n-person events are a cornerstone touchpoint for many B2B companies, but as the outbreak of the newest strain of the coronavirus progresses worldwide, major business events have been canceled or postponed. This will come at great cost to marketing budgets and can have a lasting impact on revenues and sales.

Recode reported that “the direct economic loss” from these canceled events will surpass $500 million, citing data from PredictHQ. And new research from Demand Gen Report shows that in-person events are crucial to many B2B companies’ business: More than half of US B2B marketers said that in-person events and tradeshows were an effective channel for driving conversions. Events were seen as more effective than digital channels like email (48%), product demos (39%) and the company website (34%).
From the same survey, 41% of respondents would increase their event marketing budget in 2020.

Event changes and cancellations began in earnest February when organizers nixed Mobile World Congress and has only continued since: Facebook cancelled its marquee F8 event, Google said it will be holding its Cloud Next 2020 event virtually, and Adobe scrapped its annual Las Vegas summit. Other midsize B2B tech companies like SalesLoft, Qualtrics and Demandbase announced similar plans to postpone or cancel their annual user conferences.

SXSW is expected to continue from March 13-22, despite concerns from thousands of Austin residents who signed a petition to cancel the festival. Still, several major vendors and sponsors have pulled out including TikTok, Amazon, Vevo and Twitter.

For the organizers, sponsors and attendees of these events, these disruptions represent potential business losses down the road. The potential awareness usually garnered through speaking opportunities and media exposure cannot be regained. Critical prospect and customer meetings have been canceled—this lost touchpoint could stall pipeline velocity for B2B companies. This isn't just a dent in marketing budgets, but potentially can have lasting affect on sales.

Companies will have to be creative on how to continue engaging event attendees without an in-person engagement. Marketers need to
remember the fundamentals of good marketing and devise next steps that account for the target audience and what the event’s goals were.

- **Go digital and be nimble.** As more events get canceled, the likelihood that replacement touchpoints will be digital is high, which is what we saw with several companies that canceled physical events and opted to host virtual conferences instead. The challenge for companies will be being nimble enough to move away from their event strategy—often months in the making and fully paid for—and pivot to produce digital content or engagements that can still influence the intended audience.

- **Consider direct mail.** Direct mail pieces could be a unique option that still offer a personal, in-person touch. However, with manufacturers in China being affected by the outbreak, other supply chains may need to be considered.

- **Measure everything.** These cancellations can provide a great opportunity for marketers to A/B test whether their events are as crucial as they presumed: Money is invested into marketing and holding events under the assumption that they will nurture business opportunities and engage current customers, but what happens if cancellations don’t have a major impact? Will that prove that the events were not as necessary as previously expected?

For now, companies need to make sure they are prepared to ensure continuity of business in the eventual likelihood that there will be further restrictions placed on work and travel. Early data already shows that business travel—and to Asia in particular—has already been disrupted: According to the Global Business Travel Association, more than eight in 10 (84%) travel professionals surveyed said they’ve canceled all trips to China, with 54% and 35% saying they no longer plan on traveling to Hong Kong or Taiwan, respectively. However, one-third said they haven’t canceled any international trips, and a vast majority (93%) said they haven’t canceled any domestic travel.
In the US, the Centers for Disease Control and Prevention released guidance in February for employers and encouraged companies to cancel non-essential business travel to countries that have widespread or sustained transmission of the new coronavirus.

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Report by Jillian Ryan Feb 28, 2019

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