CVENT:
EUROPEAN EXPANSION RESEARCH
FOCUS ON GERMANY & SWEDEN

SCHOOL of INTERNATIONAL SERVICE
AMERICAN UNIVERSITY - WASHINGTON, DC

Erin Davis (International Development), Ruth Duersch (Comparative and Regional Studies), Otis Holloway (International Peace and Conflict Resolution)
Issues of Multinational Enterprises – Spring 2015 – Professor Bocskor

Written by Erin Davis, Ruth Duersch, and Otis Holloway
Spring 2015 Practicum
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>i</td>
</tr>
<tr>
<td>KEY INSIGHTS / SUGGESTIONS</td>
<td>ii</td>
</tr>
<tr>
<td>PROJECT BACKGROUND</td>
<td>1</td>
</tr>
<tr>
<td>PROJECT GOALS</td>
<td>1</td>
</tr>
<tr>
<td>PHASE I – COMPARE EUROPEAN LANDSCAPES</td>
<td>2</td>
</tr>
<tr>
<td>MATRIX RESULTS</td>
<td>3</td>
</tr>
<tr>
<td>PHASE I OUTCOMES</td>
<td>4</td>
</tr>
<tr>
<td>PHASE II – GERMANY AND SWEDEN FACTORS FOR EXPANSION</td>
<td>5</td>
</tr>
<tr>
<td>GERMANY</td>
<td>6</td>
</tr>
<tr>
<td>GERMAN BUSINESS ENVIRONMENT</td>
<td>6</td>
</tr>
<tr>
<td>Market Considerations</td>
<td>6</td>
</tr>
<tr>
<td>Sales and Marketing Landscape</td>
<td>8</td>
</tr>
<tr>
<td>GERMAN EVENTS ENVIRONMENT</td>
<td>9</td>
</tr>
<tr>
<td>Events Market Trends</td>
<td>9</td>
</tr>
<tr>
<td>Events Market Challenges</td>
<td>10</td>
</tr>
<tr>
<td>Forward-Looking</td>
<td>10</td>
</tr>
<tr>
<td>GERMAN TECHNOLOGY ENVIRONMENT</td>
<td>10</td>
</tr>
<tr>
<td>Data Privacy Regulation</td>
<td>11</td>
</tr>
<tr>
<td>Investing in Innovation</td>
<td>11</td>
</tr>
<tr>
<td>Opportunity in SMEs</td>
<td>12</td>
</tr>
<tr>
<td>Hardware Penetration</td>
<td>13</td>
</tr>
<tr>
<td>SaaS Adoption</td>
<td>13</td>
</tr>
<tr>
<td>Purchasing Considerations</td>
<td>13</td>
</tr>
<tr>
<td>SWEDEN</td>
<td>15</td>
</tr>
<tr>
<td>SWEDISH BUSINESS ENVIRONMENT</td>
<td>15</td>
</tr>
<tr>
<td>Market Considerations</td>
<td>15</td>
</tr>
<tr>
<td>Sales And Marketing Landscape</td>
<td>16</td>
</tr>
<tr>
<td>SWEDISH EVENTS ENVIRONMENT</td>
<td>17</td>
</tr>
<tr>
<td>SWEDISH TECHNOLOGY ENVIRONMENT</td>
<td>17</td>
</tr>
<tr>
<td>Cloud Services</td>
<td>18</td>
</tr>
<tr>
<td>Technology Usage and Adoption</td>
<td>18</td>
</tr>
<tr>
<td>Infrastructure and Workforce</td>
<td>19</td>
</tr>
<tr>
<td>Start-up Environment</td>
<td>19</td>
</tr>
<tr>
<td>Data Center Location</td>
<td>19</td>
</tr>
<tr>
<td>Hardware</td>
<td>20</td>
</tr>
<tr>
<td>EUROPEAN EXPANSION STRATEGIES</td>
<td>21</td>
</tr>
<tr>
<td>EVENTBRITE EUROPEAN STRATEGY</td>
<td>21</td>
</tr>
<tr>
<td>Acquisition</td>
<td>21</td>
</tr>
<tr>
<td>Partnerships for Product Innovation and Local Language Offerings</td>
<td>21</td>
</tr>
<tr>
<td>Local Talent Acquisition</td>
<td>22</td>
</tr>
<tr>
<td>SALESFORCE EUROPEAN STRATEGY</td>
<td>22</td>
</tr>
<tr>
<td>Partnerships For Data Centers</td>
<td>22</td>
</tr>
</tbody>
</table>

American University | Cvent European Expansion Market Research | Spring 2015
EXECUTIVE SUMMARY

Cvent is a Software as a Service (SaaS) company that provides technology to connect event planners, registrants, venues and internal teams. Cvent's event management software has modernized the event planning and registration processes. After experiencing rapid growth and recurring revenue in its home market of the United States, Cvent opened an office in the United Kingdom. In order to further increase its customer base, Cvent began considering expansion into Germany. As the largest event and consumer market in Europe, Germany appeared to be an attractive venue for Cvent. However, the company needed a means to validate its assumption.

Our team was tasked to develop a framework of analysis that would allow Cvent to strategically approach future international expansion. The aims of our project were to validate if Cvent should proceed with expansion to Germany, to examine the feasibility of Cvent software adoption in other European markets, and to establish a methodology that Cvent could utilize to evaluate markets globally.

A matrix was developed to compare markets. It comprises 19 categories from the business, events, economic, and technology sectors. Using four methods to analyze the matrix, Sweden consistently ranked #1 and Germany consistently ranked #2 or #3. These findings validated Cvent's hypothesis that Germany is a suitable option for international expansion, while providing evidence that supports expansion into Sweden. After these markets were identified, substantial research was conducted to ascertain key aspects of their business, technology, and events landscapes.

We found that Germany is foreign-business friendly and business leaders are concerned about reputation and productivity. Face-to-face interaction is important, particularly in introducing new software, though business is still conducted primarily via email. Though English is spoken well, German end-users need Cvent’s software and customer support to be offered in the German language. On the other hand, although Sweden is a smaller market, it is a gateway for marketability into the Nordic and Baltic regions. The workforce is well educated and prefers to conduct business in English. Technological innovation is engrained in the business culture as employees determine where they want to work based on perceived company innovativeness.

Furthermore, the team researched the strategies of U.S. companies offering similar services as Cvent that have already experienced successful launches in Europe. Included in this report are details on Eventbrite, Salesforce.com, and HubSpot. Learning from these groups, Cvent should consider hiring local talent, pursuing acquisitions, offering local language email and live support, and partnering with companies to create data centers for European data storage.
KEY INSIGHTS / SUGGESTIONS

The following is a list of insights gathered by the team throughout the research. Some are clearly outlined in the report, and others are additional observations that are not as obvious from the report’s contents.

- International expansion is not just about market size. Other key factors must be evaluated to determine whether a market is feasible for technology adoption and friendly to foreign business participation.

- Establishing local offices will help Cvent prove it is willing to make a long-term commitment to these countries. Europeans want to know that they will be supported long-term and from a local perspective.

- Data centers should be built in the EU, or data should be stored at data centers in the EU to assuage strict data privacy laws.

- In order to target the interests of business leaders, a case study could be developed for Germany that focuses on a German company using Cvent to increase its productivity. A separate case study could be developed highlighting a Swedish company using Cvent in an innovative manner.

- Germany’s investment in researching and understanding its events market is unparalleled in Europe. The amount of available information about the German event market trends and future is encouraging for Cvent, as it is clear Germans are working to develop this industry and maintain their status as a global events hub.

- Cvent could explore ways to partner with universities in Germany and Sweden. Computer science and information systems students could be streamlined into Cvent’s offices for internships and jobs. Additionally, both countries have university programs that are specifically focused on event management degrees. Cvent could also partner to provide Cvent software to universities at a discounted rate, or for free, to start familiarizing future event planners with its services.

- SMEs comprise a large portion of the European economy and should be given special attention when strategizing.
PROJECT BACKGROUND

Cvent is dedicated to improving the traditional event planning process via innovative technology. Cvent connects event planners, venues, registrants, and internal teams through robust platforms in its suite of services. Customers in more than 100 countries use Cvent software to plan events, find venues, manage registration data, track program trends, facilitate ticketing, create mobile apps, send surveys, and develop strategic meetings management programs.

Though its software is used globally, Cvent only has offices in the United States, India, and the United Kingdom. Cvent is growing rapidly and wants to dive into new markets. Previous international expansion derived from instinct and personal relationships, rather than being wholly data-driven. In the summer of 2014, Cvent hired a sales representative to probe the events market in Germany. According to the German Convention Bureau, 3.01 million events took place in the country in 2013, making it the largest events market in the world behind the United States. Additionally, in terms of European markets, Germany is clearly the largest. As such, Germany is an enticing environment for Cvent.

However, several barriers to entry exist for Cvent in the German market landscape: English language use for business transactions is limited, German companies tend to buy from other German companies, and privacy laws in the country prohibit Cvent from marketing its services via the same successful methods used in the U.S. and U.K. These barriers suggest that another country may be more suitable for international expansion.

Cvent collaborated with our team from American University to probe the European events and software markets to ascertain appropriate locations for the company to pursue international expansion. This report analyzes various European markets to identify which market is ideal for Cvent based on pertinent factors.

PROJECT GOALS

1. Provide analysis to enable Cvent to make an informed decision regarding which countries to open offices in next.

2. Establish a framework to analyze prospective countries for expansion.

3. Consider the feasibility of entering the German market, as it is Cvent’s primary target, and contrast the German landscape to other regional markets.

4. Describe market expansion considerations in Germany and Sweden, which were identified as being well suited to adopt Cvent’s software suite.
PHASE I – COMPARE EUROPEAN LANDSCAPES

In order to ascertain the feasibility of Cvent expansion into Germany in relation to other European markets, it was necessary to develop a means of market comparison. The following ten countries were selected as candidates for Cvent expansion: Germany, France, Spain, Italy, Belgium, the Netherlands, Denmark, Norway, Sweden, and Poland. Each country is a member of the European Union and thus has similarities. However, vast cultural, political, and business landscape differences abound across these markets.

The goal of phase one was to strategically compare market factors across the ten countries to determine which were the most well-suited to adopt Cvent’s software suite. To do this, four areas of analysis (with nineteen individual categories) were selected to research. Each category had a quantitative value, ensuring averages and rankings could be determined. All of this data was then compiled in a matrix for analysis and comparison. Definitions of each matrix category are included in a separate report devoted exclusively to explaining the matrix and the analysis results.

The selected matrix categories, shown below, emerged after conducting research on international expansion and via consultation with Cvent regarding areas of interest to the company. Comparing country results across these categories provided an understanding of the markets well suited to adopt Cvent software from business feasibility, cultural affinity, and technology adoption perspectives.
MATRIX RESULTS

The wide range of topics covered in the matrix indicates international expansion cannot be determined merely by the size of a country. Many other considerations factor into whether a company should pursue a particular market. This became apparent as our team extrapolated findings from the matrix. Some of the largest markets in Europe, though tempting to pursue due to their size, were not as favorable to technology solutions like Cvent’s software suite in relation to the more business-friendly smaller markets.

Below is a snapshot of the matrix. A complete version is provided in the appendices.

<table>
<thead>
<tr>
<th>Area</th>
<th>Category</th>
<th>Sweden</th>
<th>Denmark</th>
<th>Germany</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Ease of Doing Business Index</td>
<td>11</td>
<td>4</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Business</td>
<td>ICC Open Markets Index</td>
<td>12</td>
<td>15</td>
<td>22</td>
<td>6</td>
</tr>
<tr>
<td>Business</td>
<td>Index of Economic Freedom</td>
<td>23</td>
<td>11</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Business</td>
<td>Corporate Tax Rates</td>
<td>22%</td>
<td>24.50%</td>
<td>29.58%</td>
<td>25%</td>
</tr>
<tr>
<td>Business</td>
<td>Workforce English Proficiency Score</td>
<td>71.31</td>
<td>72.58</td>
<td>60.48</td>
<td>71.47</td>
</tr>
<tr>
<td>Business</td>
<td>Labor Costs Per Hour (Euros)</td>
<td>40.1</td>
<td>38.4</td>
<td>31.3</td>
<td>33.2</td>
</tr>
<tr>
<td>Events</td>
<td>ICCA Rank, 2013</td>
<td>15</td>
<td>24</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Events</td>
<td>Cvent Supplier Network</td>
<td>1,270</td>
<td>668</td>
<td>9,949</td>
<td>1,911</td>
</tr>
<tr>
<td>Macro</td>
<td>Population, 2013</td>
<td>9,592,552</td>
<td>5,613,706</td>
<td>80,621,788</td>
<td>16,804,224</td>
</tr>
<tr>
<td>Macro</td>
<td>GDP 2013 Growth Rate</td>
<td>1.50%</td>
<td>-0.50%</td>
<td>0.10%</td>
<td>-0.70%</td>
</tr>
<tr>
<td>Macro</td>
<td>GDP 2016 Forecast</td>
<td>3.10%</td>
<td>1.80%</td>
<td>1.80%</td>
<td>1.60%</td>
</tr>
<tr>
<td>Macro</td>
<td>Unemployment Rate, Dec 2014</td>
<td>7.80%</td>
<td>6.40%</td>
<td>4.80%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Macro</td>
<td>R&amp;D Expenditure as % of GDP</td>
<td>3.4%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Tech</td>
<td>Global Innovation Index</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Tech</td>
<td>Network Readiness Index</td>
<td>3</td>
<td>13</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Tech</td>
<td>Smart Phone Penetration</td>
<td>62.90%</td>
<td>59%</td>
<td>39.80%</td>
<td>52%</td>
</tr>
<tr>
<td>Tech</td>
<td>Number of Apps Actively Used</td>
<td>13.3</td>
<td>13.4</td>
<td>10.5</td>
<td>10</td>
</tr>
<tr>
<td>Tech</td>
<td>Rather Give Up TV than Smartphone</td>
<td>33.1%</td>
<td>25.3%</td>
<td>27.8%</td>
<td>21%</td>
</tr>
</tbody>
</table>

The data included in the matrix is critical to forming a strategy for international expansion, rather than focusing on market size alone.

In order to effectively assess the data retrieved, four methods of analysis were formulated. In the first method, color tiers were assigned to quickly visualize which markets were the most amenable to international expansion (greens) and those that were not as well suited (reds). In another method of analysis, countries were ranked on a point system within each category where the most well suited country received ten points and the least well-suited country receiving only one point. Points were then tallied and ranks determined. Additionally, we compared countries by the areas of analysis (business, events, macro, tech) with points assigned based on results in the overall area, rather than by individual categories.
Realizing that some factors are more important in assessing markets for Cvent, we developed a methodology that utilized a weight system. For example, it is more important to Cvent that a country has high smartphone penetration than it is for a country to have low labor costs. Thus, the most telling method of analysis used to analyze the matrix was a “weighted points” system. In this method, Cvent identified categories that were top priorities. These received a higher weighting relative to other categories in the points system. First tier priority categories were: Networked Readiness, Global Innovation, and Smartphone Penetration. Second tier categories were: Ease of Doing Business, English Proficiency, App Usage, and Rather Give up TV than Smartphone.

As can be seen from the results of the weighted point system below, Sweden is an exceptionally appealing market, outflanking the other countries by almost 30 points. This indicates that Sweden’s market is well suited for Cvent’s international expansion aims. The points below provide a satisfactory summation of the overall matrix findings across all analysis methods.

1. Sweden = 184.5  
2. Denmark = 155.8  
3. Germany = 153.8  
4. Norway = 145.8  
5. Netherlands = 143.3  
6. France = 116.5  
7. Poland = 108.5  
8. Spain = 108  
9. Belgium = 97.5  
10. Italy = 79.0

An in-depth discussion on the four methods of analysis is included in the appendix.

**PHASE I OUTCOMES**

In all four methods of analysis, Sweden ranked #1. It became apparent that Sweden is business friendly and has high technology adoption, making it an extremely compelling option for Cvent’s market expansion plans. Additionally, Germany consistently ranked #2 or #3, indicating the country is also well suited for Cvent. This is a pleasant confirmation considering Cvent has already invested in a German sales team member. Countries consistently ranking at the bottom were Italy, Spain, and Belgium.

The matrix results proved that although Italy, France, and Spain have large market sizes, the countries were not ideal business environments for a software company, such as Cvent.

In short, Sweden was identified as a compelling option for Cvent expansion, and Germany was also confirmed as a well-suited market for Cvent. As such, Phase II consisted of focused research on Sweden and Germany. The team conducted Phase II to carry out substantial research on the business, events, and technology environments in those countries, with the goal of identifying key factors that may hinder market success and providing recommendations that would allow Cvent to expand successfully to Sweden and Germany.
PHASE II – GERMANY AND SWEDEN FACTORS FOR EXPANSION

Taking the findings from Phase I, our team began nuanced research into the business, events, and technology environments in Germany and Sweden. The goal of this phase was to provide Cvent with an understanding of the landscapes in these countries and to identify key factors that need to be considered to develop strategies to enter these markets.

In Sweden, innovation is “a way of life.” Swedish businesses use innovative technology to attract talented employees and to produce cutting edge products. Swedes prefer their software to be in English and thus there is essentially no need for a translated product. Though Sweden’s market is small, the country stands as the gateway to other Nordic nations and is used by many as a regional hub.

Germany is a strong economy and the largest market in Europe. Germans are concerned with productivity and reputation and want to adopt technology once they are confident others have used it successfully. Indeed, Germans tend to be “early adopters, but not first adopters.” German end-users will need their software to be in German and will want German customer support options.

Both countries are concerned with data privacy issues and having data stored in Europe is important to them.

From an events perspective, Germany outweights Sweden in terms of number of events hosted in the country and in the quality of industry research that is available for and about event planners and providers. Germany has vested extensive resources into its events sector to help maintain its rank as the world’s second largest events market and has spent time and money to understand the events landscape trends and future. Though Sweden has put fewer resources behind interpreting its events market, both countries represent strong potential to adopt Cvent’s software.

Altogether, Germany and Sweden both have unique challenges in relation to an assumed Cvent expansion. However, opportunity abounds in both markets. With flexibility and strategic analysis of country-specific factors, a launch in either, or both, countries is likely to yield positive results for Cvent.

---

1 Interview with the U.S. Commercial Service in Sweden, (March 2015).
2 Interview with the U.S. Commercial Service in Germany, (February 2015).
GERMANY

GERMAN BUSINESS ENVIRONMENT

As the largest consumer market in Europe and with cordial views on foreign businesses and investment, Germany is an attractive destination for international expansion. The legal and regulatory systems in Germany are comprehensive and efficient, but can be complex. However, the rules are transparent and consistent with international norms, making Germany a healthy environment for businesses. Beyond just its domestic market, as the geographical and metaphorical heart of the European Union (EU) extensive trade is conducted via Germany and it has become a cornerstone for many U.S. companies from which to launch broader European expansion.

The German government aims to create jobs and stimulate economic growth. German workers are highly skilled, well-educated, and productive. The labor market in Germany has been remarkably resilient, even throughout the recent economic crises. 2013 jobless rate was at 6.9% according to the German Federal Statistical Office, and Germany had the lowest youth unemployment rate (7.5%) in the EU (EU average is 23.6%). Labor unions play a large and active role in German business society.

Market Considerations

The U.S. Commercial Service (USCS) notes very few barriers to entry for U.S. companies expanding into Germany. Successful entrance strategies described by the USCS include offering innovative, high-quality products with modern styling. “Germany possesses one of the highest Internet access rates in the EU and new products in the multi-media, high-tech and service areas offer great potential as increasing numbers of Germans join the Internet generation.” This bodes well for Cvent, as it offers a sleek and innovative software solution that saves corporations money and makes employees more productive.

That said, as Cvent enters the German market it must consider the English language capability of German end-users, local office preferences, and data privacy concerns. Additionally, Cvent should appreciate that productivity and reputation are key concerns for German business leaders. Furthermore, the product research phase in business decisions is more lengthy than in the United States, as Germans tend to conduct extensive market research before conducting a large scale roll-out of services.

Language

A barrier of entry into the German market is language. Germans have good proficiency in English, but prefer to conduct business in German. The typical German end-user will need the entire Cvent software system to be translated into German, as well as customer support in German. It is true that in niche markets, English language products are used. For example, most software developers can operate completely in English. However, there are certain stipulations that operational manuals must be in German.

---

5 Interview with the U.S. Commercial Service in Germany, (February 2015).
Local Offices
U.S. companies must overcome some skepticism that lingers in the German market that American businesses are merely in Germany to make quick sales and then vacate. Germans want companies to show a long-term commitment to the market. They prefer that companies establish local offices, ensuring that they can deal with local contacts and that they will be active in after-sales support.6

Privacy and Data Centers
Germans are very reluctant to share information that does not need to be shared, and keep the amount of data they share to a minimum. In general, the culture is to keep information to oneself. For example, when Facebook introduced face recognition in pictures, this was very poorly received in Germany. This is a cultural difference technology companies need to be aware of.

Additionally, privacy regulations are strict. The double opt-in email marketing rule is enforced religiously. Once a consumer enters their email address into a website, they will receive an email where they must confirm that they want to be included on the list.

Furthermore, Germans are paranoid about having data saved outside of the EU, particularly after the NSA spying information was released. Germans would strongly prefer that data centers be located within the EU, and this is something Cvent should strongly consider (and is being done by other SaaS companies, such as Salesforce).7

The U.S. Commercial Service recommends that due to the stringent privacy laws and regulations on competitive advertising that all companies, “consult with a lawyer before raising, storing or processing any sort of data in Germany.”8

Productivity and Reputation
German business leaders are concerned about productivity. This aligns with the fact that Germans are preoccupied by costs. The German retail market is one of the most competitive markets in the world in terms of profit margin; every dollar rigorously earned. Along with productivity, executives are also worried about reputation. A product is more likely to be adopted by a German business leader based on its positive reputation and if it can be shown that others have used it and it has proven successful to productivity improvement. As such, word-of-mouth is very important.9

Germans seek to avoid uncertainty and ambiguity, and thus lean towards conservatism and conformism. They have high intolerance for risk and product presentation must address those apprehensions.10

Lengthy Market Research Habits
German business leaders are known for conducting extensive market research prior to purchasing a product. A heavy emphasis is placed on planning, consultation, and consensus in Germany. Facts

---

7 Interview with the U.S. Commercial Service in Germany.
9 Interview with the U.S. Commercial Service in Germany.
and statistics are appreciated and sought. In general, German companies will evaluate a product longer than in the United States. Also, they tend to do their own research (online, via trade shows, etc.) prior to reaching out to a sales representative. However once a decision has been made, German companies will roll out on a larger scale than in the United States.

Face to face interaction

When German businesses are considering adopting a new product, according to Ofcom, the UK communications regulatory body, Germans prefer to communicate face-to-face. There is actually a decreasing preference for online messaging. Germany is clearly the outlier among its European peers. Even though Germans rely on email to perform business communications, face-to-face interaction still stands out as a key factor in selling to the German market.

Sales and Marketing Landscape

As in the United States, the strategies used for product marketing depend on the product and audience. Recently, Germans have become more receptive to shopping and receiving information via internet platforms. Indeed, 65% of all direct marketing comes via email and Internet marketing. Telephone marketing accounts for 31%, direct mail at 24%, and inserts in publications claim 18%. Due to Germany’s strict double opt-in email marketing rules, direct mail tactics are still frequently used. However, direct mail is expensive. German companies spend more than EUR 30 billion on mailing expenditures annually.

---

11 Kwintessential, “Doing Business in Germany.”
12 Interview with U.S. Commercial Service in Germany.
Trade Fairs
One common way for companies to find research and sell products in Germany is via trade fairs. Trade fairs hold bigger relevance in Germany than they do in America. Germans take these events seriously; contracts are negotiated and deals made at trade fairs. Trade fairs are a prime location for German companies to conduct market research and see what products and services their local and global competitors are using. German Trade fairs are also ideal venues for U.S. companies because these fairs attract attendees from around the world.

Other Channels
Newspaper are on the decline in Germany, and the trend is to go digital. In-person meetings are preferred, but can be hard to achieve on all the right levels in a short time frame since the country is so decentralized. Additionally, webinars and online presentations are good tools to use in Germany, and people are increasingly more receptive to these channels.

GERMAN EVENTS ENVIRONMENT
As the second largest international events market in the world\(^\text{13}\) and Europe's leading conference destination for a decade, Germany's events market is an attractive space for Cvent. Germany is particularly known for being the international hub for large trade shows, and hosts more than any other country. 3.01 million events took place in Germany in 2013 with 371 million participants. In a promising sign for Cvent, the German Convention Bureau (GCB) reports that the proportion of large event budgets (above € 500,000) have almost doubled since 2007. In 2007, 23% of events had large budgets and in 2013 that figure rose to 45%.\(^\text{14}\) However, small events are more commonplace than large events, with 45% of events in Germany having less than 50 attendees, 36% with 51-250 attendees, 17% with 251-999, and only 5.4% with more than 1,000 attendees.\(^\text{15}\)

Conference attendance drives 24% of all business travelers to Germany, and trade fairs and exhibitions accounts for another 21%. Germany is viewed as quick and easy to reach, with great hotels and high service quality. The price to performance ratio is high and the vast array of different venues meets the needs of any event’s shape, size, or interests. Other attractions of Germany are the historic sites, good catering, and like-minded host country.

Events Market Trends
When asked by the GCB whether cloud services for organization and management of events was becoming more important, 63% of providers and 65% of organizers said “yes.”\(^\text{16}\) Technology is ever present at events and there is a continuing proliferation of online meetings. Free wireless local area network (WLAN) and social media presence is expected at most events. Additionally, event providers and organizers concur that it is increasingly important for events to account for sustainability. Other trends in the German events market include the need for interactivity, cost-saving tactics, full-services provided, customization, relaxing environments, and ensuring programs

\(^\text{13}\) ICCA Statistics Report, 2013. ICCA represents the main specialists in organizing, transporting and accommodating international meetings and events, and comprises almost 1,000 member companies and organizations in over 90 countries worldwide. ICCA specializes in the international association meetings sector, offering unrivalled data, communication channels, and business development opportunities.


\(^\text{15}\) German Convention Bureau, "Event Barometer 2012."

\(^\text{16}\) German Convention Bureau, "Meeting & Event Barometer Germany 2013/14," (May 20, 2014).
add value. Conference accessibility is also a key consideration for planners and German organizers often work with rail, airline, and bus companies to provide discounts for their attendees.

Events Market Challenges
Event providers and organizers indicate a trend of falling budgets is the biggest obstacle in the market (see the GCB figure below). Furthermore, costs are rising and there is a constant battle to ensure fair prices are being established. Many events also have a shorter turnaround time for preparation schedules. It is also challenging to recruit staff for events and to distinguish a particular event amidst the many that are occurring.

Forward-Looking
In predicting patterns in the German market, the GCB anticipates one factor that will continue to aid in Germany’s unchallenged position as the market leader is the infrastructure quality. The large number of conference hotels, convention centers and event locations helps provide value for the money spent on events. Transportation linkages are also well established. Germany’s stance on green meetings and sustainability will continue to be an important consideration and an attraction for event planners.

Furthermore, and importantly for Cvent, technology will play an increasingly prevalent role. The GCB predicts that technology will aid in breaking down rigid event rules and make meetings more flexible and accommodate individual needs of visitors. Face-to-face events will only be enhanced by the virtual elements and there will an increasing mix of online and virtual factors leading to more “hybrid events.” This will require extensive integration and planning efforts. 17

Information on the major events organizations in Germany that Cvent should consider partnering with or participating in education events with is included in the appendix.

GERMAN TECHNOLOGY ENVIRONMENT
Due to its high income and development, Germany is the largest and most lucrative IT market in Europe. With an IT market value of 1.8% of GDP, Germany is very technologically advanced and has

a top-of-the-line supporting infrastructure. Total IT spending in 2013 approached USD 51bn with 42.2% coming from IT service sales, 31.6% from software sales, and 26.2% from hardware sales.\(^{18}\) The IT Market compound annual growth rate (CAGR) is expected to be 2.5% from 2015 to 2019.\(^{19}\)

**German Expenditure Projections**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany Software Sales</td>
<td>$9.18</td>
<td>$9.50</td>
</tr>
<tr>
<td>Germany IT Service Sales</td>
<td>$19.87</td>
<td>$21.06</td>
</tr>
</tbody>
</table>

Cloud computing services is expected to accelerate with a CAGR of 2.2% 2015-2019 as a result of several factors including:

1. Data privacy regulation
2. German Federal and EU Digital initiatives
3. Increased IT investment
4. Increased data center capacity

**Data Privacy Regulation**

Cloud computing will be affected by **European-wide regulations** having to do with **data security and privacy**. These are issues in Germany and across Europe, as evidenced by European regulation that is much stricter than in the United States. In addition, the loss of confidence in US-based providers—after PRISM\(^{20}\) revelations revealed the NSA had overstepped boundaries—has further promoted the trend to invest in domestic/local cloud ecosystems. As security and privacy parameters are put in place, there could be an increase in consumer confidence and investment in cloud computing.

Indeed, SAP, Oracle, and Microsoft have all transitioned to SaaS delivery in Germany and expanded their datacenter footprint in order to meet the needs of their customers for privacy and security.\(^{21}\) Stiff competition still remains and these companies have also turned to acquisitions for expansion. The **bottom line is that Cvent should consider storing EU customer data within the EU to increase trust through potential partnerships or strategic acquisitions.**

**Investing in Innovation**

Germany is investing heavily in innovation centers and service development and becoming a leader in machine-to-machine (M2M) and Internet of Things (IoT) applications. Operators, such as Deutsche Telekom, have begun to expand network coverage of most rural and urban areas for next

---


\(^{20}\) PRISM is a clandestine surveillance program under which the United States National Security Agency (NSA) collects Internet communications of foreign nationals from at least nine major US Internet companies. It was launched in 2007.

generation mobile and fixed broadband networks (including 4G LTE services). By 2019, spending will shift to M2M communications or IoT and become much more prominent.

Cisco and Software AG have both recently developed large IoT projects in Germany, signaling to the positive ICT ecosystem and large collection of German talent. Cisco is setting up an Internet of Everything (IoE) Innovation center in Berlin called "openBerlin" at the price tag of USD30mn. It will serve as a hub for open innovation and focus on manufacturing, transport, and logistics.22 Software AG opened an Internet of Things (IoT) Accelerator in May 2014 that allows data analysts to visualize and analyze the performance of their devices separately or together. The Accelerator also has a "Smart Systems" arm that responds in real-time to patterns in event and sensor data.23

As a general theme, there are continual announcements about alliances and partnerships because companies are looking to capture a larger part of the value chain and catalyze the development of the market.24

**Opportunity in SMEs**

Small and Medium-sized Enterprises (SMEs) or the Mittelstadt make up a significant part of Germany's economy and represent a large opportunity for IT vendors, as they will become significant consumers of hosted software and services. SME spending and investment in IT is estimated to be USD40bn.25 Across the EU, there are 23 million SMEs making up an estimated 99% of the total number of European companies. Of these, 92% are micro-companies employing fewer than 10 persons. 84% of European SMEs have fixed broadband access.26 In addition, because some enterprises may exclusively use mobile broadband connections and some enterprises may use PCs without being connected to the Internet, the number of SMEs using ICTS is likely to be even higher.

The German SME cloud market alone was estimated to be USD1.9bn in 2013—increasing by 21.4% from 2012 and outpacing the overall growth rate for the IT market.27 The German government has set up the Central Innovation Programme for SMEs to improve SME innovative capacity and is planning to introduce vouchers for innovative advice.28

**Business Monitor International recommends tailoring offerings to lower budgets of SMEs and their particular organizational needs.** To compliment this strategy, we recommend that Cvent deploy case studies, or other mechanisms, to effectively convince German enterprises how Cvent’s software is not only cost-effective but will enable them to compete at a higher level and offer better service. SME’s may not be able to support large upfront costs and adopting SaaS is a good way for them to avoid on-premise deployments.

---

23 Ibid.
24 Ibid.
25 Ibid.
Hardware Penetration
Tablet penetration is relatively low in Germany at 24%, compared to 42% in the UK, 30% in France, 39% in Italy and 33% in the US. Smartphone penetration is at 39.8%. BMI estimates that the computer hardware market will contract by 0.9% in 2015 to USD26.2bn.

SaaS Adoption
From 2012 to 2014, Software-as-a-service (SaaS) experienced the strongest growth and higher adoption levels among German enterprises and this trend is not expected to slow down. SaaS is the leading segment within cloud sales, followed by strong performance in Infrastructure-as-a-service (IaaS) and Platform-as-a-service. In general, there will be continued demand for industry-specific packaged solutions. It is important to note, however, that this market is a late developer compared to regional leaders such as the UK or Sweden, with 11% of German non-financial enterprises with 10 or more employees having adopted at least one cloud service by 2014, including IaaS or PaaS.

Contrary to other European markets, accounting and financial application software lead the SaaS market at 25%, ahead of office software like Microsoft’s Office 365. Customer Relationship Management (CRM) applications have penetrated the market of cloud-using enterprises in Germany at a rate of 18%. Below is a table of cloud computing deployment by enterprise size in 2014. Of these enterprises, 24% of German firms are planning on adopting a cloud service and 32% have no interest.

<table>
<thead>
<tr>
<th>Enterprise Size (# employees)</th>
<th>Percent using cloud computing</th>
</tr>
</thead>
<tbody>
<tr>
<td>500+</td>
<td>70%</td>
</tr>
<tr>
<td>100-499</td>
<td>52%</td>
</tr>
<tr>
<td>20-99</td>
<td>41%</td>
</tr>
</tbody>
</table>

Purchasing Considerations
Purchasing considerations are also something that Cvent should pay attention to. The chart below demonstrates the most important considerations for German SMEs when choosing business applications, with the highest citing “business needs”.

Most Important Considerations for Business Applications

![Bar chart showing the most important considerations for business applications: Business Need (40%), Customer Experience (22%), Price (19%), Features and Capabilities (19%).]
More German SMEs purchase SaaS products after they have had a free trial. Furthermore, German SMEs are typically not inclined to buy business applications just because they are bundled. When business applications are bundled, they are generally bundled with a hosted server first and then with other business applications. 35 German SMEs rely on Internet research the most to vet SaaS products at a rate of 50%. The chart below demonstrates the other ways SMEs conduct research on business applications. 36

---

36 Ibid.
SWEDEN

SWEDISH BUSINESS ENVIRONMENT

Sweden is one of the strongest economies in Europe, with a 2016 GDP growth forecast at 3.10% (compared to Germany's 1.8%). In general, there are very few barriers to entry and Sweden's business landscape is seen as transparent, sophisticated, and with a developed and diversified market. The economy is largely corruption free and known for being innovative. Indeed, Swedish businesses are willing and eager first adopters of new technologies and see this as a differentiator from other countries.

Since Swedes are early adopters of new technologies, the country is often a test market for U.S. and other corporations looking to derive product viability. Swedish companies and employees demand advanced technologies and search out products/services that improve productivity. They are particularly interested in IT software that lower costs and improve business efficiencies. 37

Swedish workers are well versed in modern technologies and are generally very well educated. About 68% of the workforce is unionized, but membership is declining. The relationships between management and unions are non-confrontational. Sweden has no legislated minimum wage; wages are set by collective bargaining, allowing for even low-skilled Swedes to earn decent amounts.38

With more than 9 million residents, Sweden is the largest of the Nordic countries (Sweden, Norway, Denmark, Finland, and Iceland), which combined have a total population of 24 million. Altogether, the Nordic countries are the world’s 12th largest economy with an estimated GDP of $1.7 billion. This region is known as a powerhouse of well-run economies and has proven to be one of the world’s most dynamic, innovative, and competitive market areas. More than 1,300 U.S. companies operate in Sweden and the country is seen as the ideal regional hub and gateway for the Nordic area and often into the Baltics as well.39 Should Cvent choose to expand to Sweden, it is recommended that the company use the country as a regional hub to access this broader, highly suitable, and technology-hungry market.

Market Considerations

There are relatively few barriers to entry for a U.S. company to successfully launch services in Sweden. Swedes are import-oriented and have no major oppositions to using foreign goods and services. However, U.S. exporters face stiff competition from Swedish domestic firms, which are increasingly innovative in their offerings. In order to differentiate themselves, U.S. businesses need to have competitive pricing and display distinct advanced technologies. Additionally, the cost of living in Sweden is high and labor costs reflect this. U.S. businesses must be prepared for a higher operational price tag in Sweden. General competitive factors such as price, quality, and promptness of delivery and availability of service are the factors that determine the success of a product. Swedish firms are loyal to the suppliers they have and many business relationships are maintained for decades.40

In considering Sweden as a market, Cvent should be aware of the high English language capabilities, local office desires, and data privacy/protection concerns. Additionally, innovation is crucial for success in Sweden.

**Language**
A Swedish anecdote relates that, "Sweden is the most Americanized country in the world, with the possible exception of the United States."\(^{41}\) Indeed, Swedes speak English very well, and translation is almost never necessary. In fact, according to a local representative at the U.S. Commercial Service in Sweden, if a product is originally in English, Swedes would rather have it in English than translated to Swedish.\(^{42}\) This is noteworthy for Cvent, as it appears Sweden could have customer support from any of the English speaking centers Cvent has globally.

**Local Visits/Offices**
As mentioned, Swedes are comfortable using foreign products and operating in an import environment, but they also want businesses to express long-term commitments to the country. The U.S. Commercial Service notes that, “visits are important since Nordic partners want first-hand assurance of company reliability and commitment.”\(^{43}\) It will be important for Cvent to have on the ground representatives in Sweden, and potentially a local office. As described above, this office could be used as a hub for the entire Nordic region.

**Data Privacy/Protection**
Like other European markets, Sweden is concerned about data privacy and protection. One of the most important laws to be aware of for foreign companies is the Personal Data Act. This act applies to automatic processing of personal data. It applies both to public and private sector, and aims to protect individuals' privacy from being violated by the processing of personal data.\(^{43}\) As is the trend across Europe, the preference is for data to be housed in data centers located in the EU. It would be wise to consult with a lawyer to understand the specific privacy considerations in Sweden.

**Innovation**
Innovation is a top priority for the government and corporations in Sweden. Business leaders want their organizations to be thought of as innovative. This is both to attract new customers and to ensure they attract the employee talent needed to make their company’s leading edge. In the IT industry, the competition for talented people is very tough. To attract new employees, companies aim to be seen as an innovative company. SaaS is popular in Sweden because it is seen as very innovative.\(^{44}\) This is great for Cvent.

**Sales And Marketing Landscape**
Sales and marketing techniques in Sweden are comparable to the practices in the United States. According to the U.S. Commercial Service, 99% of the Swedish population has access to the internet. Of those who have internet access, 80% use it daily. This means the e-business market potential in the country is vast.

---


\(^{42}\) Interview with the U.S. Commercial Service in Sweden (March 2015).

\(^{43}\) Ibid.

\(^{44}\) Ibid.
Newspapers, printed and online, are the most important media in Sweden accounting for over half of the advertising expenditures. Newspapers are trailed by direct mail, which accounts for the second most advertising expenditures. Radio and television commercials come in third. (Note: prior to placing an ad in a newspaper, magazine or trade journal, companies must be authorized by the Swedish Newspaper Publishers’ Association.)

The major trade fair venues in Sweden host approximately 3 million visitors each year. And while Swedish companies do attend trade shows, very seldom is business done at a show. A representative from the U.S. Commercial Service in Sweden says that, just like in the United States, a good product introduction for a sales team would be to attend a trade show to start setting up a network, follow-up by phone and email, and then schedule in-person meetings.

Like in Germany, Swedish companies are very thorough when engaging with new products. They are more willing to be a guinea pig for new products and test out nascent ideas, but Swedes will be sure they have done their homework prior to making a new investment.45

**SWEDISH EVENTS ENVIRONMENT**

Due to its smaller population size and more Northern climate, Sweden does not host nearly as many events as Germany. Whereas Germany placed #2 on the ICCA annual rankings of countries with the most international events, Sweden came in at #15. Sweden has a network of 21 Convention Bureaus, each representing different regions, called the Swedish Network of Convention Bureaus (SNCVB). The network operates as a coalition and there is not one overarching national Swedish convention bureau. Stockholm is the most popular destination for events, but there are convention bureaus even in the most northern regions of the nation.

Research yielded little in terms of facts and figures on the size of the Swedish events market, the current market trends, or the future outlook of the market. Indeed, the SNCVB has not conducted (or at least made publically available) research on the events market in the same way that the German Convention Bureau has.

In comparison to Sweden, the events environment in Germany is better understood and resources have been invested in it to make the market even more attractive. Germany has approached its events development very strategically, and this trend will likely continue into the future, boding well for Cvent. This is not to say Sweden is not a viable option for expansion, just that Germany has put more effort into understanding and bolstering its event market. Information on the major events organizations in Sweden that Cvent should consider partnering with is included in the appendix.

**SWEDISH TECHNOLOGY ENVIRONMENT**

Sweden is a prime market for the Information Technology sector in terms of its advanced infrastructure, high penetration of devices (consumers and businesses), and the high adoption rates for software and services. The high incomes its citizens enjoy make them a strong consumer of IT solutions but also makes for high labor costs. As a result of this, Business Monitor International (BMI) predicts that Sweden will also be one of the largest enterprise consumers of smart

45 Interview with U.S. Commercial Service Sweden.
automation and assistant technologies to offset some of the labor costs. From 2015 to 2018, software sales and IT service sales are expected to see a compound annual growth rate (CAGR) of 3.6% and 5.4%, respectively (see below). On the whole, the IT market is expected to grow at a CAGR of 4.5% from 2015 to 2018.

**Swedish Expenditure Projections**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden Software Sales</td>
<td>$4.69</td>
<td>$5.23</td>
</tr>
<tr>
<td>Sweden IT Service Sales</td>
<td>$7.30</td>
<td>$8.56</td>
</tr>
</tbody>
</table>

### Cloud Services

In 2013, SaaS was found to be the largest part of the Swedish cloud market, with 71% of Swedish enterprises adopting at least one cloud service. In contrast, Infrastructure-as-a-Service (IaaS) had 21% penetration and Platform-as-a-Service (PaaS) only had 15% penetration. The most popular PaaS is Microsoft with 35% of the market, followed by Amazon at 15%, and then Google and Salesforce.com, both at 8%. Cloud adoption is higher than any other European country. Of particular interest, a 2012 survey by software company SpeedLedger observed that Small- to mid-size enterprises’ (SMEs) adoption of cloud computing services had increased by 152% in one year.

### Technology Usage and Adoption

The industries with the highest software spending in Sweden are financial services, ICT, Manufacturing, and Retailer Enterprises. These details are shown in the chart below.

---

Enterprises' expenditure on computer equipment, telecommunications equipment, and software:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Computer-equipment</th>
<th>Telecommunication-equipment</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mines and quarries (NACE 05-09)</td>
<td>..</td>
<td>..</td>
<td>92</td>
</tr>
<tr>
<td>Manufacturing (NACE 10-33)</td>
<td>1 609</td>
<td>799</td>
<td>4 089</td>
</tr>
<tr>
<td>Energy and recycling (NACE 35-39)</td>
<td>456</td>
<td>170</td>
<td>780</td>
</tr>
<tr>
<td>Construction (NACE 41-43)</td>
<td>391</td>
<td>261</td>
<td>448</td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles and motorcycles (NACE 45-47)</td>
<td>2 060</td>
<td>698</td>
<td>3 990</td>
</tr>
<tr>
<td>Transport and storage (NACE 49-53)</td>
<td>850</td>
<td>370</td>
<td>760</td>
</tr>
<tr>
<td>Accommodation and food service activities (NACE 55-56)</td>
<td>181</td>
<td>72</td>
<td>102</td>
</tr>
<tr>
<td>Information and communication (NACE 58-63)</td>
<td>3 059</td>
<td>4 379</td>
<td>4 546</td>
</tr>
<tr>
<td>Financial and insurance activities (NACE 64-66)</td>
<td>968</td>
<td>404</td>
<td>4 698</td>
</tr>
<tr>
<td>Real estate activities (NACE 68)</td>
<td>226</td>
<td>105</td>
<td>478</td>
</tr>
<tr>
<td>Other business activities (NACE 69-92)</td>
<td>1 276</td>
<td>533</td>
<td>2 441</td>
</tr>
<tr>
<td>Arts, entertainment and recreation (NACE 90-93)</td>
<td>..</td>
<td>..</td>
<td>328</td>
</tr>
<tr>
<td>Repair of computers and communication equipment (NACE 95.1)</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: SCB

Infrastructure and Workforce

Sweden's workforce is encouraged by, and well accustomed to technology usage. Indeed, Swedes are motivated to work for organizations that have innovative technology applications and actively seek out innovation when determining where they want to work. Swedish private companies have an established university pipeline of trained students who are well versed in technological applications. Furthermore, Sweden's ICT infrastructure is well established. Telecoms have been putting investments into next-generation network infrastructure.

Start-up Environment

Stockholm has seen a boom in IT start-ups and the city itself is a leading global innovation center. In 2013, Cisco launched a partnership with SUP46 (Startup People of Sweden), a start-up hub that is now the number one meeting place for the Stockholm start-up scene. In their first year, they had over 25,000 visitors and 275 events.

Data Center Location

Sweden plays a key role in the expanding trend of building Nordic datacenters. The Nordic countries are a prime geographic, economic, and political location for data centers. Nordic countries have naturally cool climates, which allows data centers to take advantage of the relatively cheap, reliable hydroelectric energy. In addition, the proximity to the larger European market and the stable political regime makes the Nordic countries an appealing location. In light of the NSA and

---

47 "New startup hub SUP46 celebrates one year - and continues to grow," (November 24, 2014).

PRISM revelations from the US, European countries largely prefer to store their data within the EU. Many web services firms are expected to locate or re-locate their data centers across Sweden, Finland, and Denmark. For example, Facebook is building their second data center in Lulea, Sweden that operates on one hundred percent renewable energy.

**Hardware**

It is also worth noting that Sweden has proved to be an attractive market for hardware vendors despite its small size. Vendors have targeted multiple device households and the tablet market is now 31% penetrated. Growth has been slower in 2014 due to the fact that the core-user group has been saturated and vendors have not innovated enough to entice Swedish consumers to upgrade.

---

EUROPEAN EXPANSION STRATEGIES

The previous section assessed market factors in Germany and Sweden and identified challenges and opportunities in both markets. As Cvent looks to expand into either or both of these countries, it is useful to understand what tactics companies that offer similar services have done to be successful. The following will describe key companies in the competitive landscape from an events management and cloud-services framework and discuss their strategies of expansion in Europe.

To identify which companies were successfully operating in the events planning sector, the team utilized the website Datanyze, which counts the number of websites that use a given technology. From this tool we determined to explore Eventbrite further. Datanyze was also used in looking at other cloud-services competitors. To detail the SaaS activity in Sweden and Germany, our team researched strategies utilized by Salesforce.com and HubSpot. Charts for the Datanyze figures are all included in the appendix.

EVENTBRITE EUROPEAN STRATEGY

Eventbrite is a fast growing events management platform. The company is based in the United States, but its software is available in seven languages and used in 179 countries. In 2013, Eventbrite sold more tickets in six months than it did in its first five years, reporting a total of $2 billion in ticket sales and indicating rapid growth.

Eventbrite was identified as the events planning software that was used by the most websites in Germany. The Datanyze tool indicated that of the websites using event planning software in Germany, 72% were using Eventbrite software. Cvent came in second in this analysis with 13% of the websites using its software, followed by RegOnline at 6%. (Note: this tool does not indicate the actual number of customers subscribers or how much profit they are making. It merely shows how many websites are using a particular technology.) Included in the appendix are charts for this data.

Acquisition

Eventbrite acquired two companies on its way to market success. Eventioz, an event planning and ticket sales leader in South America, and Lanyrd, a London-based company that is a great resource for people attending small and medium events, were acquired in 2013. Lanyrd is one of the foremost event discovery services on the web, and this acquisition allowed Eventbrite to utilize Lanyrd to create a two-sided marketplace where attendees and event organizers can find desired utility in Eventbrite.52

Partnerships for Product Innovation and Local Language Offerings

Eventbrite chose to partner with Gengo, a people-powered translation platform to assist with customer support in customers’ native languages.53 This partnership included a translated online help center and email support, which particularly provides more comfort to German users by

---


offering a localized version. In order to maintain its standard of innovation, Eventbrite plans to bring its “At the Door” payment solution to Europe, which will be a “Square-like” attachment for the iPad that allows organizers to accept payments in person.

**Local Talent Acquisition**

Responding to inquiries about localization efforts, Eventbrite’s CEO stated the company has seen predictable growth where it has raised awareness. In terms of expansion, he noted that the executives make decisions about where to expand next based on where they see adoption of the free Eventbrite services. When comparing itself to the German brand Xing Events, Eventbrite believes it is gaining popularity in the tech industry. This may be because Nikolas Woishnik, who is the Berlin-based Tech Open Air co-organizer, and Marketing Manager Sandro Spiess, who was the marketing manager at Xing Events, were added to the Eventbrite team. By appointing people on the ground that are established in the events and technology industries, Eventbrite was able to have a local advantage in the market. These two additions increase Eventbrite’s acumen of the German market and allows the event management company to utilize these individuals to increase popularity in the events management, technology, and social networking industries.

**SALESFORCE EUROPEAN STRATEGY**

Salesforce.com is a top company in the CRM market. It is the leader internationally, as well as nationally in Germany and Sweden. The company delivered 42% growth in Europe year-on-year, which encouraged the company to expand into the European market by establishing data centers.

**Partnerships For Data Centers**

For many CIOs in certain industries and government agencies, data sovereignty has been a barrier to using public cloud applications, such as Salesforce.com. Academics in Germany stated that many businesses and universities refrain from moving data to the cloud due to data sovereignty regulations. Multinational companies have utilized partnerships in the German cloud computing market in 2014 and early 2015 to cope with this data compliance issue. These partnerships allow international vendors to provide compliance with strict local data regulations. Salesforce.com entered an agreement with T-Systems, an IT services and consulting company, in July 2014 so the German company could provide the international company a datacenter in Germany. It is expected that partnerships will continue to be a theme in the German cloud market in 2015. These local infrastructure facilities help service providers support the EU’s data sovereignty regulations.

**Acquisition of Consultancies to Train Management**

Furthermore, Salesforce.com has increased its market presence in Sweden by utilizing its Nordic consultancy, Fluido. Fluido arranges Salesforce trainings for both system administrators and end users. Fluido has offices in Espoo, Stockholm, Oslo, and Copenhagen. Also, Salesforce business units,

---

57 Nina Fowler, “Eventbrite in Europe.”
such as Swedish Extero AB, that have become a part of Fluido Sweden AB. The merger enables a larger organization and execution of more extensive projects in Sweden.

**HUBSPOT EUROPEAN STRATEGY**

Hubspot is a Cambridge-based company known for its inbound marketing software platform. It is launching a CRM platform with the purpose of using it with the core marketing platform.

**Innovative Free Service**

HubSpot’s free Marketing Grader tool has been a valuable resource for introducing marketers everywhere to inbound marketing. The company provides its Customer Relationship Management platform for free, since it has become so crucial for generating sales and retaining customers in today’s world.

**Native Language Offerings on All Sites**

In order to integrate and localize in the German market, HubSpot launched a website in German, a German language inbound marketing blog, a Twitter account, and a German version of the Company’s Marketing Grader tool to support its German-speaking customers.

**Planning an Open-source Tool**

Looking into the future, HubSpot has said that it eventually aims to make Rodan, a tool developed by HubSpot to solve DevOps challenges, open-source.

---


COMPETITOR STRATEGY TAKE-AWAYS
Based on observations of the strategies used by other events and cloud software providers in Germany and Sweden, the following points were consolidated as items for Cvent to consider as it continues its plans for expansion:

- Enter a partnership with an IT services and consulting company for the creation of datacenters to meet compliance standards.
- Offer 24-hour customer support via email and phone in the German language.
- Acquire or create partnerships with companies that have a solid customer-base in the market and offer essential services (such as Lanyrd that provides Eventbrite with an event discovery service).
- Recruit local experts that are prominent and well regarded in the technology and event management industries to join Cvent regional offices and to help navigate the landscape from a local perspective.
- Provide additional payment options to mitigate online credit card-usage weariness.
- Extend the value of existing products to integrate with other applications and services.
- Offer free services to encourage clients and customers to adopt the software.
CONCLUSION

Cvent’s success in the American events planning market has been noteworthy. With recurring revenue and a growing customer base, the company is poised with growth. After recently opening an office in London and having substantial success in the United Kingdom, Cvent identified Germany as the next destination for expansion. As the largest consumer and events market in Europe, the country seemed ideal, but no calculated European country comparison based on the likelihood of widespread Cvent software adoption had been piloted.

Thus, our team was tasked with researching the event, technology, business, economic, and social landscapes of ten countries in Europe and developing a system to analyze which country Cvent should expand into next. The goal was to create a framework for analysis, which would allow Cvent to strategically analyze future markets. After significant research and analysis, we created a methodology to assess markets for Cvent. Our findings revealed that Sweden and Germany were the best-suited markets for Cvent expansion in Europe. This validated Cvent’s hypothesis that Germany was a good market to enter and that there were other countries that deserved exploration.

After shortlisting these countries, we further evaluated Sweden and Germany’s individual business, events and technology landscapes. In addition, we looked at potential Cvent competitors and the success of other cloud-based companies in these two markets. We recommend that Cvent proceed with European expansion in Germany and Sweden. Even though there are cultural barriers in Germany, the country’s market potential far outweighs the tractable challenges. Although the smaller market size in Sweden poses a legitimate reason for hesitation, the enthusiasm surrounding the technological industry and the country’s position as an entry point to other Nordic markets makes it a valid destination for expansion.
**APPENDIX**

A. MATRIX

### Cvent European Expansion - Initial Comparative Matrix

<table>
<thead>
<tr>
<th>Area</th>
<th>Category</th>
<th>Sweden</th>
<th>Denmark</th>
<th>Germany</th>
<th>Netherlands</th>
<th>Norway</th>
<th>Belgium</th>
<th>France</th>
<th>Poland</th>
<th>Spain</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Ease of Doing Business Index</td>
<td>11</td>
<td>4</td>
<td>14</td>
<td>27</td>
<td>6</td>
<td>42</td>
<td>28</td>
<td>32</td>
<td>33</td>
<td>56</td>
</tr>
<tr>
<td>Business</td>
<td>ICC Open Markets Index</td>
<td>12</td>
<td>15</td>
<td>22</td>
<td>6</td>
<td>13</td>
<td>4</td>
<td>35</td>
<td>34</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td>Business</td>
<td>Index of Economic Freedom</td>
<td>23</td>
<td>11</td>
<td>16</td>
<td>17</td>
<td>27</td>
<td>40</td>
<td>73</td>
<td>42</td>
<td>49</td>
<td>80</td>
</tr>
<tr>
<td>Business</td>
<td>Corporate Tax Rates</td>
<td>22%</td>
<td>24.50%</td>
<td>29.58%</td>
<td>25%</td>
<td>27%</td>
<td>31.40%</td>
<td>33.33%</td>
<td>19%</td>
<td>30%</td>
<td>33.99%</td>
</tr>
<tr>
<td>Business</td>
<td>Workforce English Proficiency Score</td>
<td>71.31</td>
<td>72.58</td>
<td>60.48</td>
<td>71.47</td>
<td>71.09</td>
<td>67.4</td>
<td>55.68</td>
<td>65.44</td>
<td>61.14</td>
<td>54.31</td>
</tr>
<tr>
<td>Business</td>
<td>Labor Costs Per Hour (Euros)</td>
<td>40.1</td>
<td>38.4</td>
<td>31.3</td>
<td>33.2</td>
<td>48.5</td>
<td>38</td>
<td>34.3</td>
<td>7.6</td>
<td>21.1</td>
<td>28.1</td>
</tr>
<tr>
<td>Events</td>
<td>ICCA Rank, 2013</td>
<td>15</td>
<td>24</td>
<td>2</td>
<td>10</td>
<td>29</td>
<td>19</td>
<td>4</td>
<td>23</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Events</td>
<td>Cvent Supplier Network</td>
<td>1,270</td>
<td>668</td>
<td>9,949</td>
<td>1,911</td>
<td>585</td>
<td>1,502</td>
<td>8,589</td>
<td>1,412</td>
<td>7,384</td>
<td>9,291</td>
</tr>
<tr>
<td>Macro</td>
<td>Population, 2013</td>
<td>9,592,552</td>
<td>5,613,706</td>
<td>80,621,788</td>
<td>16,804,224</td>
<td>5,084,150</td>
<td>11,195,138</td>
<td>66,028,467</td>
<td>38,530,725</td>
<td>46,647,421</td>
<td>59,831,093</td>
</tr>
<tr>
<td>Macro</td>
<td>GDP 2013 Growth Rate</td>
<td>1.50%</td>
<td>-0.50%</td>
<td>0.10%</td>
<td>-0.70%</td>
<td>0.60%</td>
<td>0.30%</td>
<td>0.30%</td>
<td>1.70%</td>
<td>-1.20%</td>
<td>-1.90%</td>
</tr>
<tr>
<td>Macro</td>
<td>GDP 2016 Forecast</td>
<td>3.10%</td>
<td>1.80%</td>
<td>1.80%</td>
<td>1.60%</td>
<td>2.50%</td>
<td>1.70%</td>
<td>1.60%</td>
<td>1.60%</td>
<td>3.50%</td>
<td>1.90%</td>
</tr>
<tr>
<td>Macro</td>
<td>Unemployment Rate, Dec 2014</td>
<td>7.80%</td>
<td>6.40%</td>
<td>4.80%</td>
<td>6.70%</td>
<td>0</td>
<td>8.40%</td>
<td>10.30%</td>
<td>8%</td>
<td>23.70%</td>
<td>12.90%</td>
</tr>
<tr>
<td>Macro</td>
<td>R&amp;D Expenditure as % of GDP</td>
<td>3.4%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>1.7%</td>
<td>2.0%</td>
<td>2.3%</td>
<td>0.8%</td>
<td>1.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Tech</td>
<td>Global Innovation Index</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>5</td>
<td>14</td>
<td>23</td>
<td>22</td>
<td>45</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td>Tech</td>
<td>Network Readiness Index</td>
<td>3</td>
<td>13</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>27</td>
<td>25</td>
<td>54</td>
<td>34</td>
<td>58</td>
</tr>
<tr>
<td>Tech</td>
<td>Smart Phone Penetration</td>
<td>62.90%</td>
<td>59%</td>
<td>39.80%</td>
<td>52%</td>
<td>67.50%</td>
<td>33.50%</td>
<td>42.30%</td>
<td>35%</td>
<td>55.40%</td>
<td>41.30%</td>
</tr>
<tr>
<td>Tech</td>
<td>Number of Apps Actively Used</td>
<td>13.3</td>
<td>13.4</td>
<td>10.5</td>
<td>10</td>
<td>12</td>
<td>9.6</td>
<td>12</td>
<td>7.5</td>
<td>8.1</td>
<td>9.3</td>
</tr>
<tr>
<td>Tech</td>
<td>Rather Give Up TV than Smartphone</td>
<td>33.1%</td>
<td>25.3%</td>
<td>27.8%</td>
<td>21%</td>
<td>24.2%</td>
<td>21.7%</td>
<td>25.7%</td>
<td>28.4%</td>
<td>30.5%</td>
<td>34.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Points</th>
<th>Weighted Points</th>
<th># of Greens</th>
<th># of Yellow</th>
<th># of Red</th>
</tr>
</thead>
<tbody>
<tr>
<td>134</td>
<td>184.5</td>
<td>12</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>114</td>
<td>155.8</td>
<td>8</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>123</td>
<td>153.8</td>
<td>6</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>107.5</td>
<td>143.3</td>
<td>6</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>104.5</td>
<td>145.8</td>
<td>1</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>79.5</td>
<td>97.5</td>
<td>4</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>90.5</td>
<td>116.5</td>
<td>4</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>83</td>
<td>108.5</td>
<td>3</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>64</td>
<td>79</td>
<td>5</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>
a. Analyzing The Matrix

1. Color Tiers – The color tiers of green, yellow, and red were a visual way to show which countries had the most favorable landscape for expansion. A green tier indicated a country was more favorably suited than other countries in the study within that particular category. Using data solely from the ten countries included in the study, the 25th quartile, and 75th quartile were identified for the purpose of assigning red, yellow, and green tiers. The 75th quartile indicates that 75% of the data are below that value, and the 25th quartile indicates that 25% of the data are below that value. Thus, depending on whether it is more favorable for a category’s value to be high or to be low, it changes which color is designated in which quartile.

For the following categories, a country entered the green tier if its category value was above the 75th quartile, red tier if it was below the 25th quartile, and yellow tier if it was between the 75th and 25th quartiles, because a high value was more favorable: English Proficiency, Supplier Network, Population, GDP growth rates and forecast, R&D expenditure, Smart Phone Penetration, Number of Apps, and Rather give up TV. The opposite formula—above the 75th quartile was red tier and below 25th was green—was applied in the following categories because a low value was more favorable: Corporate Tax Rates, Labor Costs, ICCA Rank, all the indices, and Unemployment Rate.

After the color tier for each country in each category was determined, the results were tallied. Sweden (12) had the most green tier ranks, followed by Denmark (8). Germany, Netherlands and Norway tied at 6 green squares. Italy (12), Spain (9), and Poland (6) had the most red tiers.

2. Points – The second method involved awarding points to each country within each category based on the country’s ranking in relation to the other countries. The country with the most favorable value in each category was awarded 10 points; the second most favorable was awarded 9 points, all the way down to the least favorable position being awarded only 1 point. For example, in Corporate Tax Rates, Poland had the most favorable rate (19%) and thus was awarded 10 points, whereas Italy at the highest rate (33.99%) received only 1 point. After tallying all 18 categories, in theory one country could have been awarded a maximum of 180 points, with a minimum score of 18 points. In the end, Sweden (134) was awarded the most points, followed by Germany (123) and Denmark (114). Italy (64) Belgium (79.5), and Spain (83) received the least points.

3. Weighted Points – In this method, the same procedures were used as the “points” system. All the same points received in the previous method were used. However, not all the categories in the matrix hold the same importance for Cvent. Thus, in this method, each category was given a weight. The number of points was then determined by taking the weight times the points. For example, Smartphone Penetration is critical to Cvent. It was awarded a weight of 2. Norway has the highest Smartphone Penetration rank and thus would have generally been awarded 10 points. However, in the weighted system, Norway would receive 20 points in this category (10x2). In addition to Smartphone Penetration, the other categories that received a weight of “2” were the Networked Readiness Index and the Global Innovation Index. Additional, these categories received a weight of 1.5: Ease of Doing Business, English Proficiency, Number of Apps Used, Rather Give up TV than Smartphone. The weights and categories were selected by the Cvent team and based on our research group to be used.

The following shows the results of the weighted points system. These results are the most informative of the analysis methods in terms of determining the best for market Cvent:
1. Sweden = 184.5
2. Denmark = 155.8
3. Germany = 153.8
4. Norway = 145.8
5. Netherlands = 143.3
6. France = 116.5
7. Poland = 108.5
8. Spain = 108
9. Belgium = 97.5
10. Italy = 79.0

4. Areas of Analysis – Another method of analysis was to evaluate results via each Area of Analysis (business, events, macro, and tech). This method was a hybrid of the color tiers and the points system. First, the categories in the matrix were separated into their Area of Analysis. Next, each color tier was assigned a point value; the green tier received 3 points, yellow 2 points, and red 1 point. Then, within each Area of Analysis, it was listed how many times a country appeared in the green, yellow, or red tier and a total point value was ascertained. For example, in the Business Area of Analysis Belgium entered the green tier once (3 points), yellow tier three times (2 points for each time = 6 points) and the red tier twice (2 points), for a total of 11 points. This process was done for each Area of Analysis.

Based on the findings, it was determined which countries received the highest rankings in the different Areas of Analysis the most times. For example, Denmark received the highest points in the business and tech Areas of Analysis, so it would have an overall number of highest rankings of 2. After this method was completed, Sweden again had the highest rankings, followed by a tie among Germany, Norway, and Denmark. Belgium and Spain did not have any highest rankings.
B. INTERVIEW WITH U.S. COMMERCIAL SERVICE SWEDEN

Niklas Karlsson niklas.karlsson@trade.gov

What are common barriers for a foreign company in Sweden?
There are a few marketing restrictions, but nothing that would bother a software company. The restrictions are more aimed at alcohol, gambling and similar industries. Probably one of the most important laws to be aware of for foreign companies is the Personal Data act. This act applies to automatic processing of personal data. It applies both to public and private sector, and aims to protect individuals’ privacy from being violated by the processing of personal data.

What are the self-interests of Swedish business leaders?
In Sweden, innovation is a big thing. Business leaders want their businesses to be innovative, both to attract new customers and to ensure they attract the talent needed to make their company leading edge.

How receptive are Swedish companies / end-users to having English language products? Are translation and localization necessary?
Swedes speak English very well, and translation is almost never necessary. In fact, if a product is originally in English, swedes would rather have it in English than translated to Swedish. Swedish can sometimes be a “poor” language.

What is the sales environment like in Sweden? How do customers prefer to be introduced to products?
Swedish companies attend trade shows, but very seldom is business done at a show. A good product introduction would be attend a trade show to start setting up a network, follow up by phone and email to people that you met at the show and then schedule in-person meetings. Swedish companies like to be very thorough when engaging with new products.

How are SaaS products received in Sweden? What barriers exist for adoption of software solutions? How receptive are Swedish business leaders to new technology?
Swedish companies use SaaS products a lot. One reason for this is the strong Internet infrastructure in Sweden. A connection to the Internet is always available through 4G or free wireless networks. I believe another reason for SaaS being popular in Sweden is that it is seen as very innovative, and that is something Swedish companies see as a way to attract new employees. In the IT industry, the competition for talented people is very tough. To attract new employees, companies aim to be seen as an innovative company. Bigger, older companies can sometimes have a harder time to adopt SaaS because of the number of legacy systems in use, especially in the public sector.

How do Swedish people prefer to pay for services online? (credit card, direct bank account transfers, pay pal?)
Swedish people are not afraid of buying things online. All of the above methods are used frequently. One demand is that somewhere on the website is explained what type of security is used by the selling company.
C. INTERVIEW WITH U.S. COMMERCIAL SERVICE GERMANY

Mathias Koeckeritz | Mathias.Koeckeritz@trade.gov

What are the commons barriers to entry for a foreign company in Germany? What is the business environment like?

From an e-commerce point of view, the first barrier is language. U.S. companies have a tendency to start in the UK and then jump to Scandinavia because of the English proficiency. However, some go directly to Germany simply because it has the largest market size.

It is important to remember that Germany is very decentralized, which is an obstacle to overcome. In the UK you can have your business center in London, but German does not have as marked a central locus; your business meetings will likely be in five cities that are each very far apart. Meaning, you might need to open more than one office. Additionally, there are not as many direct flights from the United States to Berlin.

Germans are very reluctant to share information that does not need to be shared. They are reticent to share lots of details. For example, when Facebook introduced face recognition in pictures, this was very poorly received in Germany. This is a cultural difference to be aware of.

Privacy regulations are strict. The double opt-in email marketing rule is enforced religiously. Once a consumer enters their email address into a website, they will receive an email where they must confirm that they want to be included on the list. You can’t just add someone to your email list because you were given their business card. Furthermore, Germans are paranoid about having data saved outside of the EU, particularly after the NSA spying information was released. They want service providers to keep the data in the UE so that US law enforcement has no access to it.

Payment is also an issue. Germans are reluctant to use credit cards online. Most lean towards using PayPal (extremely popular in Germany) or direct debits from bank accounts—bank transfers. These bank transfers are much cheaper for Germans, as credit card companies charge high fees for use, which are often pushed back on consumers.

Germans are very, very concerned about costs. The German retail market is one of the most cutthroat in the world in terms of profit margin.

Germany companies have many internal events. There will be many small events taking place across the smaller towns and villages in the country. From a competitive standpoint, the representative did not feel there were very many other event software companies that exist offering the same services as Cvent.

What are the self-interests / motivations of German business leaders?

German business leaders are very concerned about productivity and about reputation. These are the biggest issues for them. Additionally, Corporate Social Responsibility is critical in terms of sourcing and production. If you are an e-commerce company and you try and sell textiles to consumers, then you need to ensure your sourcing is from a provider who is following human rights and environmental standards. Germany considers itself a leader in the green revolution. German companies are concerned about maintaining that “green” image.
How receptive are German companies to using English language products?
For the typical German end-user, the entire software system must be in German. Furthermore, a mere translation is not sufficient; text must be localized. In certain niche markets, English language products would be fine. For example, most software developers could operate completely in English. There are also certain stipulations that all operational manuals must be in German.

What is the sales environment like in Germany? How do customers prefer to be introduced to products? Through what channels?
As in the United States, the channels and sales environment completely depends on the product and the audience. Similar tactics for marketing will be used in Germany as are used in the United States, with the exception of direct email advertising. You essentially have to rule this out in Germany, due to the opt-in status. Direct mail is the only legal way to bombard customers without an opt-in. Mathias receives about 3 direct mail pieces a week. Some catch his eye. Most he just discards. Direct mail is cost prohibitive.

Trade shows hold bigger relevance in Germany than in the United States. Large trade shows are common in the country. Though, there is often a large price tag associated with participating at trade shows.

Newspaper are on the decline in Germany, and the trend is to go digital. In person meetings are great, but can be hard to achieve on all the right levels in a short time frame since the country is so decentralized. Webinars and online presentations are good tools to use in Germany. People are receptive to these.

Word-of-mouth is a big deal in Germany. Leaders want to know that other groups are using the same product and having success. Cvent should focus on its product being used successfully by others in both Germany and in other markets and that it is a famous name in the industry. Furthermore, online journals or the approval of industry leaders matters. If possible, try and have a journalist use your product and then write about it. This will help boost the reputation of your product.

Business leaders have a tendency to do extensive research (online, via trade shows, word of mouth, etc.) on a product prior to reaching out to a sales representative, more so than in the United States. Additionally, German businesses will tend to launch a product in one sector of their organization and see how successful it is. After this launch, they will tend to standardize and make large purchases to provide the product for their entire company.

How are SaaS products being received in Germany? What are the barriers for SaaS / cloud adoption and use? How receptive are German business leaders to new technologies?
Germans consider themselves early adopters of technology, but they want someone else to be the guinea pig. They don't want to be the first adopter of a technology. German companies will evaluate a product longer than in the United States, but once they make a decision they will roll out on a larger scale than in the United States.

In terms of SaaS, again the concern is where the data is stored. They want to know precisely who has access to their data. There may be requirements to host data in a private cloud, or only share details that are not business critical. Cvent will probably be fine in terms of the questions they will ask. Most people won't see the data as business critical. They will be concerned about their payment information being secure though.
D. GERMAN EVENTS MARKET

German Events/Technology Associations and Publications
With the size of the events market in Germany, it is logical that there is a large number of conference planning organizations. Many tend to be small companies with a handful of event planners on staff. Event planners are also found within large corporations, working on high-profile trade-shows or summits. There are several associations offering networking opportunities and continuing education resources for German event planners. Though a comprehensive list is not feasible, particularly without German language research, the primarily and largest organizations providing these offerings are listed below. It will be wise for Cvent to build relationships with these groups, and strengthen relations where connections already exist.

The primary event planner coordinating body in Germany is the German Convention Bureau (GCB). With more than 400 members, the GCB works to connect event planners with event providers such as convention centers and hotels. The GCB offers continuing education for German event planners such as a bi-annual conference, a green meetings conference, green education seminars, and innovation seminars. The GCB conducts extensive market research and will be a key partner for Cvent in its efforts in the country. Corresponding with the GCB’s United States team revealed that the GCB already has familiarity with, and positive sentiments towards Cvent. The group was confident that Cvent’s offerings would be well received on a wider base in Germany.

Meeting Planners International (MPI) Germany is quite active in Germany. The organization is a chapter of the global MPI network. The German chapter hosts training events for meeting planner professional development and participates in events market industry research. MPI facilitates online learning opportunities, CEUs, and professional certifications. Becoming a member of MPI allows event planners, and corporate partners, to access information regarding events professionals in the country. www.mpi-germany.de/

Society for Incentive Travel Excellence (SITE) Germany has been active in the country for 25 years. SITE is an international not-for-profit professional association that helps event planners (particularly incentive event coordinators) design, develop, administer, and manager motivational programs to spark business productivity. SITE members are corporate executives, incentive companies, tourist organizations, designation management groups, marketing and public relations consultants and hospitality companies. The organization fosters professional development by holding networking receptions and trainings for members. SITE also conducts research and produces case studies. http://www.site-germany.de

Hospitality Sales and Marketing Association (HSMA) is an organization designed to connect sales and marketing professionals involved in the tourism and hospitality sector. HSMA’s 1,000+ members are experts in the German market. HSMA connects these members with materials (whitepapers and industry news) for professional development and via association events. HSMA also has national and regional newsletters. http://hsmai-europe.com

Tagungswirtschaft (TW) is one of the two largest events magazines in Germany. It particularly targets MICE providers. Its goal is to provide inspiration to conference and events managers. TW tells stories and “kindles emotions,” all while providing “real-life support” to readers. It is published in German five times a year. The magazine is structured by event sections such as check-in, kick-off, keynote, and forum. TW also has events. http://www.tw-media.com/en/
Conference & Incentive Management (CIM) is a European Magazine for the events industry. It is a business journal and addresses decision-makers and event planners in companies, agencies, and associations. The publication comes out in German and English six times a year, with 20,500 copies printed. CIM has been known to print a European edition, and then a German specific edition. CIM is a great resource for event planners and publishes details on planning trends and best practices. According to the GCB, CIM is one of the two biggest events related publications in Germany. 
http://www.cimunity.com/home/

European Association of Event Centers (EVVC) is based in Germany. The EVVC represents about 750 event centers of all kinds and sizes in Germany and Europe. EVVC acts as a communication network with professional planners and providers in this space. 
http://www.evvc.org/en/startseite/

German Association for Information Technology, Telecommunications and New Media (BITKOM) represents the business interests of more than 2,200 companies and has 1,400 members. It claims to be “the voice” of the ICT world in Germany. It particularly emphasizes its representation of SMEs, as well as the large German and global players. Overall, BITKOM represents around 90 percent of the German ICT market. BITKOM conducts public policy advocacy and provides research on the industry. It also has networking events and publications on the industry. 
https://www.bitkom.org/en/

The Bundesverband Digitale Wirtschaft (BVDW) is an advocacy group for companies that operate digital business models and are active in the digital field. The BVDW has resources for groups operating in the digital economy. The Association is up-to-date with current issues and developments in the digital industry in Germany and conducts research to help with the improvement of this environment. BVDW works closely with politicians and maintains regular communication with them. BVDW has approximately 70 events with more than 5,000 participants. 
http://www.bvdw.org/

E. GERMAN EVENT MANAGEMENT UNIVERSITY PROGRAMS

There are strong partnerships between universities and corporations in Germany. One strategic recommendation our team has considered for Cvent is to discuss how the Cvent software suite could be utilized by university programs teaching event management. Are there possible teaching opportunities? Could the software be provided at a discount, or free, to familiarize young German event planners with the system? Could Cvent start an internship program with some of these universities and connect new planners with established planners? Event planning university programs may also be a good place to start to forge connections into the broader industry and learn about the best practices discussed from a German perspective.

The following are a list of some of the Events Management university degree programs:

- **University of Applied Sciences Fresnius**, B.A. Tourism and Event Management: Idstein, Germany
- **EBC Hochschule**, B.A. Tourism and Event Management: Dusseldorf, Germany
- **International School of Management (ISM)**, B.A. Tourism & Event Management: Munich, Germany
- **Internationale Hochschule Bad Honnef (IUBH)**, B.A. International Event Management: Bonn, Germany
- **Hochschule fur Internationales Management (HIM)**, B.A. Event Management Studies; Heidelberg, Germany
## F. Germany’s Image as a Country for Meetings

What is Germany’s Image as a Country for Meetings?  
German Convention Bureau (2013)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick and easy to reach</td>
<td>88.6%</td>
</tr>
<tr>
<td>Very good hotels available</td>
<td>74.0%</td>
</tr>
<tr>
<td>Good service quality</td>
<td>65.8%</td>
</tr>
<tr>
<td>Attractive price/performance ratio</td>
<td>61.6%</td>
</tr>
<tr>
<td>Event venues for every need</td>
<td>58.4%</td>
</tr>
<tr>
<td>Interesting historic sights</td>
<td>50.2%</td>
</tr>
<tr>
<td>Ideal location for international congresses</td>
<td>47.5%</td>
</tr>
<tr>
<td>Liberal-minded and hospitable country</td>
<td>39.3%</td>
</tr>
<tr>
<td>Multifaceted and good catering</td>
<td>38.8%</td>
</tr>
<tr>
<td>Multiple possibilities for framework programme</td>
<td>37.0%</td>
</tr>
<tr>
<td>Varied landscape</td>
<td>36.1%</td>
</tr>
<tr>
<td>Event locations suited to seem</td>
<td>32.4%</td>
</tr>
<tr>
<td>Good shopping opportunities</td>
<td>21.0%</td>
</tr>
</tbody>
</table>
G. SWEDISH EVENTS MARKET

Events, Marketing and Software Associations
Similar to the scenario described above, the number of event associations or publications that were discovered in research for the Swedish market is much more limited than what was identified in Germany. The following are potential groups Cvent could partner with for networking opportunities in Sweden from an events, marketing, and technology standpoint.

The Swedish Network of Convention Bureaus (SNCVB) was created in 2009. The group was formed primarily to focus on enhancing the business value-add of the convention bureaus across Sweden and also to develop the Swedish meetings industry. Professionals stay connected via the SNCVB, exchange knowledge, and carry out join projects. [http://sncvb.se/](http://sncvb.se/)

Meeting Professionals International (MPI) Sweden Chapter is an active group and a good location for continuing education and networking with Swedish event planners. MPI Sweden has about 250 members. One of its main activities is to keep members of the political and media world informed on the importance of the meetings industry. Currently it is driving a proposal to make the Swedish government to take on a "Growth through meetings," initiative, a clear “export improving decision they can take without investments.” MPI Sweden is a partner at the annual Meeting Industry Week. MPI Sweden also organizes seminars and workshops for member development and supports high level educational programs. It also has a newsletter. [http://www.mpisweden.se/](http://www.mpisweden.se/)

Young MPI (YMPI) is a group specifically for students and young meeting planners in Sweden. This group operates within the MPI Sweden Chapter as a platform for students in the industry to begin making contacts and learning best practices. [http://www.mpisweden.se/](http://www.mpisweden.se/)

The Swedish Marketing Confederation (SMF) promotes efficient and ethical marketing practices in Sweden, and creates awareness of the significance of marketing to the national and international economy. SMF’s website indicates it is “the organization called upon by the Swedish Government to comment on new legislation in the marketing field.” SMF also hosts the international marketing conference Tendensdagen the Tendency Day in Stockholm which attracts over 600 delegates every year. SMF was founded in 1919 and has 1,000 members from a variety of fields and all 29 local marketing associations in Sweden, which have more than 10,000 of their own members. This network holds conferences and seminars, as well as a variety of events and training for marketing professionals. [http://emc.be/members/the-swedish-marketing-federation-smf](http://emc.be/members/the-swedish-marketing-federation-smf)

Tendens Special, is a newsletter published eight times a year, exclusively to SMF members. It sums up essential marketing trends and key events. Sälj & Marknadsföring is a magazine published nine times a year that is also accessible to SMF members.

The Swedish Association of Communication Agencies is a professional association of consultants in nine different disciplines of marketing: Action Marketing, Design, Direct Mail, Events, Interactive, Media, Mobile, PR, and Advertising. The association is based on three main pillars: business, responsibility, and reputation. The association works to be an arena where members can get inspiration, find information about the industry, and generate public opinion. The group publishes materials on best practices, conducts courses and activities throughout Sweden on good marketing practices, and holds marketing competitions. [http://www.komm.se/in-english](http://www.komm.se/in-english)
Swedish Direct Marketing Association (SWEDMA) is an association of companies and organizations that work with direct and data-driven marketing. It organizes both buyers and sellers of DM-related products and services. As such, it has insight into the requirements and conditions that apply to DM in Sweden between businesses and between businesses and consumers. SWEDMA has regular events and trainings. [http://swedma.se/](http://swedma.se/)

**H. HOMEGROWN SWEDISH EVENT PLANNERS AND SOFTWARE**

Sweden does have a host of homegrown companies offering events services, many of which offer registration services to their clients. Some may be using network event planning software such as Cvent, but this was not immediately clear. Some appear to have developed their own registration services that they compliment with their event planning capabilities. The following groups were all listed by the Stockholm CVB as trusted partners.

- **Kuoni Congress** is a destination management Swedish company. The group does project management, web design, registrations, abstract handling, exhibition management, sponsoring, hotel accommodation, social program, transportation, and on-site coordination.
- **Meetagain** is an independent Professional Congress Organizer (PCO) located in Stockholm. It specializes in planning congresses, conferences, events and meetings in Stockholm and other cities in Sweden. With more than 20 years of experience, we have deep knowledge of and professional relations with several local suppliers within the event and travel industry. Meetagain implements about 100 conferences annually. It is primarily focused on the management component of events, but also does registrations and has app and IT services.
- **Reachem** is a full service Swedish event planning organization, including taking registrations, accommodation planning, transportation coordination, group travel, PR and financial management. Its *Delegia Organizer* service allows them to create websites, send invitations, receive registrations, handle seminar choices, accommodation, transportation, payment by card or invoice, draw up all the lists and handle any questions participants or changes requested by event attendees.
- **Creative Meetings** is a Swedish company that does creative does event communication, but they do not appear to offer registration services.
- **Eventosaurus** is a Swedish event planning company that appears to just handle event planning and not registration and other aspects.
- **Sweden Meetx** is a Swedish organization that does project management, delegate handling (registrations, hotels, etc.), abstract handling, hotel and conference booking.

To note though, many of the groups referenced by the Stockholm CVB were not local firms, but rather European wide groups, indicating the easy ability to cross borders with event planning services, and possibly also indicating a less developed Swedish landscape.
I. SWEDISH EVENT MANAGEMENT UNIVERSITY PROGRAMS

Similar to Germany, several Swedish universities offer event management degrees. Partnering with these university programs could be a creative way for Cvent to connect with event planners during formative years and bolster familiarity with its software services. The following are some of the event management degree programs in Sweden:

- **Dalarna University**, B.A. International Tourism Management (courses on event management): Falun, Sweden
- **Lund University**, M.A. Service Management, Tourism: Lund, Sweden
- **Linnaeus University**, M.A. Tourism and Sustainability: Kalmar, Sweden
- **Linnaeus University**, Music and Event Management Programme: Kalmar, Sweden
- **Mid Sweden University**, M.A. Tourism Studies (one year): Sundsval, Sweden
- **Travel Education Centre (TEC)**, “Project Manager, Meetings & Events” program: Norrtälje, Sweden.
J. GERMAN TECHNOLOGY ENVIRONMENT

German IT Market by Segment (2013)

German inclination to purchase with or without bundling

K. EU REGULATION- THE EU ELECTRONIC COMMUNICATIONS FRAMEWORK

(taken directly from European Commission)

The EU electronic communications framework applies to all electronic communications networks and services, retail and wholesale, as well as associated facilities and services. It aims to ensure effective competition and consumer protection as well as constituting the basis for a consistent regulatory environment across the communications markets of all 27 member states.

The framework was revised in 2009 to ensure that it continues to serve the best interests of consumers and industry, and it reflects the major developments of this fast-changing sector, such as growth in VoIP and take-up of television services via broadband. The revised framework aims to enable citizens to benefit from better and cheaper communication services, and to achieve this, the revised EU rules aim:

- To strengthen consumer rights, giving consumers more choice by reinforcing competition between telecoms operators;
- To promote investment into new communication infrastructures, in particular by freeing radio spectrum for wireless broadband services; and
- To make communication networks more reliable and more secure, especially in case of viruses and other cyber-attacks.

The majority of member states, including the UK, transposed the revised framework by the 25 May 2011 deadline. The Commission continues to monitor the timely and correct implementation of the EU rules and is monitoring member states’ progress towards achieving the targets set out in the Digital Agenda.
The Digital Agenda is one of the seven flagship initiatives proposed by the European Commission in its Europe 2020 Communication (the successor to the Lisbon strategy), which outlines Europe’s general economic strategy for 2010 to 2020. It sets out the main policies for the information and communication technologies (ICT) sector between 2010 and 2015, and seeks in particular to promote investments in high-speed broadband networks, to create an online single market, to ensure online trust, security and net neutrality as well as to stimulate the development of innovative services and applications. It consists of 101 action points, including more than thirty legal proposals.

The four priority objectives of the Digital Agenda relevant to the telecommunications, audio-visual media and e-commerce sectors are:

1. To guarantee universal availability of broadband and foster Next Generation Access Network (NGA) deployment;
2. To create a true single digital market;
3. To ensure public trust in networks and services; and
4. To ensure interoperability.

To implement the Digital Agenda and monitor its progress, the Commission has set up a ‘Digital Agenda governance cycle’. This foresees an internal coordination mechanism within the Commission, in cooperation with member states; the annual publication of a scorecard in May each year, including socio-economic developments based on key performance indicators, selected for their relevance to the main policy goals; and an update on all the identified policy goals. An annual Digital Assembly takes place in June each year and brings together member states, EU Institutions and stakeholders, to assess progress and emerging challenges.

L. DIGITAL GERMANY 2015 PRIORITIES

Digital Germany 2015’s priorities are:

• Strengthen competitiveness through the use of ICT in all segments of the economic process;
• Expand digital infrastructure and networks to meet future challenges;
• Safeguard the protected and personal rights of users in the future internet and in the use of new media;
• Step up research and development in the ICT sector and speed up the translation of research and development findings into marketable products and services;
• Strengthen basic, further and continuing education and training, and competencies in handling new media;
• Make consistent use of ICT to cope with social problems, including sustainability and climate protection, health, mobility, administration and the improvement of the quality of life of citizens.
M. SWEDISH TECHNOLOGY LANDSCAPE

Source of graphs below: Telecommunication Markets in the Nordic Countries.” PTS. (2009)

The growth has stagnated in all countries. There is even a decline in Finland. This could partly be explained by substitution to mobile broadband. All Nordic countries are within the OECD top 10 on broadband penetration.

The share of broadband technologies in 2009 (all technologies incl. mobile broadband)

Sweden has the highest share of fixed. The number of ADSL subscriptions has fallen in Sweden, Norway and Finland from 2008 till 2010. In Denmark and Iceland the number is actually unchanged.

Market shares of mobile subscriptions¹, two largest operators

1 Includes both private and business subscriptions and mobile broadband subscriptions. Includes subsidiaries

American University | Cvent European Expansion Market Research | Spring 2015
N. COMPETITIVE LANDSCAPE

The following charts were all created using information from Datanyze. They show the number of websites in a certain sample and region that are using a particular software. This does not indicate market share in terms of revenue or number of companies that have purchased a software solution. It merely shows the number of websites that exist that are using the software listed.

<table>
<thead>
<tr>
<th>Germany Event Management Market</th>
<th>Sweden Event Management Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td><strong>Technology</strong></td>
</tr>
<tr>
<td>Eventbrite</td>
<td>Eventbrite</td>
</tr>
<tr>
<td>Count</td>
<td>348</td>
</tr>
<tr>
<td>Cvent</td>
<td>Count</td>
</tr>
<tr>
<td>47</td>
<td>Cvent</td>
</tr>
<tr>
<td>etouches</td>
<td>10</td>
</tr>
<tr>
<td>RegOnline</td>
<td>etouches</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Activeevents</td>
<td>RegOnline</td>
</tr>
<tr>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Experient</td>
<td>Activeevents</td>
</tr>
<tr>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>ActiveNetwork</td>
<td>Experient</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Certain Software</td>
<td>ActiveNetwork</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Ungerboeck</td>
<td>Certain Software</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Germany CRM Market</th>
<th>Sweden CRM Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td><strong>Technology</strong></td>
</tr>
<tr>
<td>Salesforce</td>
<td>Salesforce</td>
</tr>
<tr>
<td>Count</td>
<td>189</td>
</tr>
<tr>
<td>InfusionSoft</td>
<td>InfusionSoft</td>
</tr>
<tr>
<td>113</td>
<td>InfusionSoft</td>
</tr>
<tr>
<td>Zoho CRM</td>
<td>Zoho CRM</td>
</tr>
<tr>
<td>84</td>
<td>Zoho CRM</td>
</tr>
<tr>
<td>Salesforce.com CRM</td>
<td>Salesforce.com CRM</td>
</tr>
<tr>
<td>60</td>
<td>Salesforce.com CRM</td>
</tr>
<tr>
<td>Sugar CRM</td>
<td>Sugar CRM</td>
</tr>
<tr>
<td>22</td>
<td>Sugar CRM</td>
</tr>
<tr>
<td>SAP CRM</td>
<td>SAP CRM</td>
</tr>
<tr>
<td>16</td>
<td>SAP CRM</td>
</tr>
<tr>
<td>Telligent</td>
<td>Telligent</td>
</tr>
<tr>
<td>15</td>
<td>Telligent</td>
</tr>
<tr>
<td>Microsoft Dynamics CRM</td>
<td>Microsoft Dynamics CRM</td>
</tr>
<tr>
<td>12</td>
<td>Microsoft Dynamics CRM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Germany Marketing Automation Market</th>
<th>Sweden Marketing Automation Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td><strong>Technology</strong></td>
</tr>
<tr>
<td>Hubspot</td>
<td>ProspectEye</td>
</tr>
<tr>
<td>Count</td>
<td>291</td>
</tr>
<tr>
<td>Eloqua</td>
<td>Hubspot</td>
</tr>
<tr>
<td>114</td>
<td>142</td>
</tr>
<tr>
<td>Marketo</td>
<td>Pardot</td>
</tr>
<tr>
<td>96</td>
<td>97</td>
</tr>
<tr>
<td>SALESmanago</td>
<td>Leadsius</td>
</tr>
<tr>
<td>92</td>
<td>93</td>
</tr>
<tr>
<td>Unica</td>
<td>Act-On</td>
</tr>
<tr>
<td>90</td>
<td>41</td>
</tr>
<tr>
<td>Pardot</td>
<td>Marketo</td>
</tr>
<tr>
<td>64</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Eloqua</td>
</tr>
<tr>
<td></td>
<td>32</td>
</tr>
</tbody>
</table>
a. XING EVENTS
Amiando was purchased by Xing in 2010 and has been growing steadily. Based in Germany, XING Events is very similar to the American professional networking site, LinkedIn. Germans make up for 76% of Xing’s traffic. 90% of its traffic comes from German speaking countries, such as Germany, Austria and Switzerland.63

b. UNGERBOECK
Based in Germany, Ungerboeck is an event management company that utilizes CRM software. It has stability since it is 100% family-owned and has no debt. The company has experienced 1000% growth over the last 15 years. Clients tend to remain with Ungerboeck because they believe the company will support their software for years. It is a leader in end-to-end venue and event management software for conventions, exhibitions, conferences, associations, universities, arenas, and theaters.64

c. CONCUR
Concur is an American company that was acquired by the German-based enterprise application software company SAP after increasing demand emanating from within Germany, France and the Benelux region. It brands itself as a corporate travel ecosystem. The company responded to this demand by opening offices in the UK and the Czech Republic.65

d. PROSPECTEYE
Based in Norway, ProspectEye is the market leader in Lead Management. ProspectEye merged with APSIS Group AB (APSIS), which is a market leader in email marketing solutions to solidify its position as the leading Nordic email marketing and marketing automation player. APSIS Pro is currently Northern Europe’s most widely used tool for permission based email marketing.66

e. MARKETO
Marketo is a digital marketing software and solutions company based in California. From 2011 to 2013, annual revenues grew from $32.4 million to $95.9 million. Marketo offers the solution’s user interface in French and German. The company hired a language service provider to jumpstart localization efforts.67 In 2014, Marketo partnered with Turn, a California-based analytics platform that helps business marketers figure out the ideal consumers they want to reach and then executes marketing campaigns via mobile, video, display, and television advertisements. This partnership has the potential to help marketers bridge the gap between customer acquisition and engagement and retention.68

---

64 Ungerboeck. Ungerboeck Software International. Ungerboeck.com/about.