
| Social Media / Networks | | 37.1% | 235 |
| YouTube | | 29.7% | 188 |
| Email | | 81.5% | 517 |
| Press Release Distribution | | 39.7% | 252 |
| Other | | 4.9% | 31 |

Virtual Events Bring Broadcasting and Social Media Together

With the integration of many of the traditional broadcasting and social-networking capabilities (email, webcasting, webinars, audio/web conferencing, podcasting, social media, and press release distribution) into virtual event platforms, industry professionals will soon see the inherent value in leveraging this new technology to bring all of these vehicles together into one powerful medium.

“It’s very interesting to see such a healthy debate taking place from this detailed research and I agree with most comments. I have been researching virtual events for some time now (funny enough) and read most white papers out there, but actually hearing peoples’ experiences from these said “virtual events” is the best information that has come to market. I am a publisher and have been promoting face-to-face for the last 6 years through Stand Out magazine (UK events title) and, so, when we launched Virtual Event World, it had to be done with caution—especially as this is not a hybrid event and purely a 10-month online exhibition. The event organizers and corporate planners were blown away with our demonstrations, however, and I had to disagree when they said, “this is going to replace live events.” I agree that virtual events will NOT replace live exhibitions. The fact we launched a virtual event at a live event speaks volumes!

Neil Fagg, Show Director of Virtual Event World

Top-Line Conclusions Drawn

- Virtual events and marketplaces, especially “hybrid” events are poised for explosive growth.
- Persistent versus limited-time model – why important; social community to establish business relationships, etc.
- Marketing budgets for virtual shows are growing – 18.7% allocating more budget than previous year for participation; 10.7% said less budget than previous year.
- Early adopters to gain significant mindshare and potential market share advantage over laggards.
- Convergence of restricted travel, constrained budgets, high-speed web access, multi-media streaming, social-media hype cycle, monetization maturity and universal search is creating the perfect nexus for virtual events to skyrocket in adoption.
- An easy-to-use, all-in-one, customizable and affordable virtual-event platform is what people want. Top purchasing criteria include:
 - Ease of Use 76.5%
 - Price 57.6%
 - Search Engine Visibility 56.8%
 - ROI 55.4%
 - Ability to Customize 51.5%
- As individuals continue to learn about all of the ways virtual events can drive value for their business, their interest in attending and participating in them will also grow significantly. Many are still not fully sure how to best leverage these platforms.

What the Future Holds

Virtual events have arrived and they are here to stay. They are permeating business-to-consumer and business-to-business industry segments alike. Additionally, they afford event producers the opportunity to create various forms of recurring revenue, while they give businesses an opportunity to demonstrate their wares and garner some highly-targeted sales leads. For attendees, they enable individuals to collect all the information—and perhaps more—that they would have gotten at a physical event, without the cost and time commitments typically associated with such in-person events. Moreover, using the most savvy platforms, virtual events come alive with chatting, email, RSS feeds and so on, enabling sponsors to establish and maintain an ongoing dialogue with customers, prospects, partners, etc.

Event professionals should strongly consider making the leap to include virtual events. The movement is upon us, the benefits are significant, the costs are reasonable and your competition is already doing it or considering it. The clear choice is being at the forefront of this paradigm-shifting trend rather than watching it pass you by. If your business plan is to expand or extend the reach of a show in 2011, then a virtual event should be part of the overall strategy.

As an event producer, virtual events present the opportunity to leapfrog competitors

and brand yourself as an innovator in your industry. The ability to greatly expand both user and exhibitor/sponsor bases globally is here. With a virtual event, you are no longer constrained by geographic boundaries. Set up an event and market it to all corners of the world. You'll surely reach individuals who are interested in your event but weren't capable of attending a physical one so far away. After attending or exhibiting virtually, these newly-obtained customers are warmed up for attending your next live event and keeping the relationship active year round.

Another positive aspect of the virtual event "hybrid model" is that the 24x7x365 revenue-generating capability doesn't stop at the end of the last day. In fact, there is no last day. You can cultivate a community of followers and keep them interested in your venue all year round. By continuously adding fresh downloadable content, new exhibitors, webcasts and webinars to your ongoing virtual event, people will stay interested and keep coming back. Once the virtual event and exhibitors/sponsors are set up, the show will run itself with minimal ongoing effort from your internal staff. The fact is, with virtual events, the show door is always open, the floor lights are always on and booth personnel are always standing by, non-stop. Since you aren't renting physical space, the return on investment is high. Even a small amount of sponsors and exhibitors will allow the recouping of a modest investment in as early as the first day or week.

The dawn of a new age is upon us. The event industry is undergoing a major transformation and virtual events are leading the way. Although it is perfectly understandable for some people to be apprehensive as to how this new technology shift will eventually pan out, the survey indicates that the vast majority of industry insiders are embracing this change. With this exciting opportunity in mind, the virtual event's time has come, and it looks to be the industry's growth solution and perennial-business builder for the next few decades. The future of virtual events looks bright indeed!

Industry Perspective by R.D. Whitney

President, Tarsus Ventures (Producer of TSNN.com)

For over a decade, *the Trade Show News Network* (TSNN.com) has been providing a free, online, comprehensive directory of close to 21,000 global events to industry onlookers. This data-rich sourcing site has become the standard research tool for event producers, attendees, and exhibitors to become educated and stay informed. Because of this important role to the industry, TSNN follows event trends and offers comprehensive feedback. One of these trends has been the hype, promise and lack of delivery surrounding virtual events. First around the dot-com, then around the excitement of avatar-based tools such as "second life", virtual events never seemed to deliver the buyer-seller connection or experience that the tradeshow industry was looking for.

In the summer of 2009, in the midst of the economic recession, we started to notice a significant interest around the virtual topic from industry professionals. Every story we delivered through TSNN Editorials regarding virtual events would get clicked on more than any other story—every time! We wondered why this was the case. Was it the economy's forcing events to consider virtual events? Was the emphasis on the carbon footprint of the industry, causing everyone to think about "virtual" as a "green" solution? Was bandwidth finally at a point—and available enough—that "virtual" could be a realistic offering? Were the platforms finally available that removed the severe, up-front risk of the past? We weren't sure, but it was obvious to the staff at TSNN that a sea-change was taking place.

In late 2009, I met with Randy Selman, President & CEO of Onstream Media in Boston. Sure, I was impressed with their track record creating a webcast industry for Fortune 500 corporations. I was also impressed that a NASDAQ-traded corporation, with all the ingredients in place, had decided to take on the challenges facing virtual events. They clearly saw that if they partnered with the event industry (i.e., listened to their needs, concerns and removed the upfront risk), the opportunity to advance the promise of “virtual” could be recognized.

Randy and his team realized there was incredible value in helping event brands leverage and create year-round “marketplaces” with the goal of bringing buyers and sellers together online. This extension would be in addition to—not in replacement of—face-to-face events. Randy gave me an early look at their solution and I was convinced they were on the right track—that a game-changing situation was taking place.

Almost one year later, Onstream Media did exactly what Randy said they would do in that previous Boston meeting. They worked with TSNN to carefully place their ears on the event floor and “listen” to the industry. Together, we conducted an extensive survey and received over 800 responses. Onstream customized their new platform around these results. While this was a smart business move for Onstream, it was also very helpful to TSNN and the industry to finally get a pulse on “virtual,” and really get our arms around current thinking about how virtual is (and is not) being used. This survey reinforced our earlier findings. The topic is extremely timely and hot right now. We intend to keep covering it, and we hope you find the results we are publishing here helpful and insightful.

Technology Perspective by Randy Selman President & CEO of Onstream Media

As technology service providers of corporate communications, Internet broadcasting, digital-media services and virtual event solutions, we at Onstream Media, are experiencing a seismic shift in the way business is being conducted today. Primarily caused by a convergence of new innovations such as social networking, online video, and a confluence of global events including the recession and the environmental movement, organizations have turned their focus heavily toward the Internet to extend their brand and reach. The primary drivers of this change include the need for significant cost reduction, enhanced efficiency, access to global markets and robust lead generation in order to improve ROI.

Fading away are the days of face-to-face meetings, huge travel costs, hordes of paper collateral materials and countless days out of the office. Emerging in their place are highly-affordable virtual events and event solutions featuring online presentations, exhibition halls, streaming video, live chat and RSS feeds. What’s more, built-in search engine optimization (SEO) features help attract visitors directly to these emerging, virtual tradeshow and can compliment existing, physical events. In these nascent stages of virtual-event growth, we are seeing various business cases emerge such as complimentary extensions of physical events or as complete replacements.

Virtual tradeshow solutions are being developed by leading technology innovators, who seek to provide an easy-to-use, affordable, self-provisioning, and highly-adaptable online platform that anyone can manage. Such products bring the physical event look and feel to life by enabling visitors to walk the show floor, peruse vendor booths, interact with solution providers, access materials, and even sit through product demonstrations and breakout sessions—all at a time that is most convenient to the end-user.

We have come to a significant tipping point with virtual tradeshows, where publishers, associations and event organizers have some serious choices to make. This growing propagation of demand is why Onstream Media and Trade Show News Network (TSNN.com) decided to create a comprehensive tradeshow industry survey regarding virtual events. The time is right to gauge the inner pulse of the market—not only to better understand the key driving forces that are propelling this industry, but also to have the ability to share our findings and better educate the market on what to expect going forward.

About TSNN

The **Trade Show News Network (TSNN)** is the world's leading online resource for the event, exhibition and event industry since 1996. **TSNN.com** owns and operates the most widely-consulted event database on the internet, containing data of more than 21,000 events, exhibitions, public events and conferences. TSNN features an expanding Industry News and Thought Leader blog with contributions from industry leaders and analysts. We help facilitate the exchange between buyers and sellers with over 137,000 registered website users, over 120,000 newsletter subscribers and over 3,500 LinkedIn group members and thousands of followers on Twitter. To learn more about TSNN, visit www.TSNN.com

About Onstream Media

Onstream Media Corporation (Nasdaq: ONSM) is a leading, online, service provider of live and on-demand Internet broadcasting, corporate web communications and virtual marketplace technology. Onstream Media's innovative Digital Media Services Platform (DMSP) provides customers with cost-effective tools for **encoding**, managing, indexing, and publishing content via the Internet. The company's MarketPlace365™ solution enables publishers, associations, event promoters and entrepreneurs to rapidly and cost-effectively self-deploy their own online virtual marketplaces. In addition, Onstream Media provides live and on-demand **webcasting**, **webinars**, web and audio **conferencing services**. To date, almost half of the Fortune 1000 companies and 78% of the Fortune 100 CEOs and CFOs have used Onstream Media's services. Select Onstream Media customers include: AAA, Dell, Disney, Georgetown University, National Press Club, PR Newswire, Shareholder.com (NASDAQ), Sony Pictures and the U.S. Government. Onstream Media's strategic relationships include Akamai, Adobe, BT Conferencing, Qwest and Trade Show News Network (TSNN). For more information, visit Onstream Media at www.onstreammedia.com or call **954-917-6655**.