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This report is all our own work and conforms to the University's regulations on plagiarism.

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EXECUTIVE SUMMARY

The corporate hospitality events industry is growing as companies are motivated to entertain their existing and new customers to build and cement relationships. Despite the belief that corporate hospitality affects bottom line and the demand for measurement of the return on investment that events deliver, companies still find it a difficult task due to lack of time, budget and resources.

Companies have been interviewed to evaluate how they assess the value of their corporate hospitality events. They agree that a strategic approach is required to ascertain the right process. However, only a few have adopted a suitable approach to corporate hospitality event measurement and one respondent's research shows that companies are not prepared to pay for measurement. A focus group with the major event industry players has been formed in order to demonstrate best practice measurement and encourage a culture change.

Identifying best practice in corporate hospitality and the research conducted on measurement frameworks has helped to define a process and measurement model.

The corporate hospitality industry is moving towards innovative events but still has a long way to go until companies see the benefits of measurement and develop a more strategic view around events to be more successful.

1 INTRODUCTION

Each year, corporate organisations lavish huge amounts of money on their clients and prospects in the hope of generating more business from both existing and new clients. The market is growing and a personal approach with clients is being judged more important than ever. Thus, organisations use experiential marketing to make personal contacts with customers and connect them with the brand.

The trend has also moved from traditional events to more diverse activities. Companies need to be more innovative in this changing market that is no longer the preserve of senior male executives. More important, however, with the shift from traditional to digital media and the growth of customer relationship management, companies are concerned about making a measurable return from their marketing expenditures.

This project addresses the pressing issues of what companies expect from their corporate hospitality programmes and whether they do achieve payback from them. It will also explore how companies could better understand the value of corporate hospitality events in maintaining and enhancing customer relations.

This project is particularly aimed at:

- Why companies are motivated to entertain their clients and prospects (what value they anticipate)
- How companies measure their corporate entertainment spending and make it accountable
- Whether companies are successful in increasing business by undertaking such activities
- Whether the measurement processes that companies use are appropriate to measure the value that is generated by corporate hospitality.

Research on marketing measurement and frameworks such as the balanced scorecard will help us to identify a suitable model to carry out the project analysis. Interviewing organisations in various industries will facilitate evaluating how these assess the value of their corporate hospitality events. Combining marketing and finance, we will look at the payback to these events and how it could be measured.

As innovation will be key for the market to grow with:

- Moving away from male-dominated activities
- A greater mix of events appealing to more companies who have clients more inclined to demand less formal events,

this model will then be used to estimate the payback to innovative corporate hospitality events.

2 LITERATURE REVIEW

2.1 Why are companies motivated to entertain clients and prospects?

Business confidence in the corporate hospitality market

Organisations no longer focus on giving the right image, they have recognised how vital corporate hospitality is to hang on to customers and develop relationships with new ones and suppliers. In the latest National Corporate Hospitality survey conducted in 2003, 91% of respondents targeted current customers as guests for their corporate hospitality events. Moreover, the number of companies inviting potential clients increased by 37% between 1998 and 2003. The expectation of creating new business was raised by 74% of hosts showing that corporate hospitality is more and more considered a successful method for trading with existing and new customers (Mintel report, 2007).

Following the positive economic climate of the last few years, companies are more likely to invest in corporate entertainment. The corporate hospitality's market value represented a growth of 7% between 2005 and 2006. The overall value of the market has grown by 26% during the last 5 years (Table 1, Appendix A). Further growth is anticipated in the UK corporate hospitality market but at a lower level. This is the result of organisations looking for value for money in holding their events, which means reducing the number of guests or associated costs. However the market value between 2006 and 2011 is projected to improve by 15% (Table 2, Appendix A). Taking into account the preference of businesses for small and personalised events where strong relationships can develop and influence commercial deals and uncertainty in the market, the longer-term development looks positive (Diagram 1, Appendix A).

Growing importance of experiential marketing

Companies use corporate hospitality events as the best vehicle for their customer relationship management and incorporate it to their marketing strategies. They invest time and money to create a customer's experience to be remembered in order to encourage repeat business and customer loyalty.

“Experiential marketing is becoming more important. Marketers allege that is it “one of the big growth areas in marketing over the next five years” (Carr). Engaging with consumers and providing measurable results could be financially rewarding. Simon Kemp from Lucozade suggests “we must engage with consumers by showing them we understand and empathise with their lifestyles and interests” (Marketing Week, 2006). Contacting clients regularly on a personal level has been crucial in terms of marketing activity with the increasing use of email and the web. 88% of hosts and 64% of guests agree that corporate hospitality represents an essential part of doing business (Sodexo, 2004; Kidd, 2006). As corporate entertainment requires to be applied more successfully, hospitality is being adapted to the customer and one-to-one meetings are being set up for clients to meet sports people and celebrities during events. Organisations are connecting their customers with the brand by making direct contacts through the use of various activities.

Companies invest in corporate hospitality so that their customers can enjoy themselves, share experiences and feel valued. From the companies' point of views, it is also a way to understand their clients' needs and know them better. A London-based company, Bond Associates thinks that event marketing is more about strengthening relationships than bringing more business (Mills, 2005). As corporate hospitality is perceived as a critical building-relationship tool and there is pressure for companies to be accountable for their activities, the focus has shifted from marketing businesses to developing and strengthening relationships. The best way is to build personal contacts and create an experience that customers can remember (House, 2002).

Spectator sports represent 85% of the total corporate hospitality expenditure with a large market share taken by main sports events such as football, golf, horse riding

and rugby (Appendix B). However, as traditional ticketed events have become more expensive and executive positions have been fulfilled by younger people, events where guests can participate in activities have grown significantly thanks to their flexible and bespoke aspects. Such events with stimulating experiences tend to leave a positive image with guests. The industry reckons that participatory events account for a market share of between 15 and 30% in value. In addition to these events, the number of cultural events (arts, theatre, flower shows), mainly based in London, and top artists' concerts have grown in reputation. They offer more possibilities to make conversations with clients and make up between 5 and 20% of the market value (Mintel report, 2007).

Constratega, a Marketing and Communications Consultancy believes that corporate hospitality has become part of customer relationship management and lifetime profitability and value. Retaining existing customers costs four times less than acquiring new ones. The Pareto analysis applies in this industry, and in a highly competitive market, the option is to allocate resources to customer service, loyalty and retention, while maximising communication and utilising technology.

The emphasis of corporate hospitality events has been increasingly changing to building and cementing relationships with clients.

Corporate hospitality part of the marketing mix

Corporate hospitality is a pleasurable and crucial way of doing business and as such is treated as any other components of the marketing mix. Moreover, events are more and more used as a marketing tool. Their number is rising, becoming more popular and effective and costs are going down due to the increase of venues developing corporate entertaining (i.e. Alton Towers conference facilities and theme park, Wembley Arena's music events, London Studios; Hemsley, 2003). Companies search for value for money in all their marketing expenditures and as any corporate expenditure, corporate hospitality is subject to business cycles. Regarding budgets, 29% of businesses spend on corporate hospitality from their marketing budget, 10% from departmental budgets while 26% have a specific budget (Mintel report, 2007). Budgets over £100,000 are growing and the average expenditure per head was £490

in 2003. It appears that companies are organising bigger events with fewer guests in order to give them the best experience. According to a survey by the event management firm The George P Johnson Company, 38% of companies believe that corporate hospitality provides better return on investment than any other area of the marketing mix (Marketing Week, May 2005).

Retaining profitable customers remains the main priority as long as positioning and strategy are explained. And as any marketing activity, it is not worth undertaking except if companies' strategies show clear objectives and measurement tools to monitor a meaningful return on investment.

Demand for measurement of the return on investment that events deliver

The industry has evolved from "a day out for the boys" to a jolly where champagne was served to a great number of people to companies spoilt for choice, however focused on targeting, quality planning and tailoring of events. The Marketing Director of Sportsworld stresses that "corporate hospitality is seen as an essential and expected feature of doing business" and the pressure is on companies to show accountability for their activities (House, 2002). Companies invite their clients to glamorous events such as the Brit Awards and spend up to £1,000 per person. Meeting stars is a fun exercise, however financial experts want to see that such activity reaps financial rewards. Company boards also encourage that event spending is better managed. At BT for example, sponsorship and corporate hospitality form one department (Marketing Week, May 2005).

The July issue of what's new in marketing states "corporate hospitality is no longer just about entertaining clients but about maximising return on investment". It particularly stresses the importance of using an adequate supplier who shows accountability for the event, offers various affordable options so that companies can run successful events (What's new in Marketing, July 2007). Companies want to identify how much corporate entertaining contributes to the bottom line and then can come up with a realistic amount to spend (Marketing Week, July 2006).

Corporate entertainment is being inspected by purchasing and finance departments creating an obsession about the return on investment on events among marketers who think the measure will please their colleagues. Eventia, the trade association for corporate events' organisers deems that these departments are more interested in "getting the best price for the best service" than return on investment. The association does not believe that return on investment is a useful metric to measure the performance of an event, as not many companies know how to evaluate it effectively. Events are usually integrated into marketing campaigns so it is difficult to assess what contributes to the success of new products' sales (Intel report, 2007).

Trend for searching maximum value from fewer events aimed at engaging key audiences

From expensive business lunches and dinners in the 1970s to traditional events in the 1980s and 1990s (i.e. Royal Ascot and Wimbledon) where clients were entertained for a thank you or closer contacts, the corporate hospitality industry has moved to "hot ticket" events (i.e. Brit Awards, Cirque du Soleil, Chelsea Flower Show) with clearer focus and business opportunities.

From spending huge amounts of money for packages, companies are now more interested in getting value for money. While corporate hospitality continues to bring income to these segments, some top sports events (i.e. British Grand Prix, horse riding, London football clubs) have been perceived over priced and are not so much in favour. More and more corporate hospitality events are being outsourced, as marketing expenditures are the first to be reduced, putting organisers under pressure to create innovative events in shorter lead-times. These have the knowledge, expertise in IT and the internet to arrange events and can offer a quick response and often at lower costs to clients who have less experience.

Offering events to tally with clients' interests has become important. So has the internet for marketing the events with 89% of associations using it as a marketing tool, and booking venues with 78% of organisers referring to it for event organisation (Intel report, 2007). The National Corporate Hospitality survey also demonstrates that bigger organisations and sectors such as finance, banking, insurance,

advertising, marketing, PR and media are mostly represented where employees are invited to corporate hospitality events. Furthermore guests' tastes vary according to the industry they are working in.

As clients expect quality service and catering and event organisers count on flexibility and dedicated events managers for the events, corporate hospitality companies need to provide innovative services in order to differentiate themselves. Events organisers are innovating by offering unique venues such as Vinopolis, Madame Tussaud, Dali Universe or the Iron bridge gorge setting, looking to create exciting events and suitable to their brands (A growth industry, the year ahead conferences, Marketing Week). Thus venues intensify their revenue stream and corporate hospitality represents the highest source. As an example, premiership football clubs propose corporate packages including suites, executive and private boxes and balconies, a reception with a gourmet chef, meeting sports celebrities for £150 to £450 per guest. Furthermore, companies holding larger events are becoming restricted with the UK offer of venues and can find cheaper opportunities in Eastern Europe thanks to the EU extension and cheaper airfares.

According to the Mintel report, innovation is key to success in the corporate hospitality market but also the effectiveness of corporate events. Spending on client entertaining can only be justified if there is evidence of return on investment. The challenge is to find the right approach in order to incorporate corporate hospitality in business strategies and generate higher budgets in the future (Mintel report, 2007).

2.2 How do companies measure their corporate hospitality spending and make it accountable?

Corporate hospitality needs to be measured like any other part of the marketing strategy so that expenditures can be justified and the impact on business recorded.

Most familiar methods used to evaluate the success of an event

Many companies do not know where to begin with ROI as there are no measurement standards. Meeting Professionals International and American Express discovered through their research that more than 50% of marketers do not communicate

performance measurement with their suppliers (Marketing Week, May 2005). According to The National Corporate Hospitality Survey, the most familiar method to evaluate an event's success is to listen to guests' feedback. The number of thank you letters, number of attendees, word of mouth, gut feeling, enhanced relationships, verbal reactions, new business, revenue reports, meeting budget and future interests were the other measures listed. The focus remains on exclusive events such as Henley, the Royal Opera despite executives receiving quite a few invitations already. Some transfer their budget onto other activities in the marketing mix and instead of focusing on customer perception and brand awareness, they concentrate on less important aspects of customers' feedback (Barnard). Other businesses cancel their events last minute and think that clients who have attended events are more likely to send an order than those who have not (Sodexo 2004; Kidd, 2006). Only 26% of organisations actually hand out post-event satisfaction surveys (Hemsley, 2003). The Credit Suisse for example does not believe there is a way of measuring effectiveness so uses price limits on their corporate hospitality expenditure (Marketing Week, May 2005). The event company Closer tends to ask attendees to rate the event via a questionnaire, track attitudes before and after the event and trace results such as sales or accounts' openings (Marketing Week, April 2007).

Marketers typically spend 1-2% of their event budget on measuring how events are accountable and despite the lack of valid methods, event marketing's standard is much higher than advertising (Fitzgerald, 2007).

According to a technology marketing networking group in the States, measuring return on investment comes down on the list of strategies with 33% while "well-defined objectives, event strategy and spend rationale" is considered by 78% as successful event marketing. 20% do not have a measurement budget (Barker, 2005). Another survey, EventView, shows that companies spent less on event marketing in 2005 compared to the year before and fewer respondents see this activity as a fundamental part of the marketing mix. Moreover more companies see it as an afterthought. This trend is not discouraging but highlights the fact that innovation and creation of opportunities are required for bigger return on investment. In-person

contact is highly rated and the percentage of companies measuring return on investment is higher (Krantz, 2006).

Technological innovation

Freeman, a Dallas based-company highlights the availability of new technologies that can determine return on investment, and believes that these will be required to justify event marketing budgets. According to them, the industry has changed towards more sophisticated events, focus around customers, organisation objectives and how events can support brands. The company adds that there is value in meeting customers and understand their issues and the importance on branding, promotion of events' value and technology will be the key trends (Biba, 2007).

Envision Media's EnabledWareSoftware captures registrations, sends email reminders and gives analysis of the event in return on investment and return on objectives. Xerox for instance uses a similar system and requires qualitative information to measure the customer's experience. The company assesses participants' surveys against business objectives and collects the customers' information necessary to communicate with them. Attendees and non-attendees both receive a thank you and further information via a web link in order to start building relationships. Symantec checks their contacts' details via swipe badges and touch screens and follows them up for a time period after the event. Such software tools are linked to CRM systems and contribute to improve communication and companies like Xerox and Symantec are strong in measuring return on investment in line with the business strategy (Krantz, 2006).

2.3 Are companies successful in increasing business by undertaking such activities?

Difficulty to calculate return on corporate hospitality events

Calculating the return on corporate hospitality investment is a difficult task. Some blue-chip companies struggle to measure the value of entertaining. The Market Research Society adds that it is difficult to put a figure on effectiveness and shareholders' accountability, as it is a young industry and an under-researched area of marketing. However, companies not only believe that the Pareto rule is true but

that corporate entertaining is effective to support relationships and sales would decline if there was no corporate hospitality budget. It can also be successful and it is the right way to do business. Seeing the benefits can take a long time. In some industries, there is on one hand the pressure to spend on corporate hospitality and on the other hand to justify the expenditure, but also the expectation to be different from competitors (Marketing Week, May 2005). The travel and events' company P&MM believes that matters such as brand awareness cannot be measured in return on investment (What's new in marketing, July 2007). Jack Morton Worldwide, an experiential marketing agency adds that calculating return on investment is complicated for business-to-business customers as purchases involve many touch points and decision makers. Sales might be due to the event or a new product (Marketing Week, May 2005). Furthermore, people have different definitions for return on investment such as financial metric or target market so an industry standard definition or discussing how to measure it would be useful (Biba, 2007).

The least well managed of management tools

This burgeoning industry is still one of the worst managed. Not many companies endeavor calculating their hospitality budgets or putting a figure on returns from their events. Moreover, research on guests' interests or level of satisfaction is not much practiced. Despite the will to spend more money on corporate hospitality, companies keep focusing on exclusive events and inviting the same customers every year and do not even check the competition. The main aim of companies is to guarantee that their main clients stay with them (Management Today, August 1990). According to Constratega, organisers are unsuccessful in measuring corporate hospitality's impact on their businesses and cannot justify their programmes' expenditure.

Corporate hospitality still suffering from a mixed reputation

For some, the industry still means "a day out for the boys" but for others, it is an "unproductive way to drain profits" (Krantz, 2006). For companies like the Credit Suisse Asset Management Fund, corporate hospitality works better when time is spent with existing clients. Sodexo highlights that the industry suffers from an image problem as some companies fail to deliver reputable events due to the lack of legislation. Their recommendation is for companies to have a clear corporate

hospitality strategy, a better focus and to adapt to clients' needs. These will develop a more consultative approach and capitalise on success. The industry's reputation will only improve if events are measured effectively.

2.4 Are the measurement processes that companies use appropriate to measure the value that is generated by corporate hospitality?

As companies struggle to measure corporate entertainment and the industry suffers from an image problem, performance and marketing measurement approaches should help to ascertain the right process to assess the value of corporate hospitality events.

Important role of corporate hospitality in corporate strategy

Strategies are required to deliver value to customers and measures are necessary to track if the strategies are being implemented. The performance prism (Adams, Kennerley & Neely, 2002) is a framework that derives measures from strategies and defines the processes and capabilities that need to be in place to execute the strategies. Applying this scorecard suggests that ten steps need to be taken into account (Appendix C). The first step is to audit the quality of measurement and management practices. The second phase is to evaluate if the wants and needs from stakeholders are being addressed and if these corresponds to what the organisation expects. Thirdly, it is about identifying the weaknesses in the performance measurement system and applying them to the strategies, processes and capabilities of the organisation. The next steps are to produce a model that integrates the most important elements of performance measurement and apply it. Then each measure needs to be defined and validated. Steps seven and eight involve eliminating surplus measures and implementing the new measurement system. Finally, best practice consists of converting the data into decisions and actions and reviewing the measures.

The strategy maps of Kaplan and Norton (2002) underline that measurement should focus on the entity's strategy, how it expects to create future sustainable value. Such strategic approach has been adopted in corporate hospitality events. Roger Bennett's

research focuses on the approaches (strategic or ad-hoc) adopted by companies and the relation between marketing and corporate hospitality activities. Corporate hospitality means shared interests between hosts and clients and some psychological literature (Sears et al., 1991; Aronson et al., 1997) suggests that clients will respond to their hosts positively when those show liking for their guests. Furthermore, practitioners believe that corporate hospitality is more and more adopted as a strategic activity. A slowdown in a company does not necessarily mean a reduction in corporate hospitality budgets (Baxter, 2000) and companies would still spend despite an economic downturn (Flack, 1999). Strategic approaches include targeting major customers (Cham, 1996; Irwin, 2002; McKenzie, 1997; Thatcher, 2000) and matching events with clients' appeal (Longbottom, 1997; Chea, 2001), setting clear objectives (Irwin, 2002), incorporate corporate hospitality into marketing plans (Baxter, 2000) and business development strategies (Irwin, 2002). It also means connecting events and companies' corporate image (Chea, 2001), including senior management (Baxter, 2000), creating customised activities (Flack, 1999; Baxter, 2000) and including corporate hospitality in marketing budgets (Irwin, 2002). In order to evaluate how intensely companies adopt strategic approaches to corporate hospitality, companies have been grouped under strategic approach and evaluation practices. Companies who score highly in both variables are named corporate hospitality warriors while those who are low on strategic orientation and measuring results are called reactors. The pragmatists are firms who undertake market research and measure results but have low scores in strategy and the strategic hopefuls adopt strategic approaches through a marketing department but score low in evaluation (Kaplan & Norton, 2002)

This research shows that there is a trend towards adopting strategic approaches in corporate hospitality events. Companies recognise how critical corporate hospitality is. However, further investigation is needed in the areas of integration into marketing mix, cost control, guests' attitudes and metrics (i.e. corporate image), (Bennett, 2003).

Marketing performance measurement

If marketing expenditures are treated as investments, measurement can be financially accountable (Schultz & Gronstedt, 1997; Moorman & Rust, 1999). This involves developing metrics that link marketing performance to contributory relations between marketing and financial results (Ambler, Kokkinaki & Puntoni, 2004). These metrics need to be at the individual customer level (Kale, 2004), maximise long-term performance (Lavery, 1996) and consider competition.

In terms of marketing measurement, researchers have taken financial metrics such as the economic value added (Stewart, 1993). This method evaluates investments in proportion to the return on investment. It makes marketers credible to other departments of the firm but does not give a value of the investment per customer. Other researchers have formulated non-financial metrics such as the balanced scorecard (Kaplan & Norton, 1992), customer equity (Blattberg & Deighton, 1996; Rust et al., 2000) and customer lifetime value (Jackson, 1989; Jain & Singh, 2002). The balanced scorecard looks at the organisation from the customer, innovation and learning, internal business and financial perspectives. It is a strategic management system where objectives need to be identified and measures are chosen for each objective. Despite being a forward-looking metric, it does not explain the impact of marketing on the firm's financial performance and does not consider the individual customer level. Brand equity measurement includes loyalty, perceived quality, brand association and awareness (Aaker, 1991, 1996). Simon and Sullivan (1993) undertook the financial approach to measure brand equity by showing the profits generated by the brand. This perspective is both forward-looking and long-term but does not explain the causality to performance. Relational equity involves measuring relationships with stakeholders. Measures include acquisition, supplier costs and customer lifetime value. The latter measure focuses on the long-term aspect but cannot be compared with competitors and does not show links between marketing and financial outcomes. Customer equity implies finding a balance between how much is spent on retaining existing customers and attracting new ones (Blattberg & Deighton, 1996). It includes value equity, brand equity and brand loyalty. The customer lifetime value metric calculates the value of a customer from acquisition to departure and shows causality between marketing investment and customer lifetime

value and consequently customer equity (Rust & colleagues, 2004). This framework is useful to evaluate the metrics that marketers want to employ but does not satisfy all criteria.

Other authors argue that too much focus is given to financial metrics in marketing measurement and further methods are required (Webster, Malter, Ganesan, 2005). Dashboards (Hendrix, 2002; Kozub, 2002; Miller & Cioffi, 2004; Reibstein et al. 2005) are increasingly being used to manage organisations' marketing and customer focus. They contrast between the balanced scorecard and key performance indicators (Day, 1994). Market share remains a widespread marketing performance measure in terms of competition as studies show that companies want to defeat their competitors (Armstrong & Collopy, 1996). Regarding performance and aims, the most dominant measurement area is plan comparison (Ambler, Kokkinaki, Puttoni, 2004). Efficiency and effectiveness (Bonoma & Clark, 1988; Clark, 2000; Sheth & Sisodia, 1995) form another framework to evaluate performance. Return on investment is efficiency metric while effectiveness means output versus results. All these measures are important and managers need a system to help them evaluate marketing performance.

A performance measurement model is being proposed in Appendix D where members of the Marketing Leadership Council in the US were questioned about their marketing measurement. They were asked about satisfaction with their marketing performance and to list the top 5 metrics they used in terms of information generation. Moreover respondents were requested to specify which measures they used to evaluate their marketing performance amongst a list of 40. As the attention to marketing from top management has been part of some recent study (Ambler, 2003; Webster, Malter and Ganesan, 2005), members of the Council were asked to explain how their top executive committee reports marketing performance in 1 of 5 categories. This is how information dissemination was measured. For information interpretation, respondents needed to specify if they measured their "own results", "own results versus competition" or own results versus predefined goals". They also had to state if marketing performance was focused towards efficiency or effectiveness and itemise the marketing activities they performed. Marketing

measurement is more complex if the number of activities is high (Lussier and Olshavsky, 1979; Payne, 1976; Swait and Adamowicz, 2001; Ursic and Helgeson, 1990). Environmental turbulence being difficult to measure, members were requested to specify their industries. IT, pharmaceuticals and telecommunications particularly face volatile environments. Details of the measures used in the analysis can be found in Appendix D. This study concludes that disseminating performance information drives satisfaction within organisations and such model seems to be promising (Abela, Ambler & Clark; 2006).

The marketing measurement action research model (Appendix E) developed in Cranfield School of Management identifies a set of metrics to measure marketing value-add. The 1st step is to measure what corporate revenue is expected, actual achievements and compare the differences. The 2nd step is to segment markets and identify key measurement trends to develop strategies and for suppliers to match outcomes with the market's structure and data. The 3rd step is to ascertain the impact factors (competitive advantage, qualifying and productivity factors) for each segment in order to have strategies for these segments. The 4th step is for marketing and other parts of the company to implement these strategies and be aware of the relevant costs attached to them. The final step is to allocate resources to marketing activity (budget) that should be driven by the strategies and acknowledge all costs. It is important to quantify and communicate marketers' assumptions and to collect data in order to learn and improve (Woodburn, 2005).

Tim Ambler suggests that achieving goals, external comparison and brand valuation are the 3 criteria of success in marketing. His focus is on what is in customers' heads about a brand and the general approach is to use brand equity metrics such as relative satisfaction, commitment, relative perceived quality, relative price and availability. He also highlights the importance of aligning strategy and measurement needs (Ambler, 2000). His recommendation on this project is to look at the effect of hospitality on brand equity, the effect of changes in brand equity on customer behaviour, sales, pricing and the bottom-line. He expects that hospitality would have little effect on sales but helps to acquire a few new customers and retain those who might leave. It also should make customers less price sensitive.

More scientific ways to evaluate return on investment

Businesses have increasingly focused on return of investment, as it is one of the best measures to calculate return on marketing expenditure. Others areas of marketing have seen their sales increased through investing in personal contacts and measuring relationship building and awareness. This needs yet to be proven in the area of experiential marketing (Sodexo 2004; Kidd, 2006).

For corporate hospitality to be integrated in companies' business strategies, there is a call for a more logical method to measure the value of corporate events so that the expenditure can be justified and budgets raised in the future. The performance of this sector depends on its offering and how it is perceived by the clients. Offering a broad range of high-quality events and enhancing the customer's experience need to be considered in the process (Barnard).

Planning and evaluating

Setting clear objectives (i.e. raising brand awareness or developing customer relationships), planning and evaluating if these have been achieved is suggested by corporate hospitality specialists to be a useful approach to determine success and maximise return on investment. Marketing's role is to establish these objectives, be aware of how they are in line with the business strategy, how to assess them and carry out actions. Deciding on specific measurable objectives such as sales growth by 20%, the better it is. Incorporating surveys and events follow-up results also needs to be incorporated into the strategy. Using PR, inviting the right people is important and these could be potential customers. Companies need to know why they invite certain guests (i.e. improve their spending), so they can measure the success of the event against some factors. Some events companies adapt invitations, venues and timing to their clients' needs and establish who is doing what. Buying a theatre ticket and arranging for clients to meet the cast after the event is a good way to make the event different and to get value for money. Producing cost-effective events is also important (Marketing Week, May 2005).

When they want to save money and avoid giving a negative brand image, companies change location and activities every year. Keeping records throughout the events is also critical so that responsibilities can be transferred and information handed over. This is particularly the case when events are managed by internal communication teams. Planning events involves equilibrium between creativity, originality and costs control that may increase when paybacks are recognised (Barnard).

Using indices

Constratega recommends that using indices of customer retention, market share against organisers' commercial activities is a more scientific technique than surveys or thank you letters. As an example, Ernst & Young measured the success of the Monet and Bonnard exhibitions' sponsorship by calling the guests who attended a dinner. Nearly half of attendees now connect the organisation with culture followed by a third who has a better image of Ernst & Young and the rest expressing no difference. Sodexo recommends applying indices of business growth.

Personalisation

Juice, an independent design consultancy invites guests via personalised e-invites that enclose a discussion forum's web link and a brochure stating the event's objectives. This approach aims to target the right people and to create a buzz around the event. The second phase involves talking to participants in order to understand their needs. This shows that preparing, planning and exposure to the right audience are essential for making events effective and maximising return on investment (Marketing Week, July 2006). It helps to anticipate what catches the attention of the audience and guarantee a positive experience. The software company Symmetry stresses that attendees remember events where they have been drawn in. Events are an opportunity to get closer to clients and as such need to be special as time is precious for these people. Their satisfaction of the company can influence prospective customers who may guarantee potential deals in the future (Growth business, August 2006).

Financial contribution

Setting a budget according to results is a must according to events' specialists when stimulating existing or new customers. Measuring financial contribution can be done by searching how much the turnover increased after the event. MVM London organised the launch of the Eurostar link in 2003 where 3,000 people were invited. The company spent £4.85m, the event was reported by television and newspapers, generated higher sales over 12 months and a return on investment of £38.5m (Marketing Week, July 2006). Events are organised for different motives and their achievements are measured in different ways. Bridgehouse Hotels for instance always ask their clients about the event, its achievements and if they would revisit and as such try to find out the financial value perceived from the event. An alternative in measuring effectiveness is to draw a parallel between the cost per client and the business brought from that client (Bennett, 2003). The event management company Tailored Time Events suggests that generating sales growth initiates the development of relationships. This involves ensuring that all guests register and following-up by email or phone and one-to-one meetings can contribute to build relationships. Some companies believe that face-to-face contacts cannot be underestimated and events are more about relationships than financial return, as there is a time lag until clients sign contracts. They are part of the marketing mix but it is not possible to measure accurately how effective events are. They remain accountable especially when they are part of the corporate strategy (Marketing Week, May 2005).

Inviting the right people

Moving Venue Management recommends inviting top customers, spending the budget according to existing ones, checking timing, reminding guests and having a contingency plan. Euro RSCG Riley, a strategic consulting group stresses the importance of inviting decision makers who are most suitable to develop the relationships and selecting reachable and convenient venues. It is about "putting yourself in the shoes of guests". For them, offering interesting events to the right people within an affordable budget will pay off and grant a positive return on investment (What's new in marketing, July 2007).

Using technology

Technology helps to track return on investment. Feedback from event attendees can be monitored in real-time with tablet-style wireless computers and touch screens systems. AT&T employs a third-party measurement company and can boost awareness by 25%-30% for its products at big events. Other marketing agencies capture data via customers' mobile phones or hand-held devices to measure the impact of their events. Addressing business objectives through the events is the challenge for return on investment. Some set their measures at the beginning while others contract out the evaluation before, during and after the events. Relay Worldwide reads clients' reactions throughout the event; this involves measuring awareness, how many people see it, their demographics, the time spent with the event and their perception of the brand. Jack Morton Worldwide has come up with an engagement metric considering the quality of the target audience, their experience and the impact on their behaviours. Marketers want to understand the impact of events, however some suggest that too much measurement technology can damage the customer's experience (Fitzgerald, 2007).

Software management technology can also help quantifying the value of an event. A real-time picture of the event can be accessed using the web. This involves measuring all aspects of an event and comparing the collected data. Integrated event management companies computerise events in real time or even let guests schedule their private meetings. Such systems allow organisers to audit every aspect of the event when it actually happens. Attendees can instantly fill in electronic surveys making the event more targeted and also interactive (Biba, 2007).

More successful methods to maintain long-term relationships

Eventia underlines the shift towards return on objectives (ROO), defining events' objectives and measuring how effective they are. For instance, the number of visits and downloads from a website for an event will determine how engaged the audience is. Whatever metric is used, measuring the impact of an event is the first step of the process followed by planning, similarly to any other part of the marketing mix.

Reader's Digest organises different hospitality events to their key clients and agency contacts in order to persuade people to look at their magazines again. The organisation customises them according to their customers' backgrounds and personalities and at appropriate times. The investment is bigger but the impact lasts longer and relationships are formed.

Some events' companies warn that key performance criteria need to be agreed and the types of events chosen will vary depending on goals for success, types of industries and clients and the events' objectives. Maintaining long-term business relationships means finding a balance between selling the companies and products to customers, bringing business and pleasure together (Biba, March 2007) and measuring the event (Biba, February 2007).

2.5 Summary of the literature review

The literature review reveals that corporate hospitality events have been a growing industry but not a highly researched area of marketing. Companies still find it difficult to measure the value generated by these events.

The structure of the review follows the questions that have been addressed about corporate hospitality events:

1. Why companies are motivated to entertain their clients and prospects (what value they anticipate)
2. How companies measure their corporate entertainment spending and make it accountable
3. Whether companies are successful in increasing business by undertaking such activities
4. Whether the measurement processes that companies use are appropriate to measure the value that is generated by corporate hospitality.

Some research has been carried out in corporate entertaining and also in performance and marketing measurement frameworks that can be applied to assess a process for measuring corporate hospitality events. The 4 questions will also form the basis of the field research with companies involved in this industry.

2.6 Research methodology

2.6.1 Research approach and structure

Corporate hospitality is organised by organisations or events' agencies. In order to understand how they measure their corporate hospitality events and evaluate how they should measure them, it would have been ideal to interview organisations from both groups. As Eventia's members consist mainly of event agencies, these formed the major part of the sample. Most of the interviewed companies organise corporate events such as sports activities, overseas familiarisation trips, lunches, dinners and Christmas parties. 2 agencies specifically offer corporate hospitality as their major services and one of them started in October 2007. However I aimed to obtain their views on the value and measurement of these events based on their knowledge and experience of the industry.

The following aspects of corporate hospitality measurement were covered in the interview questionnaire (Appendix F):

- Value of measurement
- Effectiveness
- Benefits
- Strengths and weaknesses
- Difficulties
- Strategic approach
- Integration with marketing strategy
- Relationship between strategy and measurement needs
- Effects on corporate image, relationships with customers and customers' price sensitivity
- Effect on bottom line

- Technology to determine ROI
- Reporting to top management
- Other measurement methods
- Outcomes of corporate hospitality
- Performance measurement evolution

All interviews, that lasted minimum 30 minutes but more often an hour, were carried out between December 2007 and January 2008. 6 were conducted in person and 4 over the telephone and apart from 3, they were recorded and transcribed. All responses under each interview question were analysed in relation to the 4 main questions of the report. Findings from the field research have been compared to the literature review findings and relevant words highlighted in each section to show how important they are to the respondents. Comments from respondents are emphasised through the report.

2.6.2 Sample

The sample included 7 event agencies (5 based in London and 2 in Milton Keynes), 2 venues (1 based in London and 1 in Millbrook) and 1 corporate organisation based in Milton Keynes.

The 10 people interviewed were in the following positions in their companies:

- Managing Directors
- Business Development Directors
- Client Services Director
- Account Director
- Business Development and Operations Manager
- Operations Manager
- Head of Sales
- Events Co-ordinator

3 WHY ARE COMPANIES MOTIVATED TO ENTERTAIN THEIR CLIENTS AND PROSPECTS

3.1 Research findings

Companies involved in the research confirm the importance of corporate hospitality events to create and develop relationships with customers and boost brand image. The words brand and relationships were mentioned 21 and 14 times during the interviews. Events are also used to promote products and services, reward performance and create incentives. They tend to be integrated in the marketing strategy, however they need to be positioned to reflect the brand, aligned to the business strategy and designed for the targeted audience. On the negative side, corporate hospitality events can be perceived as bribery, this is why some companies choose not to accept any corporate hospitality. Despite the pressure for return on investment, resources such as procurement teams are required to understand marketing objectives. The benefits that companies get from corporate hospitality events are highlighted below.

3.1.1 Business confidence in the corporate hospitality market

Organisations have recognised that corporate image and relationships with customers are crucial to their businesses and corporate hospitality makes their customers less price sensitive.

Corporate image

Most of the interviewed companies highlighted that corporate hospitality events are very positive and imperative to the brand. It is important to keep their names and logos in front of the clients' faces and companies look into boosting their image through the kind of events they offer their clients. City-based companies for example would opt for high-value events' tickets that the general public could not get hold of easily (Wimbledon, rugby). "The more exclusive the event, the more the corporate image can be boosted". According to one respondent, corporate hospitality events have a limited effect on its corporate image but help in retaining business.

Respondents stressed that the way an event is positioned and the PR attached to it, should reflect the brand. For example, if a company is highly ethical in terms of environmental sustainability, it is wrong to take its clients to a Formula 1 event. Moreover, a company's image is even more important as it can jeopardise relationships. General Motors, who is one of the respondent's biggest clients globally, is not allowed to accept corporate hospitality. If the company was invited to an event, it would not only be insulted but if employees accepted to take part, they could lose their jobs. On the opposite side, one organisation particularly adopts a flexible approach with its customers to be seen as a good partner. For instance, it does not invite clients in high-class restaurants to avoid portraying an image of "extravagance".

Relationships

Corporate hospitality events are also largely positive in terms of stronger relationships with customers as it can make them feel special. Companies want to use corporate hospitality to get to know clients and what their requirements are and find it easy to meet people outside the working environment. While it is very hard to get senior people to keep event dates in their diaries as they cancel at the last minute, the relationships are always cemented when they participate in the events. One of the interviewee particularly deals with senior people who understand where their businesses are going and its approach is to support its customers' strategy (i.e. performance improvement). Account directors usually develop relationships with clients so it is always personal. Even if they are only invited to one event per year, clients are contacted regularly to develop the relationships. One event company asks their clients to promote them in their organisations.

Corporate hospitality events have the potential to get it wrong in terms of relationships with customers. In some cases, events have been cancelled as customers have declined and perceived them as bribery. One agency stated, "they do not buy relationships and get what they want by getting people drunk".

Price sensitivity

In addition, corporate hospitality events make customers less or not price sensitive. The effects depend on the culture and value of the organisation. One event agency asks their customers upfront if corporate hospitality fits with their requirements. Another agency uses corporate hospitality to showcase its own events so its customers have an idea of what it might cost them if they want to buy the services. Other comments were “it is not an issue as customers do not know about it, customers will pay for what they get as it is market-driven. “Customers do not see a correlation between what their hosts do at an entertainment level compared to a professional level”. “The fact that clients are not invited in high-class restaurants makes them see where their money is being spent”.

While corporate hospitality is vital for corporate image, to retain customers, develop new ones and does not affect customers’ price sensitivity, most of the interviewed companies explained that organisations invest in corporate hospitality activities because they “have always done it, their competitors are doing it” and they are not ready to give up. While there is a fear factor attached to corporate hospitality, this is the first area of business that gets cut when times are hard. According to one of the event agency, “research said that the most successful corporations in the world are the ones who keep the marketing activity going in difficult times”.

3.1.2 Growing importance of experiential marketing

For most companies who took part in the research, it has been recognised that corporate hospitality events have the ability to create lasting relationships as they give the opportunity to connect with the customer base. This is quite significant as loyalty is less and less important and budgets have been squeezed. Previously, companies used to favour a supplier, but today they tend to choose the cheapest one. For one of the event agency interviewed, the benefits of corporate hospitality include loyalty, a degree of thank you from the client, maintaining business and developing new business. However, the company does not particularly rely on corporate hospitality to retain clients but uses it more to attract new customers.

Corporate hospitality events not only develop stronger relationships but also allow building relationships with new potential customers and to get closer to them and understand more about their personal likes and dislikes. The major selling point is that it gives access to people away from the business where hosts can ask questions that can not be asked in the office environment, allowing in-depth conversations. Clients feel they are being treated special and remember they spent the day with their hosts. Corporate hospitality can also have a positive effect when guests interact with each other and gain business, so companies need to be careful with whom they invite. One of the respondents gave the example of a dinner where a tyre manufacturer sponsored a championship motorsports organiser and his insurance company benefited from selling insurance to the championship organiser. “It is all about communication”.

For other respondents, corporate events bring various other benefits. While they contribute to the “relationship journey”, intelligence gathering and clients’ planning for event management agencies, they split between rewarding performance of their network, providing sales incentives and offering value to investors (i.e. sponsors) for corporate organisations. When certain targets are achieved, there are opportunities for travel. For some companies, corporate hospitality events are also an opportunity to launch new products and understand the brand value relating to their industry sectors. One respondent confirmed that events also consolidate their position as a market leader and reinforce its link to the city.

3.1.3. Corporate hospitality part of the marketing mix

Events are a key component of most companies’ marketing strategy, and in the case of corporates, can be dictated by head offices. This means that the events sit within the marketing department but corporate hospitality events are not always part of the marketing plan and a more holistic approach tends to be used. For event agencies that tend to help their clients with corporate events, it depends on the value that their customers attach to it. Some companies integrate corporate hospitality in their marketing strategy which is aligned with the strategy of the business and they use corporate hospitality to target companies and spend some relaxing time with them.

One of them knows what customers buy, what competitors these are currently working with, when they are going to pitch and understands their requirements. It offers rugby events in Twickenham (England, Old Blacks), FA cup finals, dinners at Le Manoir des Quatres Saisons in Oxford, but overall mainly lunches and dinners in special venues. It gave the example of a half driving day in Silverstone with Aston Martin where 10 senior people were invited to drive cars with a professional driver at the end of summer 2007. The event generated a positive response as the company received 2 briefs for the value of £1.5m. This was used as a thank you but also part of the pitch process to keep customers happy and renew business. According to the Business Development Manager interviewed, “it is not just corporate hospitality events that generate business but also other factors such as relationship building”. For one of the respondent, corporate hospitality entertains people and shows how the brand can be used but if there is not such a link, it can be run to incentivise (if clients buy so many products, they will be invited to an event). The only way to quantify the results is in comparing sales when incentives are being run or not. Other agencies organise corporate hospitality events on a low-priority basis and some do not integrate corporate hospitality events in their marketing strategy. They use brochures and emails and invite clients to previews and “it just happens”.

3.1.4 Demand for measurement of the return on investment events deliver

Due to the pressure of return on investment, one agency feels that companies intuitively measure corporate hospitality events, however resources are vital to measure returns. Another agency is of the opinion that organisations often put their business through procurement that are more concerned about initial costs than return on investment. As such, they would like to see corporates involving their procurement teams in the marketing so they understand the objectives and do not just source a provider in isolation.

3.1.5 Trend for searching for maximum value from fewer events aimed at engaging key audiences

Corporate hospitality is expensive and as such tends to involve smaller numbers of people (8-12) with more spending per head. According to one of the respondents, corporate hospitality should be targeted and designed for the audience and it is

important to align it with the business strategy. It is also important to get some commitment out of the customers who are being taken out. The first 30 seconds confirm the next stage and it is a way of recording if corporate hospitality is used in the right way.

3.2 Conclusion

The research has not only identified that firms organise corporate hospitality events to build and strengthen relationships with customers but also the fact that they have always done it, their competitors are doing it and they believe it works. This explains why they struggle to adopt a more proactive measurement approach.

4 HOW DO COMPANIES MEASURE THEIR CORPORATE HOSPITALITY SPENDING AND MAKE IT ACCOUNTABLE?

4.1 Research findings

Field research shows that most companies value measuring client relationships and repeat business. The interviewees mentioned the words measure and measurement 77 times. However, they evaluate the success of corporate hospitality events by using familiar measures such as feedback questionnaires, attendance reviews or satisfaction surveys.. A few measurement methodologies have been identified so it was encouraging to see that some companies highly rate return on investment. Moreover, the Operations Manager of one agency is part of a focus group that includes event industry's organisations and intends to develop event measurement and create a culture change.

4.1.1 Most familiar methods used to evaluate the success of an event

Before asking the interviewed companies how they measure the effectiveness of corporate hospitality events, it was important to find out how they valued the measurement of these events.

Value of measurement

Companies rely on personal accounts and the experience of the sales team to value corporate hospitality and agencies on the collaboration and enthusiasm of their customers and the activities they value. Event agencies can demonstrate value and the difference corporate hospitality makes through case studies. Corporate hospitality events are also valued for client relationship marketing, as a goodwill, reward, thank you and “when customers come back”. One company evaluates how they are going to measure events, what they are going to get out of them case by case while an agency stressed that “companies would struggle if they relied on corporate hospitality events to retain customers”. The way customers value the measurement of corporate hospitality events tends to be intuitive therefore a measurement methodology is fundamental.

Moreover, companies need to look at the value of the people who are being entertained and what they are trying to achieve through entertainment. With potential clients, business is made far more from personal relationships and networking than 20 years ago. The structure of marketing budgets has changed dramatically in the last 10 years because of new media available to reach people and the money that would have been spent on an experienced-based event has dropped considerably. People do not see the value that corporate hospitality had 20 years ago when everybody took customers to rugby, cricket, horse racing in Cheltenham, Ascot, Henley boat race or last night of the Proms. Companies have to be innovative in creating an experience that did not exist before (i.e. Scottish distillery tour) and there is also a huge market internationally. Corporate hospitality events have also been cheaper due to the strength of the pound in the last 5-6 years.

Methods of measurement

Companies measure the effectiveness of corporate hospitality events through attendance measures, feedback questionnaires, discussion forums, satisfaction surveys or just keep a list of customers who booked with them. One agency specifically sends electronic questionnaires before and after the event to measure the difference in knowledge and perception towards the company. Another respondent who invites its clients to lunches or dinners while taking part in trade

shows, uses a sophisticated client management system that demonstrates how event activities increase business. It has also considered a non-financial measure such as the number of PR cuttings mentioning its name.

In one agency, different departments in the business meet every month and go through satisfaction reports for all their clients. These refer to the events that the agency provides to customers. If there is anything negative, the agency addresses the issues and goes back to the clients to understand what they have not achieved. If there are issues with personalities, availability from people they are dealing with, these will be looked at and changed. The event agency displays posters with a traffic lights' scheme showing different areas of the business and the quarterly satisfaction results. When the traffic light is red, this shows that something has seriously gone wrong and it needs resolving fast. The agency also provides this measurement method to their clients and suppliers.

In terms of corporate hospitality events, the same agency suggests that not all corporate hospitality events are measured and that there is science behind what can be done in terms of bottom line. However, unless the client has an idea of what the objective is, nothing can be measured against it. In a car/press launch for example, companies want to attract the best press from all the major markets to their event who is invited to 100 events annually. In terms of measurement, it's the invitation list against the attendee list. The guests will come if the event is about the car they want to see therefore the marketing of the event is very important. When the event agency is involved with a motivation programme for a client, it invites other clients to take part and this becomes a corporate hospitality event for them. The aim is to increase sales and if targets increase, they get people excited and keep them interested in their offering. If they attain their targets, the incentive of putting an event together should be the money they would make in that increase and this should absolutely pay for the incentive they are operating.

In some cases, decisions makers choose travel incentives' destinations because this is where they would like to go and they do not consult the people involved. The agency would suggest to its clients that they talk to the people involved and sends

event analysis and research reports through a 3rd party company to see if they have achieved before, during and after the event. Before the event, value for money, understanding business needs and participants' feedback would be important to look at. During the event, the areas of interest would be how the event was operated, how the agency understood and communicated with the people involved. After the event, the value for money would be the focus but it is very subjective. According to the agency, corporates do not always ask the participants what they thought of the event. This agency does a post-event communication campaign for their clients and believes that the photos, memories and goodwill are important factors. It believes that the successful companies are the ones who ask their clients what they thought of an event, what was done well, what can be done better, what they want to do next year. The agency that feels that clients are more honest on paper, asks clients if they achieved their objectives and thinks that satisfaction is a key metric.

Some companies do not measure the effectiveness of corporate hospitality events as they think it is about goodwill towards particular clients but it is not quantifiable. They evaluate their own performance via evaluation forms, debriefing sessions assessing what they do well and where they could improve while presenting their final costs. Their clients evaluate the content of the programme, food and beverages, web-based registrations, communication and the overall organisation by speaking to their own delegates.

4.1.2 Technological innovation

Most companies do not use any technology to determine return on investment. However 2 companies in the sample use specific software. One agency sends 3 electronic Zoomerang questionnaires to participants before the event and one after the event in order to measure the differences in knowledge and perception towards their company without asking them how they felt. A report on the change in position of the internal audience is shown in Appendix G. Another respondent specifically uses an Event Business Management Software system (EBMS) that includes marketing, events, operations, attendance and financials modules (Appendix H). This technology determines the business gained from clients and specifies to which events they were affiliated to and as such measures return on investment.

To determine return on investment, it works with clients who know what their objectives are and what they have to achieve in sales to get that extra revenue. A proportion of this revenue will pay for the incentive and if there is still some money left if it's a success.

4.2 Conclusion

Companies do not know how to make their corporate hospitality events accountable, only a few use sophisticated technology to achieve such requirement. A methodology that focuses on measurement before, during and after events is fundamental for the corporate hospitality industry.

5 ARE COMPANIES SUCCESSFUL IN INCREASING BUSINESS BY UNDERTAKING SUCH ACTIVITIES

5.1 Research findings

Companies in this research recognise the positive effects of corporate hospitality events on the bottom line but still find it difficult to measure return on investment. One company successfully measures return on investment through its event management system. The phrase was only mentioned 8 times during the interviews. Time, budget and resources are the constraints companies give for not being successful in showing increased business through corporate hospitality activities. One way to measure return on investment would be to stop organising events and see what happens but no company would dare doing it. Corporate hospitality still remains perceived as an unfair activity for some companies and legislation will affect some sports activities on offer, making it difficult to justify.

5.1.1 Difficulty to calculate return on corporate hospitality events

All interviewed companies declared that corporate hospitality “must” affect bottom line, “the corporate hospitality industry is successfully applied and works” and businesses would not incur such costs if they did not win business from it. Moreover, “corporate hospitality tends to be slashed when there are financial problems”. They

conclude by saying that corporate hospitality is better used on a small scale and “ if the budget is done correctly, it becomes an absorbed cost”. “Events should pay for themselves and margins per customers should increase”. “A strategic plan is required including the reasons to organise an event and how it is going to be measured, involving sales people who know the clients. If done properly, it can retain existing customers and develop new business”. And that’s how a company does it with an EBMS system.

Still, companies find it difficult to value any corporate hospitality investment. The impact on sales is intangible and can only be tested by disengaging from this activity and monitoring the response. “The success of events in general can always be determined by the feedback received and events are there to be enjoyed”. The companies involved also perceive the challenges of accessing data and engaging with stakeholders low priority. Furthermore, difficulties lie in relying in sales people to be ethical in the way they use corporate hospitality. It is easy to take the same clients out while corporate hospitality is in fact a mixture of growing existing contacts and getting new contacts. In the case of agencies that provide hospitality to corporates, it is difficult to measure events unless companies book events soon after the event they were invited at, and this is easier for smaller events. Finally, events can not be measured if companies do not know what they want to achieve.

It is also difficult for companies to get an accurate measure. One of the venue thinks it is not possible, “it is a matter of just stop doing it and see what happens but it would be suicidal”. Moreover, there is competition between companies especially city-based companies, where decision makers receive many invitations to go to particular events. “If a customer spends £10m, it is not possible to say that the client would not have spent that money if he was invited to corporate hospitality events”. According to this respondent, issuing questionnaires to clients after the events does not tell how memorable the event will be in 6 months and how to create an association between the brand and the event.

Furthermore, return on investment is extremely difficult to measure as corporate hospitality events are part of the marketing mix. One agency mentioned evaluating

the effects of altering events from golf to tennis for example. The company also talked about return on objectives (ROO), setting objectives and delivering on those through quality time, follow-up meetings and future events. It particularly highlighted the importance of relationships and networking and used the phrase “the relationship journey” which is crucial to business.

5.1.2 The least managed of management tools

Corporate hospitality events enable companies to promote their brand, control the message sent out to consumers about the business and engender loyalty and retention. They also give the opportunity to exhibit new products and developments. Agencies’ strengths lie in taking small groups to events involving account managers in order to build relationships and give a personal approach. They also include the agencies’ “industry pedigree” and the personnel involved in the events even “if it a cliché”. Moreover, event agencies invite clients to events they organise for other clients, selling their events and services and making corporate hospitality cost-effective. Some also have the ability to demonstrate quantifiable returns to their customers so they can differentiate themselves from other agencies. One organisation’s strength is to use feedback from customers and carefully measure.

Building new business is expensive and the money brought from contracts or the budget allocated for corporate hospitality is money well spent to attract new business. However, there is still a lack of measurement and proof if events are working or not. In the case of companies who organise corporate hospitality events for their customers, they do not know if the attendees will eventually book events for themselves. The main weaknesses identified in their approach to measure the return of corporate hospitality events are budget, time, resources and the fact there is not a sophisticated way to pre-book appointments with potential customers at events.

The reporting of corporate hospitality events performance to top management is in some cases done monthly or quarterly using customer satisfaction surveys. Positives outcomes or issues are shared at the time. It is also done verbally or via reports stating which clients have booked events. In smaller companies, managers review if the event worked, the type of people invited was right, if people “gelled and

what are the events going forward. Due to resource issues, management's interest appears to be minimal in some companies.

The reporting of a particular event should include its performance before, during and after the event showing the results compared to the event's objectives via charts, statistical analysis and return on investment.

5.1.3 Corporate hospitality still suffering from a mixed reputation

On one hand, some companies have strict guidelines in accepting corporate hospitality. One company's policy is about "winning with integrity and not seeking commercial advantage by an unfair meet". If at the end of a project, one of the respondent part of this group wants to take people to dinner and the theatre, it is appropriate for them to pay for the dinner but not the theatre. This relates to the fact that "businesses have to be open about everything they do (audit, quality standards) and have to be more accountable". This attitude has had an effect on the corporate hospitality industry over the last 5-10 years. It can open the recipients up to an allegation and in the case of unfair practice, the business is given to the supplier who takes its clients to rugby. On the other hand, companies need to be aware that people in some countries can be offended if corporate hospitality is refused.

There have been changes in the European legislation in terms of corporate manslaughter. While liability lied with the service organiser in the case of severe injury or death during an event, the corporation will now be responsible. This will have huge effects in the event industry and activities such as water rafting, parachuting will not be on offer and it will be impossible to receive insurance covers.

In terms of reputation, it has been suggested that corporate hospitality often prevents the true fans from seeing the sporting events because corporates buy out the tickets even if they do not have any interests in the sports. However, their payment is very important to the development of the sports. Furthermore, the reporting of corporate hospitality events performance is "a packet of lies as people in the companies who are part of it will fight to keep it as they see it as a perk of their job".

5.2 Conclusion

Not many companies have yet demonstrated success by undertaking corporate hospitality activities. A return on objectives approach has been mentioned but if these companies really want to be effective in measuring events, they need to allocate money, time and resources in order to achieve it.

6. ARE THE MEASUREMENT PROCESSES THAT COMPANIES USE APPROPRIATE TO MEASURE THE VALUE THAT IS GENERATED BY CORPORATE HOSPITALITY?

6.1 Research findings

Despite measurement needs not being linked to the corporate hospitality strategy, most companies have adopted a strategic approach to corporate hospitality events. They also recognise that a corporate hospitality strategy needs to be aligned to the business strategy and includes defined outcomes, a targeted audience, customers' data and technology. It involves calling guests before and after an event or asking them about the impact of an event on their buying decisions. The word strategy was used 25 times during the interviews. A few apply an event measurement framework but more in the context of the events they sell and other types of events. However, there is room for best practice measurement and hope for an industry change.

6.1.1 Importance of corporate hospitality in corporate strategy

Companies adopt various strategic approaches such as a 12-month planning process determined by seasonal activity in the business and quarterly sales. Events are related to sales targets and product launches which are in plan for the next 5-10 years. Some agencies' approach is to promote their own products. Others have a profile for their clients, a client development plan and can report on it on a calendar. One respondent accepts that "everything they do has to be measurable and a flexible approach is required". Some agencies only look at whom they invite, as corporate hospitality events are not used specifically to generate new business.

For agencies that encourage customers to measure, their approach is to understand their clients' strategies and to design events that support these strategies. It is important to ask clients but difficult to obtain the required information. Corporate hospitality events are run through procurement that has been asked to source a supplier, how much the supplier can do it for, rather than the added value.

According to the respondents, the strategy used for corporate hospitality should be in line with the corporate strategy. There should be a more considered approach to the value interested parties place on each event and are involved in. It is about identifying the individuals and attracting them to corporate hospitality events and design events for this audience; defining financial or non-financial outcomes such as a relationship with a client due to personnel changes and try to integrate teams. It is also important to get some commitment from the customers who are being invited, making sure that they can influence the outcomes required. This is a way of recording if corporate hospitality is used in the right way. Companies recognise that it is important to make sure that not all the same customers are invited to corporate hospitality events. Moreover, the development of tools such as online diagnostic would allow stakeholders to download the customers' data needed to measure corporate hospitality events.

6.1.2 Marketing performance measurement

One interviewed event agency is working on using the balanced scorecard to measure the corporate hospitality events they offer to corporates. Customers will be able to evaluate the event performance and this will be linked to remuneration. The Operations Manager who is part of the focus group with industry organisations has found a measurement framework for events other than corporate hospitality.

6.1.3 More scientific ways to evaluate return on investment

Companies suggest that the effectiveness of corporate hospitality events should be measured before, during and after the event and the measurement during these 3 stages should be linked. The type of customers, the choice of events and the events' objectives are the tools to be used. Some companies use very sophisticated software to measure return on investment.

Elements such as the state of the organisation, online service, interviews and client data are also important. Events need to be designed according to set objectives. After delivering the events, it is necessary to re-measure and the results need to be compared with the objectives. Sales and marketing also have to be involved with corporate hospitality events in order to manage client retention, attendance and recruit more effectively. It would also be foolish to mix existing and new customers. It is easy to take existing customers because they are known but it is more difficult to convince new customers to come to events. Events with existing and new customers should also be measured separately.

6.1.4 More successful methods to maintain long-term relationships

As companies do not always have account-based structures and do not work strategically, the Operations Manager of one event agency, has been focusing on developing a measurement framework to generate business. However, he quickly noticed that there is not a market where people are prepared to pay for the success of their events. Customers are happy to spend £300,000 on an event but do not see the measurement as a key part. He is now the facilitator of an industry focused group which includes Eventia, the Hotel Bookings Agents Association (HBAA), Meeting Professional International (MPI) and the Chartered Institute of Purchasing and Supply (CIPS) who understand ROI and the concept of need to measure, drive down costs and maximise value. He held 2 workshops to evaluate why the industry is not measuring and what needs to be done, involving agencies and corporate planners. He realised that nothing would happen until the industry was able to change and decided to demonstrate best practice measurement and create a structure for change.

The focus group' action plan is to show measurement as an investment and engage with corporate stakeholders, define an end-to-end process and show how to do it. It deals with 3 streams: cost-saving, cost avoidance (an event is booked, gets cancelled and the agency or the client manage to save money by reducing cancellation charges or an event is organised and 2 free upgrades are obtained) and demand management (objectives of the event, what is to be achieved, evaluating the calendar of events and decide how many are needed). It is about setting objectives

and measuring against these objectives. There is a clear evolution of a corporate on an event journey (maturity) and demand management is a more evolved procurement concept at the top end of the maturity cycle. This does not apply to 70% of businesses that is why this Operations Manager has been struggling to sell event measurement services as companies are not ready to accept it. He feels that “the people who are leading the industry may be the people who are actually holding this back”.

No organisation is leading the way in the industry yet as clients are not asking for measurement. This will follow the same trends than the areas of marketing and this will be driven through procurement. The Operations Manager undertook 30 telephone interviews around measurement with corporates and agencies about events such as conferences and product launches where the content is important. He will embark on a PR campaign in the next 6 months to continue to generate the profile and his company sees the benefits of measurement and long-term opportunities to develop a more strategic view around events to be more successful. According to him, the interests of the event agencies are being pushed and this is one of the reasons why corporates are not so open. 10 % of organisations such as Microsoft, Sony, and Accenture want to be involved and are mature in the process. The key is to get to the less advanced ones and make them follow.

Regarding corporate hospitality, this Operations Manager thinks that the content of events is not described as much as other types of events. In terms of brand perception, corporate hospitality has a different impact. Jack Philips who heads the ROI Institute in the US has worked with MPI in order to bring his model to the events industry (Appendix I). Companies do not understand the basic market research techniques like writing a questionnaire to create something that delivers meaningful results against it. Another stream is when companies arrange their own hospitality, which is more of an opportunity to influence customers and maximise benefits. It is important to consider measurement for both types of corporate events. There is a real history about some companies entertaining their customers (i.e. Jewsons and builders merchants, Sun Alliance and brokers) and people are precious about it.

Adopting a relationship management approach is something that businesses have not yet implemented. It is about undertaking research in a way that is appropriate to the audience and the objectives of what the companies are doing. In order to measure the success of events, the event research needs to be incorporated into an annual review or quarterly process that should already be adopted for important clients. Account managers sit down asking informally about the activities they did and what the customers thought about them, what was the biggest impact, how they rated the event. They can say how the clients felt that but it is their interpretation. The Operations Manager stressed that it is not appropriate to ask questions at the event. For a major press event for a games' producer, he conducted a telephone research with his client's 30 top press contacts before the event to understand what they wanted from this event and after the event to see how it changed their impression. Their objectives were to obtain a CD of all the screen shots and 1-to-1 interviews with the producers of the games. As a result, the press was much better informed and it was more engaging. It is a simple process but people do not undertake it.

A lot of people do level 1 research (what did people think of the event, how they rated it, what they got out of it), which is reaction-satisfaction. There are 4 other levels above it. In Mark's research, the most common objective for an event was communication but communication is an activity and not an objective. The objective is in fact for clients to learn something in order to get a change of attitude or behaviour.

Corporate hospitality is about relationship building and networking but needs to be more scientific as companies spend a significant amount of money and CRM has not been taken forward. When it is taken as a strategic approach, it is possible to measure. However, money is mainly spent on consumers and too little on indirect channels with no formulate structure. He has created a model, which includes undertaking basic research before talking about relationship management, and there are different steps to go through.

He concludes to say that it is about making event measurement easier, better and more efficient, central coordination versus local empowerment, a difficult issue to manage. Senior management support procurement to be involved. The only way to calculate return on investment is to ask clients at some point about the impact of an event on their decision to buy the products or services. A percentage needs to be applied to the client's value. If it does not come from the client, it needs to come from the account managers. This is the principle to get to the next level of measurement and 80% of companies are not at this level of maturity.

6.1.5 Focus of corporate hospitality performance evolving

Some companies think that corporate hospitality performance measurement is unstoppable and will inevitably become a prerequisite in the future. Organisations are adopting it and it should become an industry standard. They also would like to see corporates involving their procurement teams in the marketing so they understand the big objectives. Suppliers of corporate hospitality companies will have to look at their overall costs in the risk of corporates not taking part or having their own sponsorship.

Other organisations do not have any reasons to measure the events. Their strategy is to know when customers are going to pitch, find out who the competitors are and the profitability of the business and as such make the decision if they want to pursue these customers.

On the negative side, "corporate hospitality performance measurement is a nice idea that will never fully catch on, a jolly. It is a justification tool, which rarely provides real data and certainly can't possibly demonstrate monetary value. The success of hospitality events is determined by whether people enjoyed themselves, want to come again and how they feel about the host as a result. It is a very simple equation".

Corporate hospitality is not part of the initial contract and is an opportunity for managing directors to practice their favourite sport with a few friends. "It is about ego" for the people who invite clients and how is it going to be perceived; the same applies

to people who are invited as they talk about it and can as such introduce an inspirational element. Corporate hospitality tends to be expected, especially in the UK and it is not always possible to respond to customer's needs. Furthermore, people would rather not know how it is measured. "The people who run the events lie to their bosses about the success of the events and the people who take part in the events also lie as they like going to the events. They do not want their bosses to think there is a kind of influence over what they are doing".

6.2 Conclusion

Not many measurement processes are appropriate to measure the value generated by corporate hospitality events. Corporate hospitality performance still has a negative perception and in order to change it, it needs to become a key part of companies' agenda involving all relevant parties. This will give companies long-term opportunities to develop a more strategic view around events to be more successful.

7. BEST PRACTICE MEASUREMENT IN CORPORATE HOSPITALITY EVENTS

7.1 Best practices

Despite policy restrictions for one organisation, all interviewed companies see themselves doing more corporate hospitality events in the future. Although some would still like to showcase their services, they plan to set narrower objectives, organise smaller and targeted events with clients they already have approached.

Companies would be satisfied with happy clients, referrals, repeat business, new customers, commitment from clients and a stronger brand. It is about evaluating how much corporate entertaining contributes to the bottom line at individual customer level so companies can come up with a realistic amount to spend.

THE VALUE OF CORPORATE HOSPITALITY EVENTS

Using the information from the literature review and the interviews, a table has been drawn to define a process for corporate hospitality events and develop best practices that relate to each part of the process.

The table below shows that it is important to start with a corporate hospitality strategy that needs to be aligned with the business and marketing strategies. It involves being aware of the competition and legislation in the industry, setting clear objectives, allocating budget and resources to start focusing on corporate hospitality measurement. The 2nd part is to understand customers' needs, decide which customer segments are invited to corporate hospitality events and why. Research needs to be carried out about customers and the events tailored specifically for them. The event management part involves attracting clients to the events and running the events. Evaluating clients' attitudes and perceptions before and after the events is vital to the process. The return on investment can be measured using sophisticated technologies and evaluating the impact of events on customer buying decisions. It is also important to communicate with customers, suppliers and management and review results against objectives. Finally the process needs to be reviewed as customers' needs change or weaknesses occur and this will encounter new practices and new products.

Process	Best practices
Corporate hospitality strategy (planning)	<p>Pre-event</p> <p>Alignment with business strategy, marketing strategy and measurement needs (costs, guests' attitudes, metrics)</p> <p>Corporate hospitality = investment</p> <p>Financial and non-financial outcomes</p> <p>Competition evaluation</p> <p>Legislation awareness</p> <p>Innovative services (i.e. venues)</p> <p>Number of events</p> <p>Clear objectives (i.e. stronger brand)</p>

THE VALUE OF CORPORATE HOSPITALITY EVENTS

	<p>Sales people, marketing and procurement involved</p> <p>Allocated resources</p> <p>Spend rationale</p> <p>Key measurement trends</p> <p>Measurement budget</p> <p>Measurement tools</p> <p>Cost management</p> <p>Contingency plan</p> <p>Event positioning to reflect brand</p> <p>Post-event</p> <p>Value for customers</p>
<p>Understand client needs</p>	<p>Pre-event</p> <p>Corporate hospitality fit with customer's requirements</p> <p>Segment market/target major customers</p> <p>Reasons to invite target segment</p> <p>Data collection</p> <p>Timing</p> <p>Match events with clients' appeal</p> <p>During event</p> <p>Quality service</p> <p>Dedicated event managers</p>
<p>Event management</p>	<p>Pre- event</p> <p>Personalised e-invites</p> <p>Meetings scheduling for guests</p> <p>Discussion forum's web link/brochure</p> <p>Registrations</p> <p>E-mail reminders</p> <p>Throughout event</p> <p>Records keeping</p>

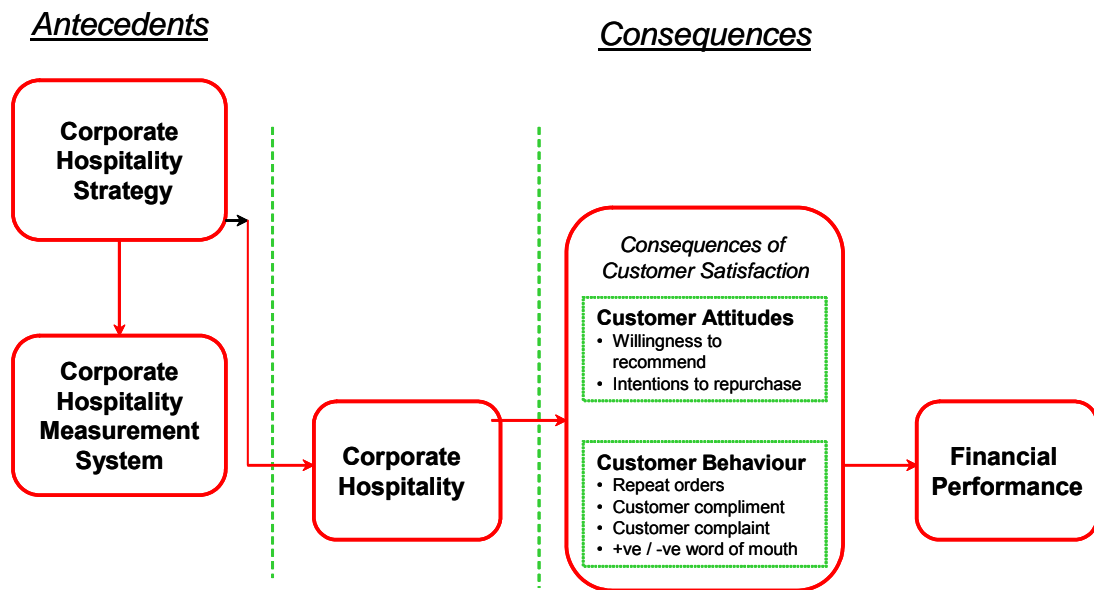
<p>Evaluation case by case</p>	<p>Pre-event Tracking attendees' attitudes/perceptions Trace results Throughout event Web real-time picture of event Post-event Invitation list vs. attendee list Tracking attendees' attitudes/perceptions Trace results Attendees' surveys against business objectives</p>
<p>Measuring ROI/ROO</p>	<p>Pre-event Commitment from customers During event Tablet-style wireless computers Data capture via mobile phones, hand-held devices Post-event Technology (event analysis): Swipe badges and touch screens linked to CRM systems Client management system: event affiliation vs. business gained Spend on attracting new customers Spend on retaining existing customers Value of investment per customer Financial value perceived from the event Impact of events on customers' behaviours Cost per client/business brought from client Turnover increase monitoring Increased margins per customer Comparison of all aspects of event with</p>

	<p>collected data</p> <p>Comparison following event alterations</p>
Communication/building relationships	<p>Post-event</p> <p>Corporate hospitality performance report to top management</p> <p>Performance measurement communication with suppliers</p> <p>Communicate attendees' feedback with business objectives</p> <p>Thank you and further information via a web link to attendees and non-attendees</p>
Audit measurement	<p>Evaluation of customers' needs and comparison with organisation expectations</p> <p>Identify weaknesses and apply to strategy</p> <p>Review measures</p>
Innovation	<p>New corporate hospitality events</p> <p>New measures</p>

7.2 Drivers of corporate hospitality performance

The creation of added value has grown in importance in measurement and companies need to measure the impact that corporate hospitality events have on their business. A performance measurement approach (Bourne, 2005) is summarized below:

Drivers of Corporate Hospitality



7.3 Corporate hospitality measurement system

In order to design a corporate hospitality measurement system, the 1st step is to establish what are the key dimensions of corporate hospitality before, during and after the event:

Before event	During event	After event
Alignment with business strategy, marketing strategy and measurement needs (costs, guests' attitudes, metrics)	Quality service	Value for customers
Corporate hospitality = investment	Technology	Tracking attendees' attitudes/perceptions
Financial and non-financial outcomes		Trace results

THE VALUE OF CORPORATE HOSPITALITY EVENTS

Clear objectives (i.e. stronger brand)		Attendees' surveys against business objectives
		Technology (event analysis): Client management system: event affiliation vs. business gained
Sales people, marketing and procurement involved		Cost per client/business brought from client
Spend rationale		Financial value perceived from the event
Corporate hospitality fit with customer's requirements		Impact of events on customers' behaviours
Match events with clients' appeal		Comparison of all aspects of event with collected data
Commitment from customers		Comparison following event alterations
		Corporate hospitality performance report to top management
		Performance measurement communication

The 2nd step is to identify what corporate hospitality stakeholder's value (MPI report):

Procurement	Corporate organisation	Event agency
Creating of saving	Making money	Making money
Quality of process	Sales targets	Sales targets
Happy internal customers	Happy clients: thank you, referrals, relationships	Happy clients: thank you, referrals, relationships
	Repeat business: commitment	Repeat business: commitment
	New customers: commitment	New customers: commitment
	Stronger brand	Stronger brand

The 3rd step is to choose measures for these objectives using the key dimensions of best practice corporate hospitality.

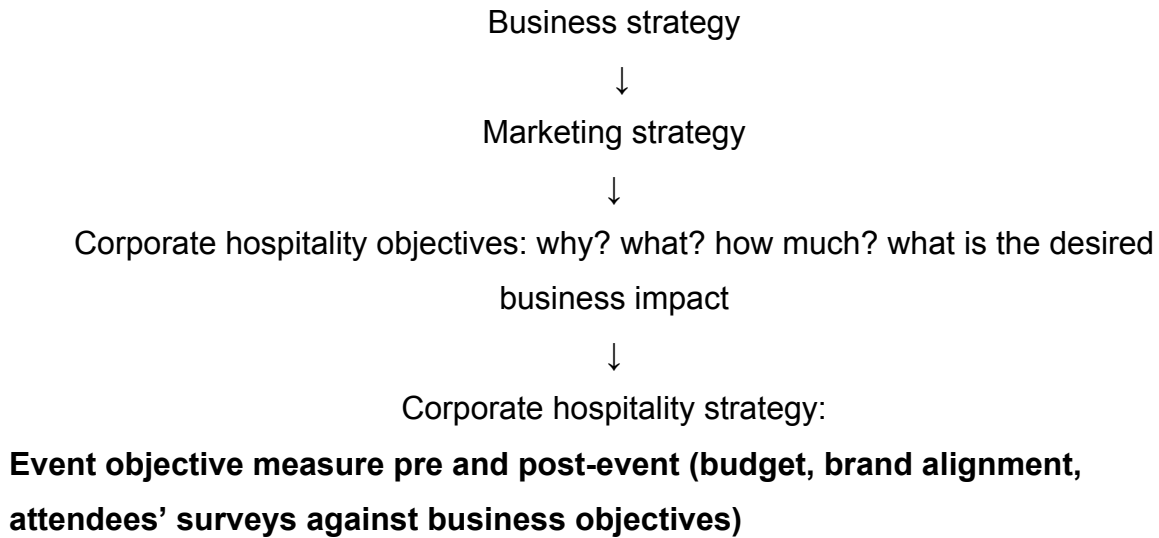
The measurement model has been incorporated into the corporate hospitality performance model (including the business and marketing strategies, the measurement audit and innovation), in order to have a full picture

5 areas have been considered:

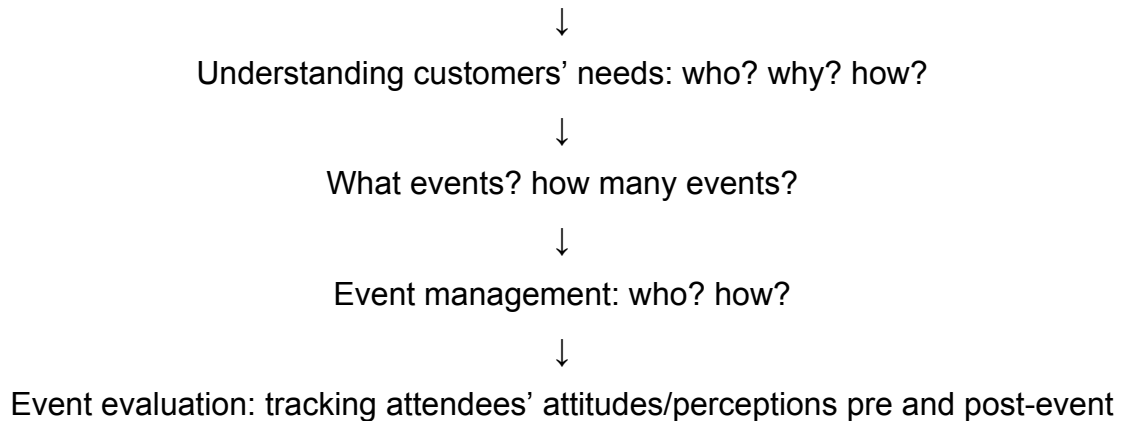
- Strategies: business, marketing, corporate hospitality
- Stakeholders
- Desired business impact of the events (MPI report): what stakeholders value
- Performance rating
- Measures

It is important to monitor the objectives for each event and carry out pre and post research to monitor changes. Tactical measures such as staying within budget and brand alignment could be asked and tracked. Companies should also evaluate the events, tracking attendees' attitudes and perceptions pre and post-event and use satisfaction and relationship measures such as chemistry and trust with their hosts. Finally, commitment and sales measures could determine return on investment

using sophisticated technology or tracking customers' perceptions and attitudes pre and post event (CIPS guide to event services, 2007).



Procurement	Corporate organization	Event agency
Creating of saving	Making money	Making money
Quality of process	Sales targets	Sales targets
Happy internal customers	Happy clients: thank you, referrals, relationships	Happy clients: thank you, referrals, relationships
	Repeat business: commitment	Repeat business: commitment
	New customers: commitment	New customers: commitment
	Stronger brand	Stronger brand



Satisfaction measure (event rating), relationship measures (trust, personal chemistry)



ROI

Commitment measure (plans, impact of event on buying decision)

Sales measure (technology: event affiliation vs business gained, cost per client/business brought from client, event alterations comparison)



Internal and external communication



Audit measurement



Innovate

7.4 Innovation in corporate hospitality events

As customers are looking for something different, companies have realised that they need to be innovative in order to differentiate themselves and create events in shorter times. One company in the field suggested option is to host spouse events as well as male-orientated events in order to create a “successful community”.

One interviewed agency has just started the scheme “women in business” where it invites women to a focused event such as a shoe shopping trip in Tuscany or a spa trip to Prague. Women share something they have in common and also their business issues. The agency does not use its profit in corporate hospitality events but uses its time and expertise and showcase what they can offer to their clients as an experience. It always invites clients on some events, as they are the best sales people. A corporate hospitality event company uses its events as a promotion tool and invites their 10 best clients to sample their products. Their latest products are Afrika! Afrika!, an African circus with performers and artists and the exhibition Tutankhamun, both at O2, the old Millenium dome.

8. CONCLUSION

Literature and field research shows that corporate hospitality events play a major part in corporate organisations and event agencies but not many are successful in measuring event success properly. As events are part of the marketing mix and the importance given to their impact on business is growing, it is imperative for them to take the initiative in evaluating events to prove effectiveness and be successful in the long-term.

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APPENDIX A UK MARKET FOR CORPORATE HOSPITALITY

Table 1: UK market for corporate hospitality 2002-2006

(£ Million)		
Year	Value	% Change
2002	790	+5%
2003	845	+7%
2004	887	+5%
2005	934	+5%
2006	996	+7%

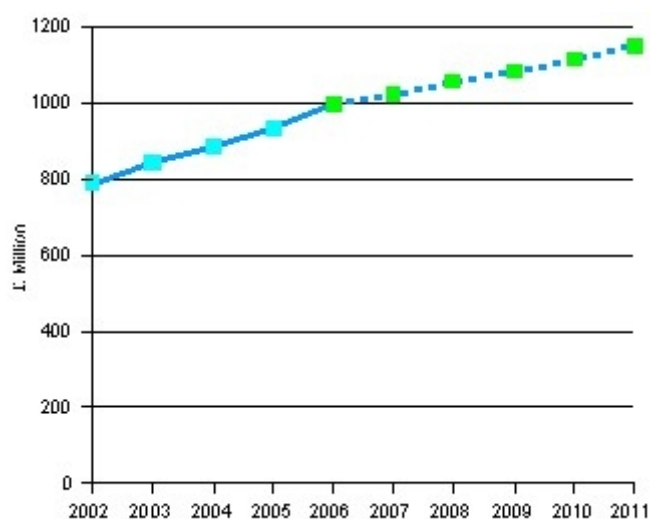
SOURCE: MBD and trade estimates and projections, Mintel UK corporate hospitality report, June 2007

Table 2: Forecast UK Market for Corporate Hospitality, 2007-2011

(£ Million at 2006 prices)		
Year	Sales	% Change
2007	1021	+3%
2008	1057	+4%
2009	1083	+2%
2010	1115	+3%
2011	1149	+3%

SOURCE: MBD forecasts, Mintel UK corporate hospitality report, June 2007

Diagram 1: Forecast development of the UK market for corporate hospitality 2002-2011



Note: 2006 data onwards are at constant 2006 prices

SOURCE: MBD and trade estimates, projections and forecasts (Mintel UK corporate hospitality report, June 2007)

APPENDIX B MAIN CORPORATE HOSPITALITY EVENTS ON OFFER IN 2006

Golf:

- BMW Championship, Wentworth
- 135th Open Championships, Royal Liverpool, Hoylake
- HSBC World Match Play, Wentworth
- Ryder Cup, K Club, Ireland

Football:

- Various FA Premier League matches
- Various UEFA Champions League home matches
- Various England International Friendly Matches in Old Trafford
- England -v- Andorra Euro 2008 Qualifier in Old Trafford
- England -v- Macedonia Euro 2008 Qualifier in Old Trafford
- Carling Cup Final in Millennium Stadium
- FA Cup Final in Millennium Stadium
- Scottish Cup Final in Hampden Park, Glasgow
- UEFA Champions League Final in Stade de France
- FIFA World Cup 2006, Germany
- The FA Community Shield in Millennium Stadium

Rugby:

- Rugby Union, Six Nations Championships
- Rugby Union, Powergen Cup Final in Twickenham
- Rugby Union, Heineken Cup Final in Millennium Stadium
- Rugby Union. Guinness Premiership Final in Twickenham
- England XV -v- Barbarians in Twickenham

- Emirates Airlines London Sevens, Twickenham
- Rugby League, Powergen Challenge Cup Final at Millennium Stadium
- Rugby League, World Club Challenge in Huddersfield
- Rugby League, Super League Final, Wembley

Horse Racing/Polo:

- Cheltenham National Hunt Festival in Cheltenham
- Grand National Meeting in Aintree
- Royal Windsor Racing in Windsor Racecourse
- Newmarket Nights 1-7 in Newmarket Racecourse
- Vodafone Oaks, Epsom
- Vodafone Derby, Epsom
- The Queens Cup Polo, Guards Polo Club
- Royal Ascot, Ascot
- Cartier International Polo in Guards Polo Club
- Glorious Goodwood in Goodwood
- The Ebor Festival in York
- Guineas Festival in Newmarket
- May Festival in Chester
- May Festival, York Races
- Veuve Cliquot Gold Cup, Cowdrey Park
- St Leger Festival in Doncaster
- Prix de l'Arc de Triomphe at Longchamp, France

Motor Racing:

- World Superbike Championships, Brands Hatch
- British Grand Prix in Silverstone
- British Motorcycle Grand Prix, Donnington Park

- Goodwood Festival of Speed, Goodwood
- Monaco Grand Prix in Monaco

Cricket:

- Npower Test Match, England -v- Sri Lanka, Lords
- Npower Test Match, England -v- Sri Lanka, Edgbaston
- Npower Test Match, England -v- Sri Lanka, Trent Bridge
- Twenty20 International, England -v- Sri Lanka, Rose Bowl
- Natwest One Day Internationals, England -v- Sri Lanka
- Npower Test Match, England -v- Pakistan, Lords
- Npower Test Match, England -v- Pakistan, Old Trafford
- Npower Test Match, England -v- Pakistan, Headingley
- Twenty20 Finals Day, Trent Bridge
- Npower Test Match, England -v- Pakistan, Brit Oval
- England XI -v- Lancashire XI, Old Trafford
- Cheltenham and Gloucester Trophy Final, Lords
- Twenty20 International, England -v- Pakistan, Bristol
- Natwest One Day International, England -v- Pakistan, Sophia Gardens
- Natwest One Day International, England -v- Pakistan, Lords
- Natwest One Day International, England -v- Pakistan, Rose Bowl
- Natwest One Day International, England -v- Pakistan, Trent Bridge
- Natwest One Day International, England -v- Pakistan, Edgbaston
- Ashes Tour of Australia, Melbourne and Sydney

Tennis:

- Stella Artois Tennis Championships in Queens Club
- Wimbledon Championships at Wimbledon in London
- French Open at Roland Garros in Paris
- Marsh Classic at The Hurlingham Club in London
- BlackRock Masters Tennis, Royal Albert Hall, London

Rowing/Sailing:

- London Boat Show, Excel
- Henley Royal Regatta in Henley upon Thames
- Skandia Life Cowes Week in Cowes, Isle of Wight

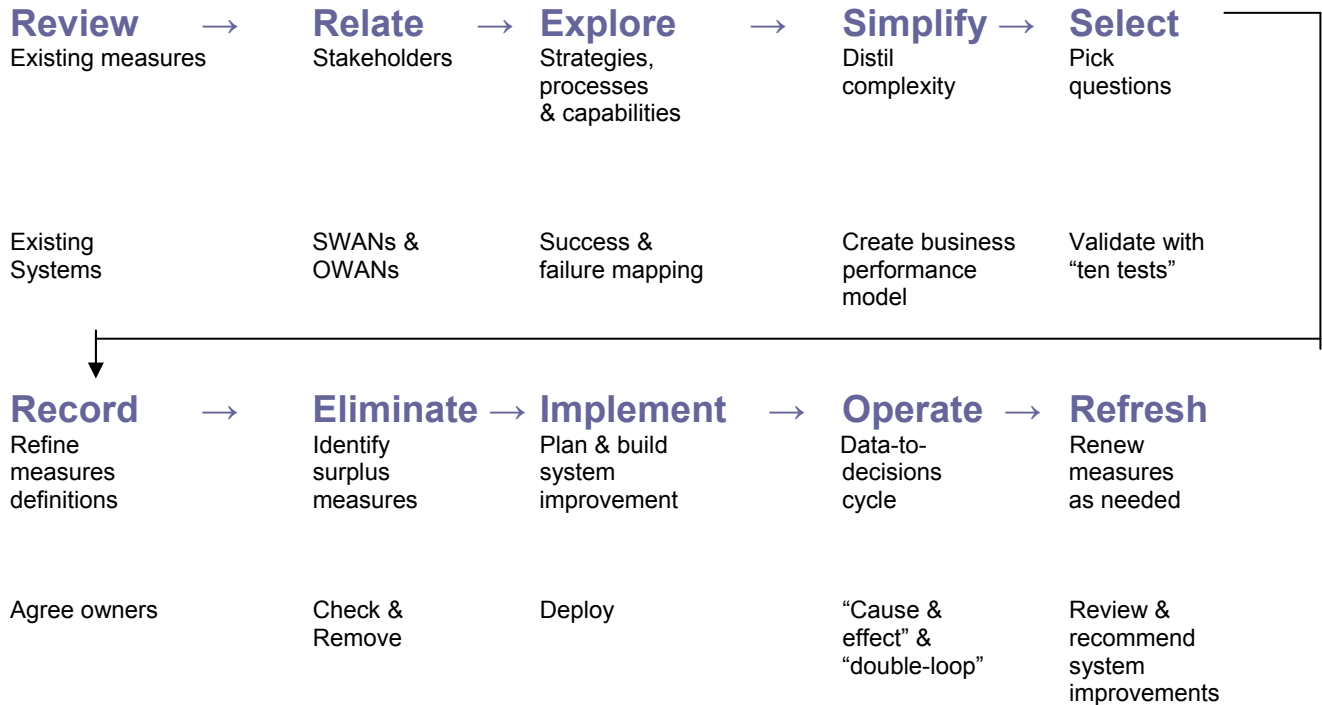
Cultural/Music/Other:

- Cirque du Soleil at Royal Albert Hall in London
- La Boheme, opera, Royal Albert Hall in London
- 5- The Rolling Stones at Wembley Stadium
- Eric Clapton Concert at Royal Albert Hall
- RHS Chelsea Flower Show in London
- Hampton Court Palace Music Festival at Hampton Court Palace
- Hampton Court Palace Flower Show at Hampton Court Palace

- Henley Festival of Music and the Arts in Henley upon Thames
- Glyndebourne Festival, Glyndebourne, East Sussex
- Tatton Park Flower Show in Cheshire
- Farnborough International Air Show in Farnborough
- Edinburgh Military Tattoo in Edinburgh
- Winter Olympic Games, Torino

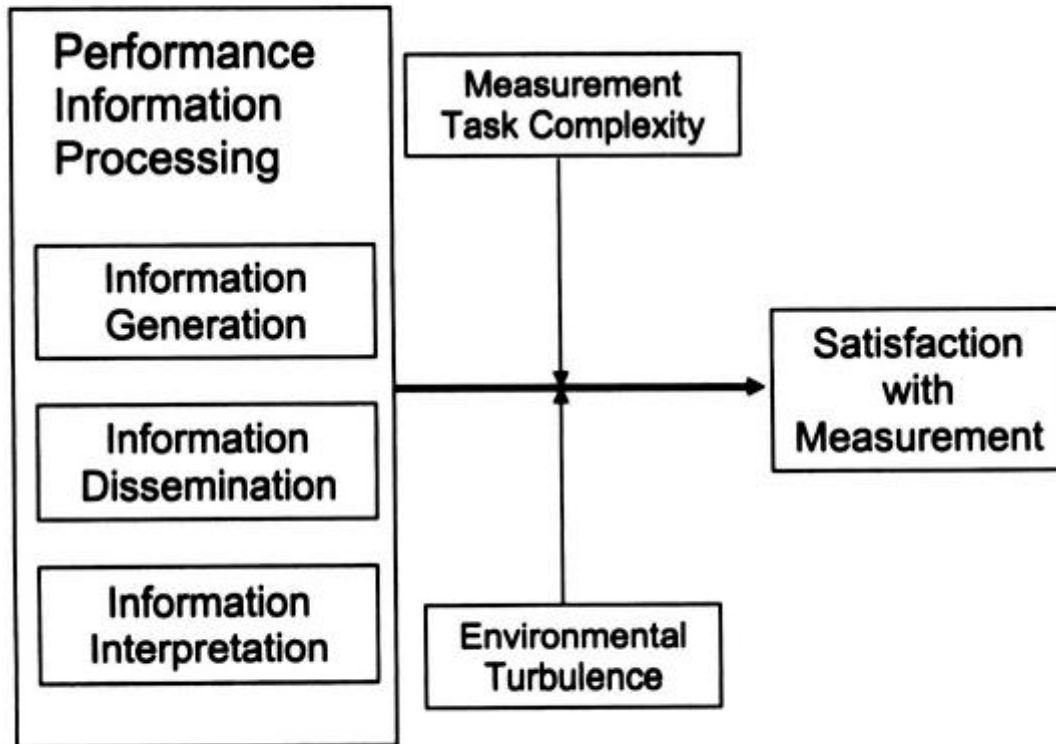
Ref: Mintel, 2007

APPENDIX C TEN STEPS TOWARDS EXCELLENCE IN MANAGING WITH MEASURE



APPENDIX D MEASURES USED IN THE INFORMATION PROCESSING MODEL OF MARKETING PERFORMANCE MEASUREMENT

**Figure 1
Proposed Model**



Measures

Satisfaction

How satisfied are you with your measurement of marketing performance? (Four-point scale, 1 = very dissatisfied, 4 = very satisfied)

Measurement Breadth

What are the top five metrics used to gauge overall marketing performance? (Open-ended)

Measurement Depth

Which of the following metrics do you use to evaluate overall marketing performance and in what way are they used? (Choose all that apply.) (Count of items checked from list of 40.)

Information Dissemination

How would you describe the reporting of marketing performance to the top executive committee?

* Not routinely reported with standardized metrics.

* Provide financial metrics only.

* Provide a large number of financial and nonfinancial metrics (more than 20).

* Provide a refined set of financial and nonfinancial metrics (fewer than 20).

* Provide a short list of predictive metrics used in a quantitative model.

Dashboard Use

Do you use a marketing "dashboard" (a select set of metrics updated regularly) to assess the performance of the marketing function? (Yes/No)

Information Interpretation

THE VALUE OF CORPORATE HOSPITALITY EVENTS

Which of the following metrics do you use to evaluate overall marketing performance, and in what way are they used? (Choose all that apply.) (For each measure checked, respondent indicated one of three usage categories below. Competitive context = proportion of measures used to compare own results to competitors. Goal context = proportion of measures used to compare own results to goals.)

* Measure own results.

* Measure own results versus competitors.

* Measure own results versus predefined goals.

Efficiency and Effectiveness

How do you see the focus of marketing performance measurement evolving?

* Increasingly focused on marketing effectiveness (i.e., ability to achieve set goals).

* Increasingly focused on marketing efficiency (i.e., ratio of investment to returns).

* Both remain equally important.

Task Complexity

Which metrics do you use to evaluate the effectiveness of

advertising, public relations, sponsorships, Internet marketing, sales promotions, loyalty programs, conventions/trade shows, new product development (prior to launch), new product development (post-launch), customer service, investor relations.

(Varying checklists under each task. Respondents could check "Don't perform this activity." Any other item checked was taken as indicating the organization performed this task. Measure counted number of tasks performed.)

Turbulence

Respondents classified themselves into one of ten industries:

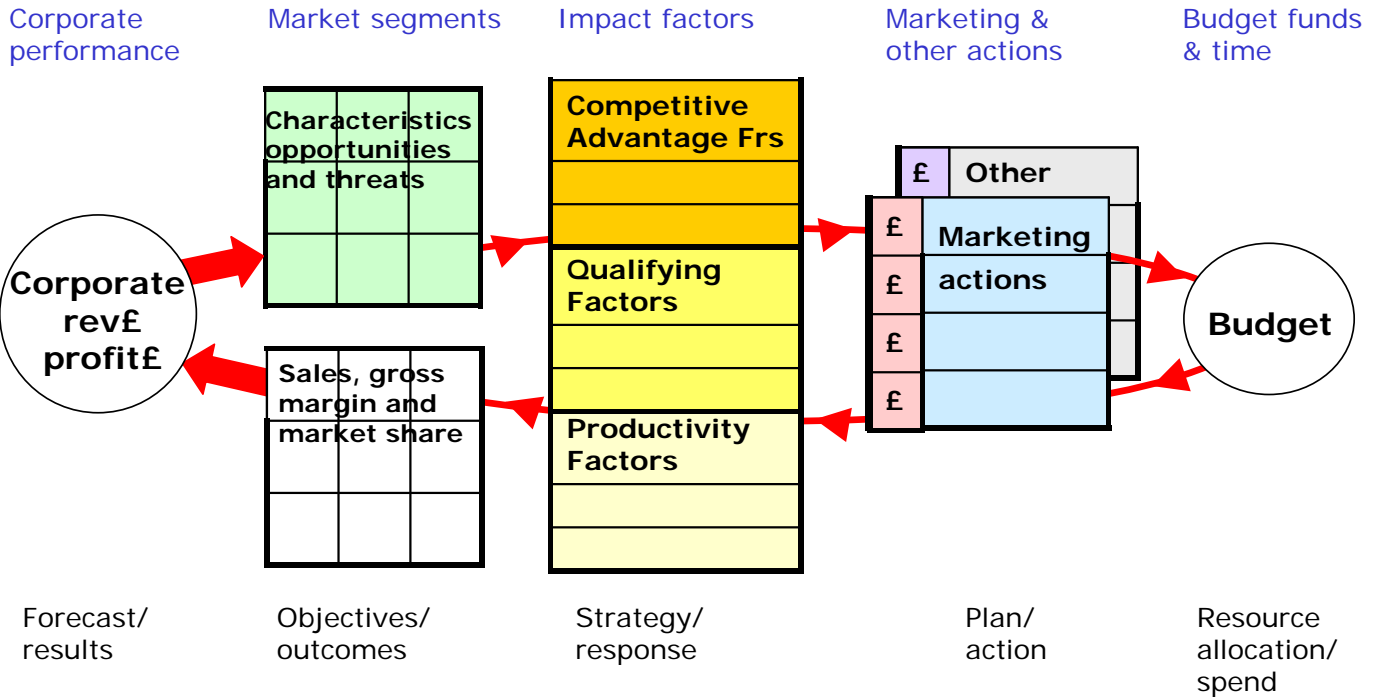
high-tech,* pharmaceuticals,* consumer products, other manufacturing, telecom,* energy, utilities, retail, financial services, other services.

(* Industry is turbulent.)

Ref: Abela, A. Ambler, T. Clark, B. (2006)

APPENDIX E MARKETING MEASUREMENT ACTION RESEARCH MODEL

Business element



Future/ actuality

Ref: Woodburn, 2005

APPENDIX F INTERVIEW QUESTIONNAIRE

I. How are corporate hospitality events measured?

1. How does your company value the measurement of corporate hospitality events?
2. How do you measure the effectiveness of your corporate hospitality events?
3. What benefits do you get from corporate hospitality events?
4. What are the strengths & weaknesses of your current approach to corporate hospitality?
5. Could you go through the difficulties you face to measure corporate hospitality events performance?

III. How corporate hospitality events should be measured

1. What strategic approach do you adopt for corporate hospitality?
2. What strategic approach should you adopt for corporate hospitality?
3. Could you explain how you integrate corporate hospitality events in your marketing strategy?
4. How would you describe the relationship between your strategy and measurement needs?
5. How would you explain the effects of corporate hospitality on your:
 - corporate image?
 - relationships with customers
 - customers' price sensitivity

6. Does corporate hospitality affect bottom line?
7. How could corporate hospitality affect bottom line?
8. Could you define the technology you use to determine return on investment?
9. How would you describe the reporting of corporate hospitality performance to top management?
10. Could you specify what other measurement methods you have considered?
11. What outcomes of corporate hospitality would you be satisfied with?
12. a) Do you see yourself doing more corporate hospitality events in the future?

b) If not, why not?
13. How do you see the focus of corporate hospitality performance measurement evolving?

APPENDIX G

ZOOMERANG QUESTIONNAIRE RESULTS

APPENDIX H

EBMS SYSTEM

	<u>Event Venues</u>	<u>Conference Organizers</u>	<u>Exhibition Organizers</u>	<u>Destination Marketers</u>	<u>Event Contractors</u>	<u>Event Hospitality</u>
Marketing						
Event CRM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tour Sales				<input type="checkbox"/>		
Public Relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Membership Services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Venue Booking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Contract Administration	<input type="checkbox"/>					<input type="checkbox"/>
Events						
Event Management & Coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Speaker & Abstract Management		<input type="checkbox"/>				
Exhibitor Services	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
EBMScad			<input type="checkbox"/>			
Electronic Data Interchange (EDI)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operations						
Services & Work Orders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Personnel Management	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
Inventory Management	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
Food Service	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
Telecommunications	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
Job Management	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
Attendance						

THE VALUE OF CORPORATE HOSPITALITY EVENTS

Event Registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On-Site Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audience Participation & Surveys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financials						
Cash Book	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts Payable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts Receivable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed Assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Accounting & Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General						
Document Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Query & Reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ref: <http://www.ungerboeck.com/tabid/159/Default.aspx>

APPENDIX I JACK PHILLIPS' ROI MODEL

Ref: The Levels of Objectives and Measurement, ROI Institute