



EVENT TECHNOLOGY

Virtual Events Need a Better Business Model

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OCTOBER 16, 2020

The virtual event revolution is well underway, and it shows no signs of slowing down. Here's how to supercharge the revenue model.



When the first signs of what turned out to be the most disastrous moment for the event industry started to surface, many of us thought that we would be back in action by the summer.

The truth is that we are still at square one in the fourth quarter of 2020. With many countries experiencing second and third waves of the virus, it seems that our worst are materializing. We are in it for the long haul.

Planners keep postponing or canceling, and among a mess of openings and lockdowns, one element of this nightmare remains stable: virtual events.

If you want to host a secure version of your event without having to consider social distancing, testing, tracing, sanitizing, crazy traveling, and the possibility of being sued, virtual events are the only option.



20 EXPERTS ANSWER THE TOP 20 QUESTIONS ABOUT VIRTUAL EVENTS

CATCH UP ON DEMAND

Are Virtual Events a Good Option, Though?

If you ask everyone working in the live event industry, they will tell you that there is no comparison with face-to-face interaction. As much as I agree with that, it would be childish not to see that this is a biased answer. Many event professionals in F&B, hotels, and entertainment events have been completely cut out of virtual; they have no interest in saying virtual events are a great alternative and never will.

Some people are finding great value in the unprecedented opportunity to connect to so many significant initiatives from all over the world. Others are discounting virtual events as boring and unengaging.

Aside from personal opinions and the inherent polarization of the times we live in, it is worth asking whether virtual events are a viable and long-term opportunity for businesses to stay alive or for brands to keep a direct connection with their customers.

Very Few Are Making Money from Virtual Events

Our research says that 70 percent of planners will recoup zero to 25 percent of lost revenue from their live programs with virtual events.

You don't get a business going with 25 percent of your max revenue.

Only 1 percent aim to recoup everything they lost in 2020. You don't get the industry back up on its feet with 1 percent.



Many factors are pushing virtual events today that won't last forever:

- **Attendance is inflated.** Many regions are still under lockdown, and many of us are working from home. Event hopping is a great way to waste some free time. As more regions reopen, we will inevitably see numbers go down.
- **Low barriers to entry create a false sense of success.** It took us ten years to come up with FOMO, and it was gone in a second. The fact is that, as much as many tried, you cannot simply charge the same price for live as for virtual. With many choosing the free option, all that effort to build strong event brands is virtually gone. Events can be accessed from anywhere. The motivation to attend is low, contributing to inflated attendance numbers.
- **Awareness is great, but it doesn't pay the rent.** Many brands chose to pivot to virtual for the sake of brand continuity, to keep talking to their audience. With almost a full cycle behind us, we need to start thinking about what's next. The reality is that another virtual event won't make us sustainable if we don't get the business model right.

How Can Virtual Events Make Money?

Virtual events need a better business model. They need to help brands keep the conversation alive while bringing in revenue. We risk losing track of the endgame if we get sucked into the vortex of free events without a solid business proposition for what we are doing.

A well-produced Youtube video is a better alternative to a complex virtual event if the purpose is just awareness.

Now feels like the right time to go back to the drawing board and re-evaluate our virtual event strategy for 2021 as there is no chance that things will get better before the third quarter of



Event professionals cannot do this by themselves. While we are in awe of how many were able to ace the crash course in virtual events in the space of a few months, this is a mammoth task that requires many moving pieces to come together. Here are some:

1 Decide whether you are a conference or a tradeshow.

To fix their business model, planners have to decide whether they should operate as a conference or a tradeshow. This is event planning 101, but many seem to forget the basics of how revenue generation works for events.

If an event ticket was very high pre-pandemic, such an event operates as a conference. Consider keeping the ticket price somewhere in the region of 25 percent of its pre-pandemic level and relying less on sponsorship. In this case, the subscription model, community, and on-demand video are vital to maximizing revenue.

Events that used to be free or have low pre-pandemic barriers to entry should be operated as trade shows. The business model for these events should be aimed at increasing the volume of registrations and delivering more sponsorship opportunities. Networking is also crucial in this model. Offering better networking opportunities should be a priority to maximize sponsorship value.

2 Use a subscription model for ticketed events.

One of the best ideas for ticketed events that happen regularly is to bundle them and offer subscriptions. As Netflix does with shows, planners should deal with events. Bundling creates more value than selling tickets for individual events.

Attendees may be busy for an event, or timing may not work out. That's missed revenue. Bundling means selling more than the individual event; it means selling the many opportunities available throughout the year. An alternative is to consider a freemium model that offers one event for free and asks for payment going forward.

The missing piece here is virtual event technology, still largely unable to offer subscription model features for planners. It's a pretty stupid feature to miss; we hope they can get on with it soon.



with virtual event platforms, there is obvious potential to create an ongoing community. It's just a waste to register attendees every time and reset the content for a repeat event.

Building communities around events has been a mirage since the dawn of social media. Everybody has been preaching that a year-long community is better than just occasional interaction, but nobody has nailed it. We now have an opportunity to get people online talking to each other between events, opening up a new community channel.

For those events that are heavy into content as part of their business, this paired with a subscription-based model is the natural evolution. Once again, virtual event platforms tend to be very rigid. Most charge per event and do not allow for member portability. We hope that they can clear the path to ongoing community building.

4 Reward live attendance.

The promise of the kind of engagement that only events can offer materializes only when attendees are participating live. Catching up on demand cannot be the default option. If we are talking about free events, having the opportunity to watch the recording undermines attendees' motivation to engage during the event.

Live attendance should be rewarded with a free ticket (if you do free); on-demand content should be paid for. This reinstates a key component of events: They need to happen live.

When attendees engage with the live event, they are more motivated to relate to the content and activities. If they are watching a recording, they'll feel like a second-class audience, and they won't be as engaged. Sponsors will demand higher attendance rates going forward, and planners will need to deliver on those.

5 Offer better content on demand.

As a result, those planning to upsell on-demand need to up their content game. The content has to be packaged in a better way. It cannot be a four-hour video to watch without cues.

Top-of-mind considerations should include breaking down the video per session, adding notes, offering different media formats, and including audio-only access.



Most platforms do a horrible job of offering on-demand content packaging opportunities, relying solely on Zoom recordings. To have the confidence to sell on-demand, brands need better tools.

6 Offer one-to-one meetings and networking.

Where virtual event platforms are very behind compared to live events is networking. It's still awkward, and it does not deliver on business objectives. More can be done in an element that remains the most important for many events.

For planners embracing the trade show model, there is an emphasis on delivering better lead generation opportunities to sponsors. Networking is critical from this perspective. Choosing platforms that support better networking is essential, but the event design also has to support matchmaking and meeting between attendees.

A good example is what we are doing with our next event, where after a few hours of content, we are opening the stage to one-to-one software demos that attendees are actually looking for.

IN CONCLUSION

As the virtual event market matures, so should the strategy of event professionals. Virtual events need a better business model to become long-term tools to make up for lost revenue from live programs.

There is a need for better virtual event platforms that adopt a revenue-first mentality and build tools around that.

Planners also need to re-evaluate their event programs and oil up their revenue engines. Free events, mildly attended, are not a viable business strategy. More effort is required to step up barriers to entry and make attendees feel they are missing out.

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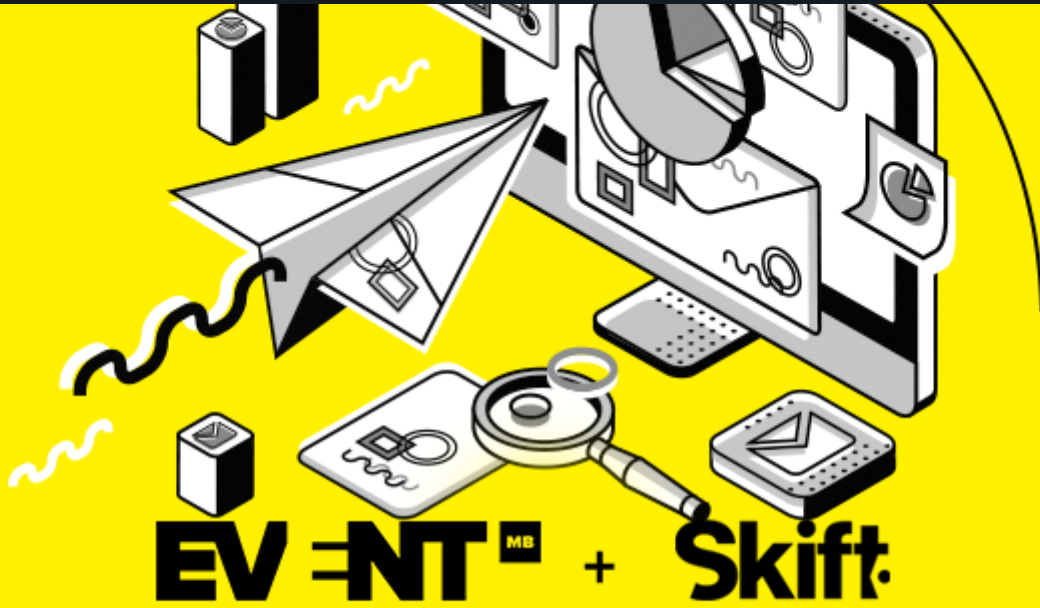
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