

Online Does Not Mean “On the House”

Financial Considerations: Cost Drivers and Revenue Streams

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Online Event Cost Drivers: Platforms, Production, and People

Although many standard conference expenses will be eliminated or greatly reduced by going online (e.g. travel, hotel, catering, printed material), some costs may simply shift, and new ones will be introduced. One cost driver can relate to simply requiring a different skill set and technical expertise to successfully run an online event.

The bottom line is: your online conference or event has real costs, requires skills to produce and host well, and you have to figure out how to raise the revenue you need to make it sustainable.

Platforms

The cost for the online video conferencing platform you select can vary from less than a hundred dollars on a month-by-month subscription for just the duration of the conference with a limited number of attendees to tens of thousands of dollars for large scale online conferences with thousands of attendees.

Costs depend on a variety of factors including specific features required, number of seats required, type and availability of technical support, and ability to integrate other software to enhance the experience.

A full-scale, professional, white-labelled online conferencing system tends to be packed with features and capabilities. Not only does this drive up the cost, but, if unfamiliar to attendees, it can also require

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added time and require a different skill set and know-how to run the interface and take advantage of all its functions.

Furthermore, you may be considering sign language and spoken language interpretation services, live transcription or closed captioning, or additional collaboration tools like whiteboards. Each adds incremental costs to pay for the use of technology as well as costs for training and human resources.

Production

While you don't have to think about audio-visual services for the in person conference, coffee breaks or meal service, some of the content of the online conference may entail additional costs:

- pre-recorded speakers videos (either recorded using basic technology like zoom or screen recording software or shot by professional videographers)
- producing welcome video or a land acknowledgement video
- pre-taped sponsor messages

Even if speakers or workshop leaders appear live, they may incur some costs by requiring online collaboration tools for their session to be effective.

Other production cost drivers can come from creating special fully produced social events like:

- gala awards with live / pre-recorded artist performances
- online dinner party where the ingredients are supplied by a delivery service in advance and the meal prepared in advance and shared while online
- a dance party with lip synch competition, performances, break out groups to mingle and meet random people cocktail party-style.

The exact costs will depend on the calibre or hosts or artists, the number of computers required, specialized software, staff to run the various aspects of the event.

Although providing green room for speakers or safe spaces rooms may somewhat increase your costs because it requires contractors as event producers and technical support or staff as moderators), they will only be small incremental increase rather than major cost drivers.

Artificial Intelligence (AI) tools have begun to appear everywhere online, including in transcription and translation fields. It is important to watch their evolution as most aren't delivering the human-like experience or accuracy required for a professional online conference or event. However, it is clear that they will improve over time; it just isn't clear how much time that will require.

People

We may think of web platforms as existing in the cloud, but they certainly don't exist in a void: they usually require people to run them and use them. In fact, although their skillset will be quite different, just as many people may be needed for running an online conference as an in-person one. As well as an event producer (either a specialist company, an independent contractor, or train staff), you'll need, for example: chat box and breakout room moderators, audio visual and other technical support, someone to manage participant issues, and, if using them, interpreters and transcribers.

Speaker fees may be reduced in absence of travel time (normally rolled into their fees). However, you will need to spend time to ensure speakers have adequate internet, webcams and audio equipment to stream

live, and look and sound good. If possible, budget for a videographer to work with your speakers for any pre-recorded material.

If your event involve hiring artists, have adequate performance fees built into your budget. You also need to remember that artists have rights to their performance and that you need to negotiate fees for any additional rights, such as rebroadcasting their performance.

Revenue Sources: Attendee Registration and Sponsorships

It has been said that *free* is not a business model, let alone a way to secure online or hybrid conferences as a sustainable part of your activities or mandate. For some membership-based associations their annual conference is a pivotal part of their business model requiring more than a break-even scenario. Regardless of the old model, with the world having turned toward the digital realm in the age of COVID-19, it is important to fully consider the implications of the price of admission.

The Price of Admission

There are four major considerations around pricing your online conference or event:

1. value and perceived value
2. setting precedence
3. your expenses
4. participants' ability to pay

Value and Perceived Value

The amount you can ask participants to pay for your conference is based on their perception of value, which to some extent will be based on the price you charge. Pricing research has shown¹ for instance, that people think wine tastes better when it's more expensive, and a product is seen as having better quality if it has a higher price.

People aren't merely buying a commodity when considering your online conference. They are buying awareness of leading practices in their field, insights about the future, solutions to their problems, and they buy new connections to grow their professional networks. Show them the value you provide, and people will want to participate. Provide valuable, timely content delivered by great speakers and experts. Put time and effort into your event production so that attendees become active participants, and come away with feelings of connection and belonging; an excellent learning and networking outcomes.

Setting Precedence

For some online conferences, events or online collaboration goes back 20 year or so. But many others have been thrown into the digital world unexpectedly, and are finding themselves on a steep learning curve while putting together online events quickly.

Notwithstanding the internal realities and challenges, it is important to guard against not charging for events, just because it is new, or because you are unsure people will pay for it. When there is an exchange

¹ <https://wendymaynard.com/the-surprising-reason-you-should-charge-a-premium-price-for-your-services/>

of value everyone has to take responsibility in a reciprocal way for their role in the relationship rather than succumb to the short term benefits of setting an unsustainable precedence.

Truth be told, we don't know for how long it will be necessary to gather online for all types of events. The again, we may find that we like it, that it makes professional development better and we may continue to do so even when we are able to travel and gather in person again. All to say, if we don't charge a price for admission now, however small it may be, it will be difficult to expect people to pay next time.

Your Expenses

There is no reason to abandon the basic goal of breaking even when shifting your conferences and events online. With conference revenues generally limited to the three main categories of sponsorship, public funding, and participant registration, it is no surprise that "solid registration pricing strategy is one of the most critical aspects of a successful conference."² Your online conference cost money to put on; finding the right balance of your revenue sources is crucial for sustainability.

Participants' Ability to Pay

Recently, a general participant pricing rule of thumb has emerged. This rule of thumb says that it is reasonable to charge online events at 10 - 30% of the in-person experience, '10% for first time virtual events (such as through a member discount), and 30% for groups that have been producing virtual events for a while and have a good track record.'

Of course, your event is worth what it is worth. There are two main pricing approaches possible:

- You can use pricing strategies to target a certain type of participant, or to keep registrations to a certain level, as pricing functions as a barrier to attendance for some people.³
- You can use pricing strategies to create near open access based on your targeted attendees' ability to pay. To that end you can present pricing options to potential attendees to ensure everyone who wants is able to attend. This can be as simple as a note on the registration page that invites potential attendees to get in touch to arrange a lower or zero rate registration. Another option is to simply embed sliding scale options in the registration pricing online up front, such as: pay 100% of full registration, pay 75% of full registration down to 0%.
- You can also offer several choices for registrants, including optional sessions/days, and incentives such as early bird rates. The basic idea is to anchor value high, while using incentives to obtain a lower final price. It is also worth to offer savings for multiple people registering from the same organization.

If your event is fully funded by sources other than participants, be sure to clearly state that attendees registration fees are covered by the public funder or sponsors.

² <https://www.eventbrite.com/blog/conference-registration-pricing-dsoo/>

³ [How to Price Your Virtual Conference; posted July 9, 2020 by K.C. Hopson & filed under Event Rebels Blog, Online Registration - Keys to Success, Virtual Events, What's New](#)

Sponsorship

Online conferences offers exciting new opportunities for sponsors from increased visibility, valuable data/metrics, increased return-on-investment, to direct engagement spaces that create greater engagement with, and value to, partners and sponsors as well as attendees.

By collecting information through online registration (i.e. job title, company name, location, and interests, or planned spending), you can provide more specific information about the attendees to sponsors. This can be easily done within applicable privacy legislation.

Cultivate Meaningful Connections

For the attendee, traditional logos and sponsor recognition can feel like a perfunctory exercise in politeness. Within an online conference you can be far more creative, than placing logos on screens. And in so doing, you can create opportunities for networking, lead generation and lead qualification.

For example, a short video woven into the live online event (anything from a welcome video and body breaks to entertainment or live comedy acts), can go a long way to showcase authentic interest and alignment of the sponsor. Gamification methods are another way to connect attendees with sponsors, offering fun or rewarding activities while providing sponsors with direct interaction with potential clients, as well as the opportunity to collect contact information and other information.

There are many means to promote sponsors, such as links to their web presence in your e-news, highlighting sponsor profiles on your own web presence, emailing sponsor guest blogs/videos as part of your event updates, and social media take-overs. Sharing content with your online network, for example, on LinkedIn, Facebook, Instagram, not only extends visibility to conference delegates, but also to a wider network across the province, the country, and beyond.

Extending Sponsor Value

Digital tools create opportunities for year-round support from corporate sponsors. This doesn't only develop their relationship with you, but also allows your sponsors the chance to cultivate more meaningful relationships and connections to potential new clients. Connecting sponsors and participants via your conference listserv (or registration) allows your sponsors/partners to share valuable insights, trends and news and information (white papers, statistics) to your attendee network.

Pre-event, physical swag bags delivered by mail can engage attendees with your sponsors/partners before the conference. This gives attendees not only a sponsor's memento, but can deliver useful information or simply feature a surprise and delight element that is highly valued. And most certainly, by receiving something tangible in the mail, your attendees will begin to anticipate their online conference experience differently and their commitment to attending may rise, too.

During the event, you can put together digital swag bags, or event packages (some platforms will do this for you), as a place where attendees can go for a variety of tools and messages.

And once the conference has come to a close, sponsor value can be extended driven by the shelf life of the captured event media. Posting video summaries, conference proceedings and so on. Sponsors and funders can gain recognition and value, through video intros, outros, sponsor slides, graphics and so on that can be integrated into post-event video-on-demand (VOD).