

# *The Value of Exhibiting in a Downturn*



April 2009

# Contents

- **Good News About Where the Economy and Event Industry is Today**
- **Why Exhibitors Exhibit**
- **Exhibitor Quotes on Why They Exhibit in a Downturn**
- **When Exhibitors Record Sales Based on Show Leads**
- **When Exhibitors Expect Their Budgets to Grow**
- **Expected Event Participation Over the Next Two Years**
- **The Exhibition Industry Growth Cycle**
- **Where the Industry is Today and Clues to Watch for Signs of Recovery**
- **1991 Recession Impact on Conventions and Tradeshow**
- **2001/2002 Recession Impact on Conventions and Tradeshow**
- **Why this Period will Not Transform the Convention and Tradeshow Industry**

# The Good News

- **Large conventions and tradeshow are more stable in an economic downturn than other traditional marketing media.**
- **Corporate meetings and events are cutback even more than conventions and exhibitions.**
- **Arguably during the last few years, there were too many shows and corporate events. More focused corporate exhibitor programs should yield better results today.**
- **Exhibitors and show managers tell Tradeshow Week that they are seeing higher quality attendees and more C-Levels attending their shows today, as these executives can still travel and need to stay connected.**
- **There is a slow M&A environment, reducing buyer consolidation in many industries.**
- **A time of significant change drives attendance, education and networking needs – especially at industry leading conventions and tradeshow.**

# Why Exhibit in a Downturn

- **Maintain continued, consistent visibility.**
- **Tradeshows are the most cost effective marketing medium and sales tool.**
- **The industry rebounded relatively quickly following 9/11.**
- **Not showing up brings up the question among buyers: “*Are they still in business?*”**

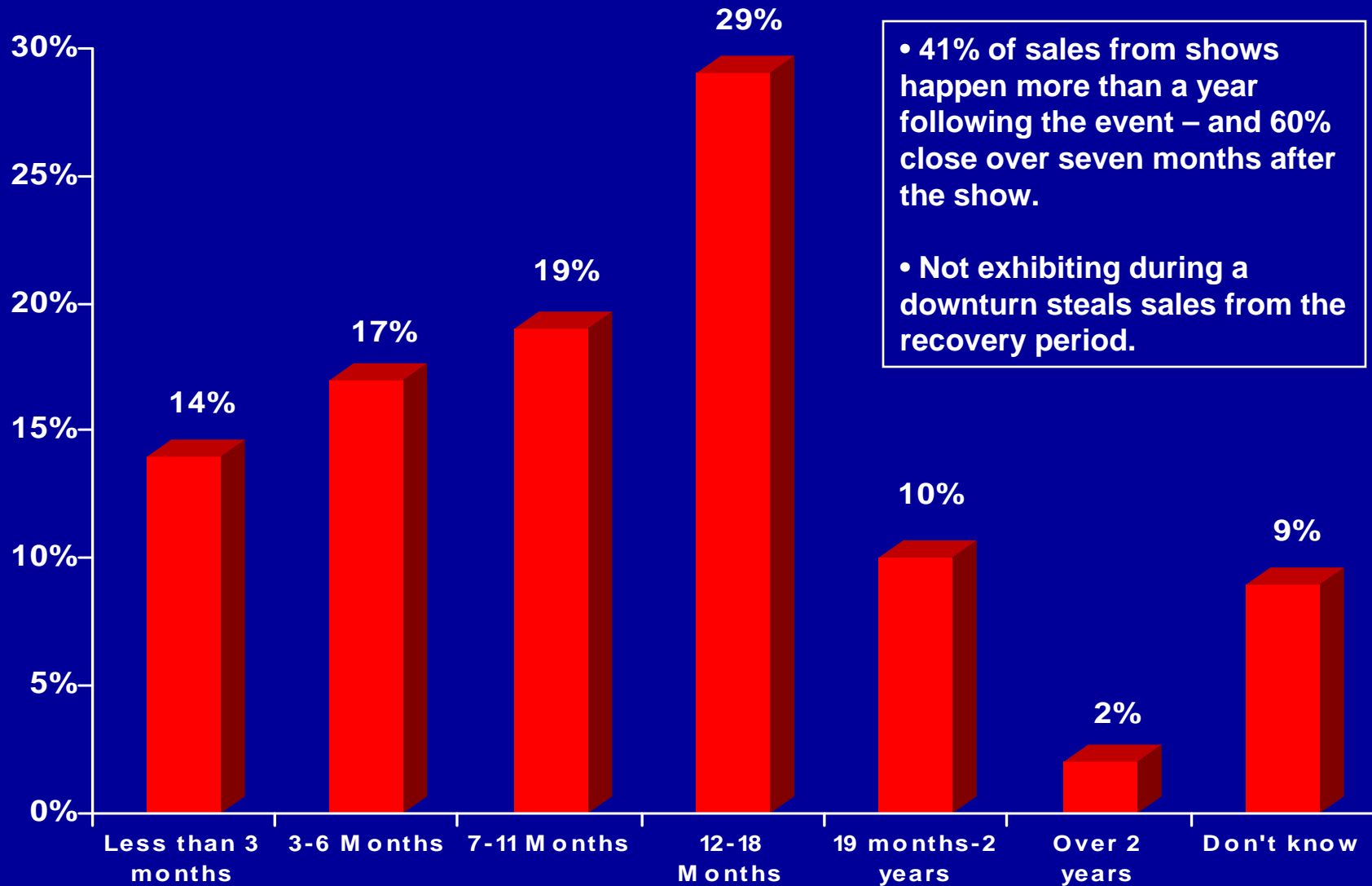
# Exhibitor Quotes on Exhibiting in a Downturn

- **“(We exhibit in a downturn to) gain additional market share in this economy and try to outlast the competition.”**
- **“For increased exposure with new customers. Renew relationships with existing customers.”**
- **“Maintaining our company profile of strength and consistency, so when the market strengthens we are the first choice.”**
- **“(There are) fewer attendees, but typically they are high quality decision-makers.”**

# Exhibitor Quotes on Exhibiting in a Downturn

- **“Less people, but more authority to purchase.”**
- **“The decrease in attendance has lent to increase in quality and size of prospects who do engage.”**
- **“We need the continued visibility so that clients know you are still there and potential clients don’t think you have gone under.”**
- **“Not being at the show leaves people to wonder if we are still in business.”**

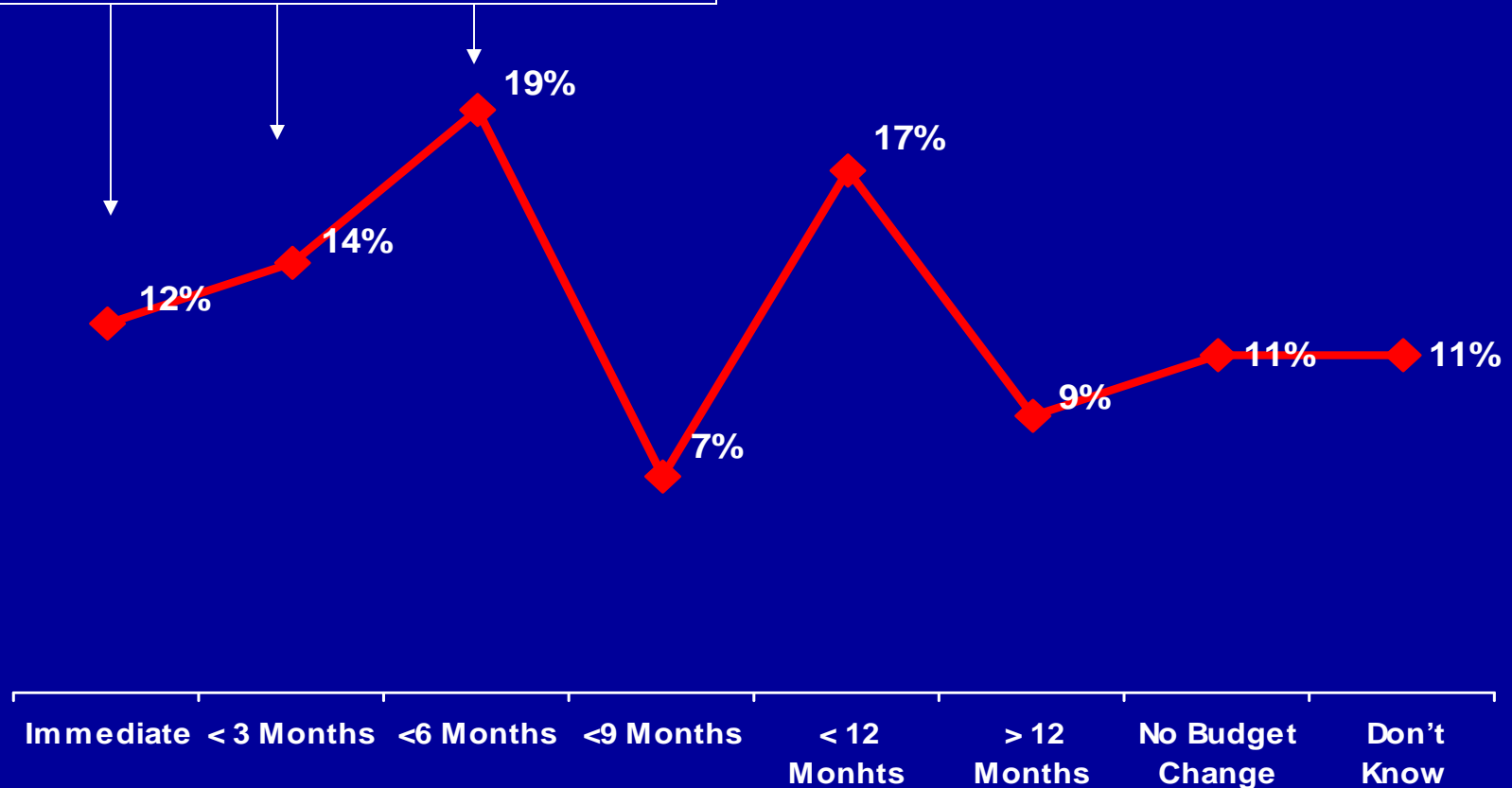
# How Soon After the Show Exhibitors Record Sales from Show Leads



# Exhibitor Budgets – Reaction to Economy

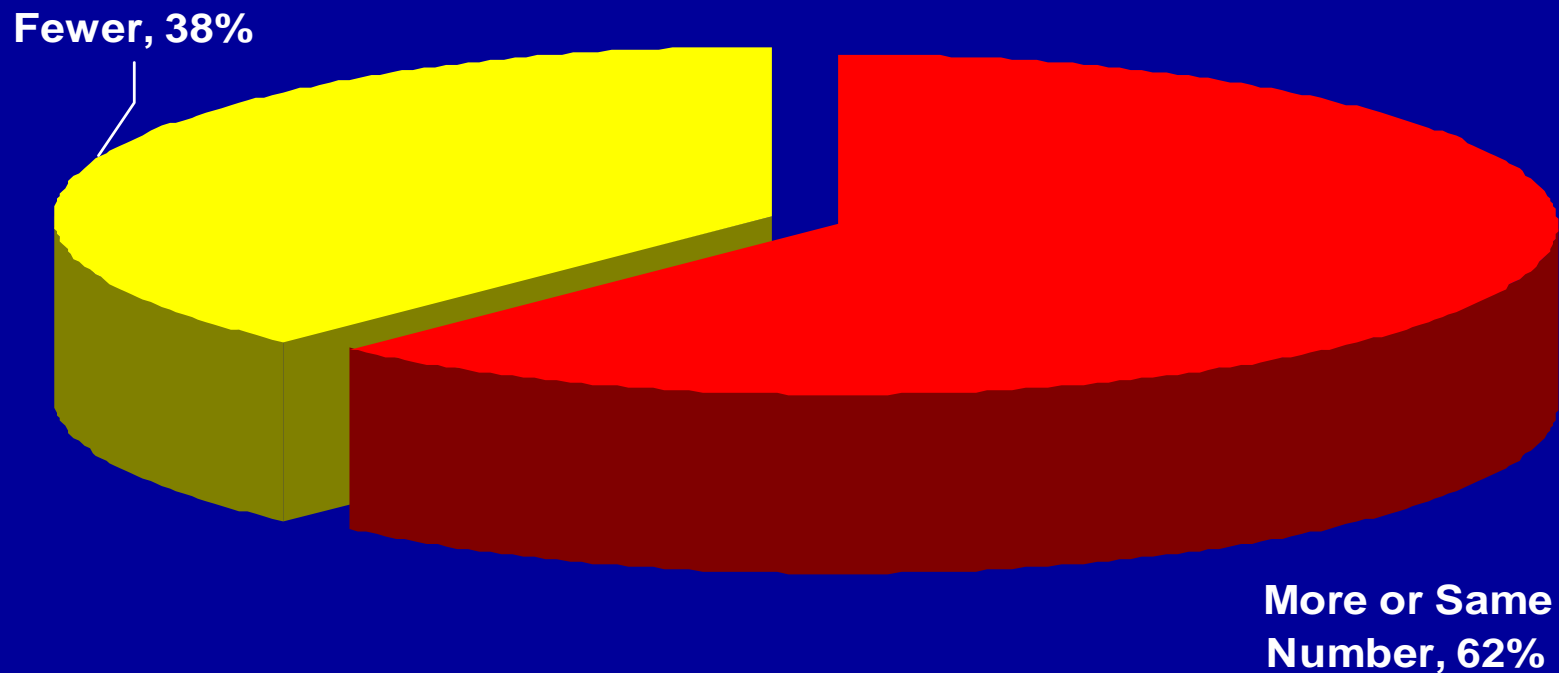
Survey Question (March 2009): “If the North American economy rebounds and/or your organization's sales increase significantly in 2009 how long will it take for your event marketing budgets to rebound and increase by a similar rate?”

45% of exhibitors believe their budgets would increase within 6 months after sales or the economy rebounds.

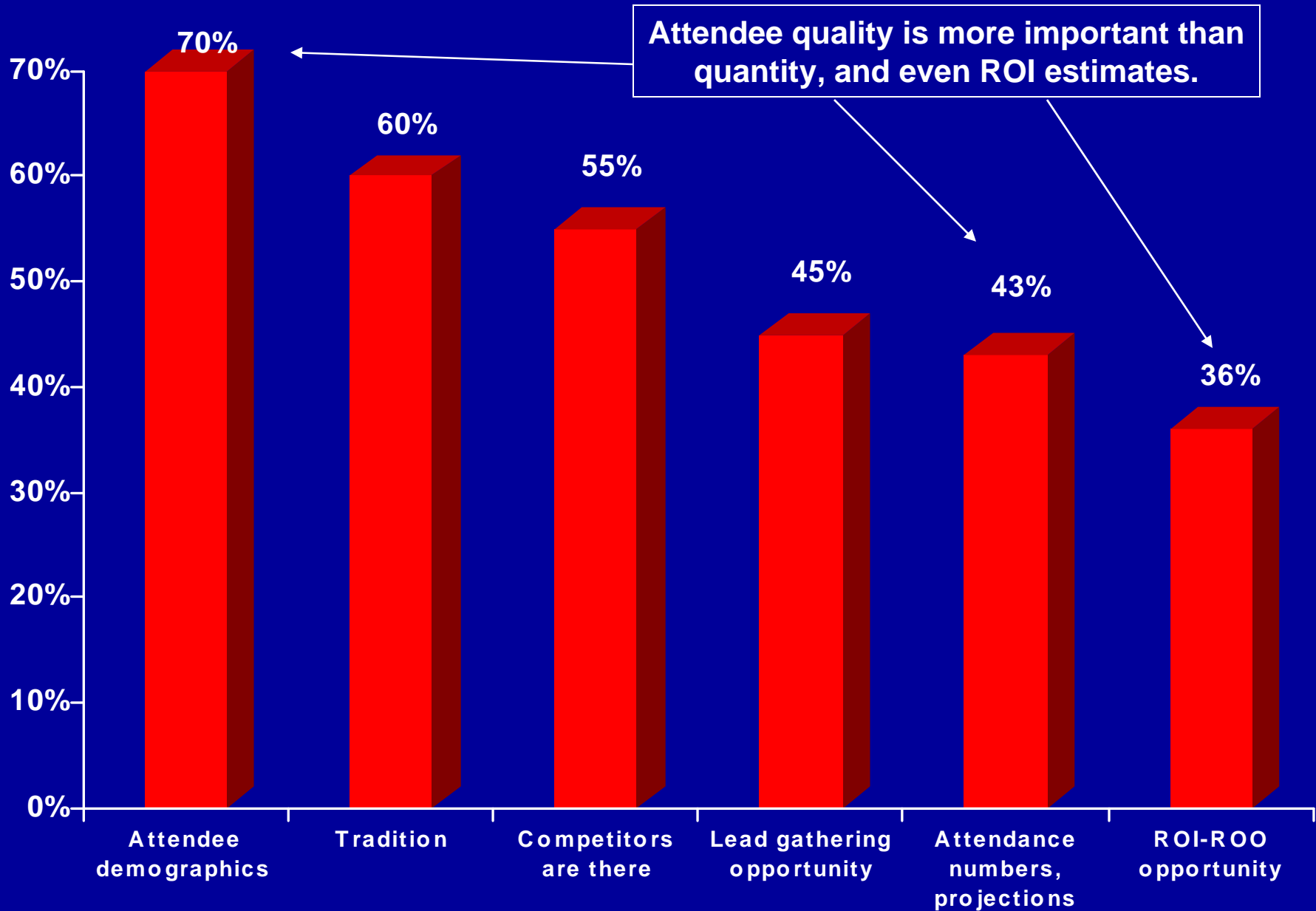


# Event Participation Over the Next Two Years

Survey Question (March 2009): “Do you anticipate participating in more, fewer or the same number of tradeshow in the next two years?”

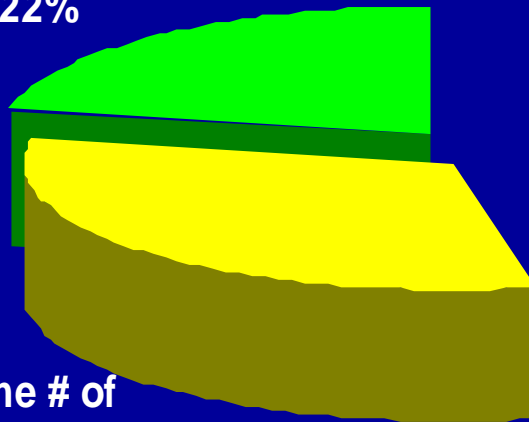


# Why Exhibitors Exhibit



# Exhibitor Survey (February 2009): "If you have to cut shows or booth spaces, would you rather...?"

**Go to Fewer Shows,  
with Less Booth  
Space, 22%**



**Go to Same # of  
Shows, but Reduce  
Booth Space, 31%**

**Go to Fewer  
Shows, but  
Maintain Booth  
Space, 47%**

# Exhibition Industry Growth Cycle



# Where is the Industry Today in the Cycle?

## Slowdown – 1 to 2 years:

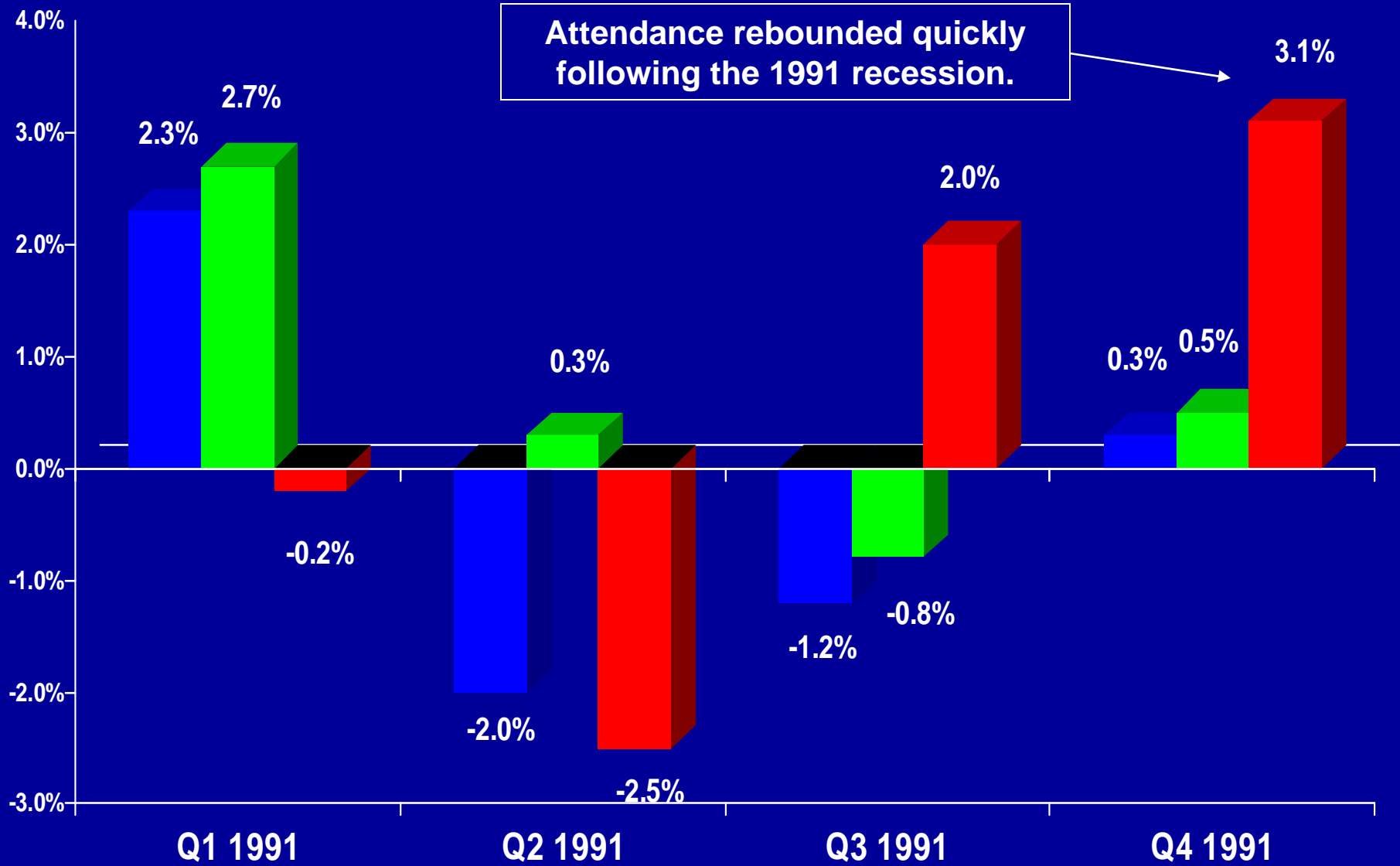
- Net square footage demand increases faster than attendance growth
- Volatile attendance
- Weak corporate meetings market
- Marginal new shows cancelled or postponed
- Lower hotel rates

## Clues to Watch for Recovery:

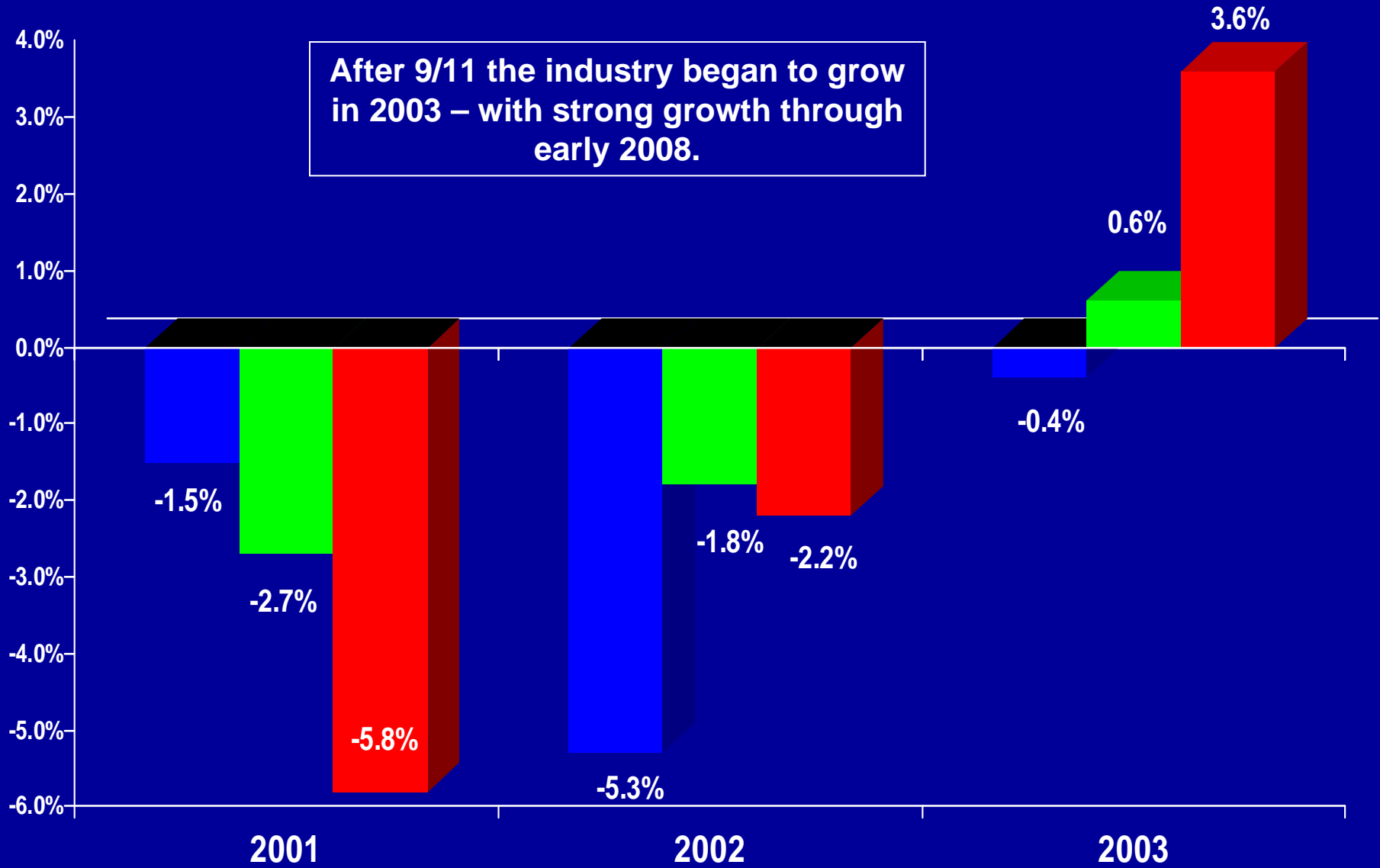
- Attendance grows faster than net square footage in the industry
- Corporate profit growth
- Unemployment rate stabilization
- Consumer spending stabilization and growth
- Hotel occupancy and revenue improvement
- Corporate meetings market improvement

***Attendance at conventions  
and tradeshow recovered  
quickly following the past two  
recessions...***

# 1991 Industry Growth – NSF, Exhibitors & Attendees

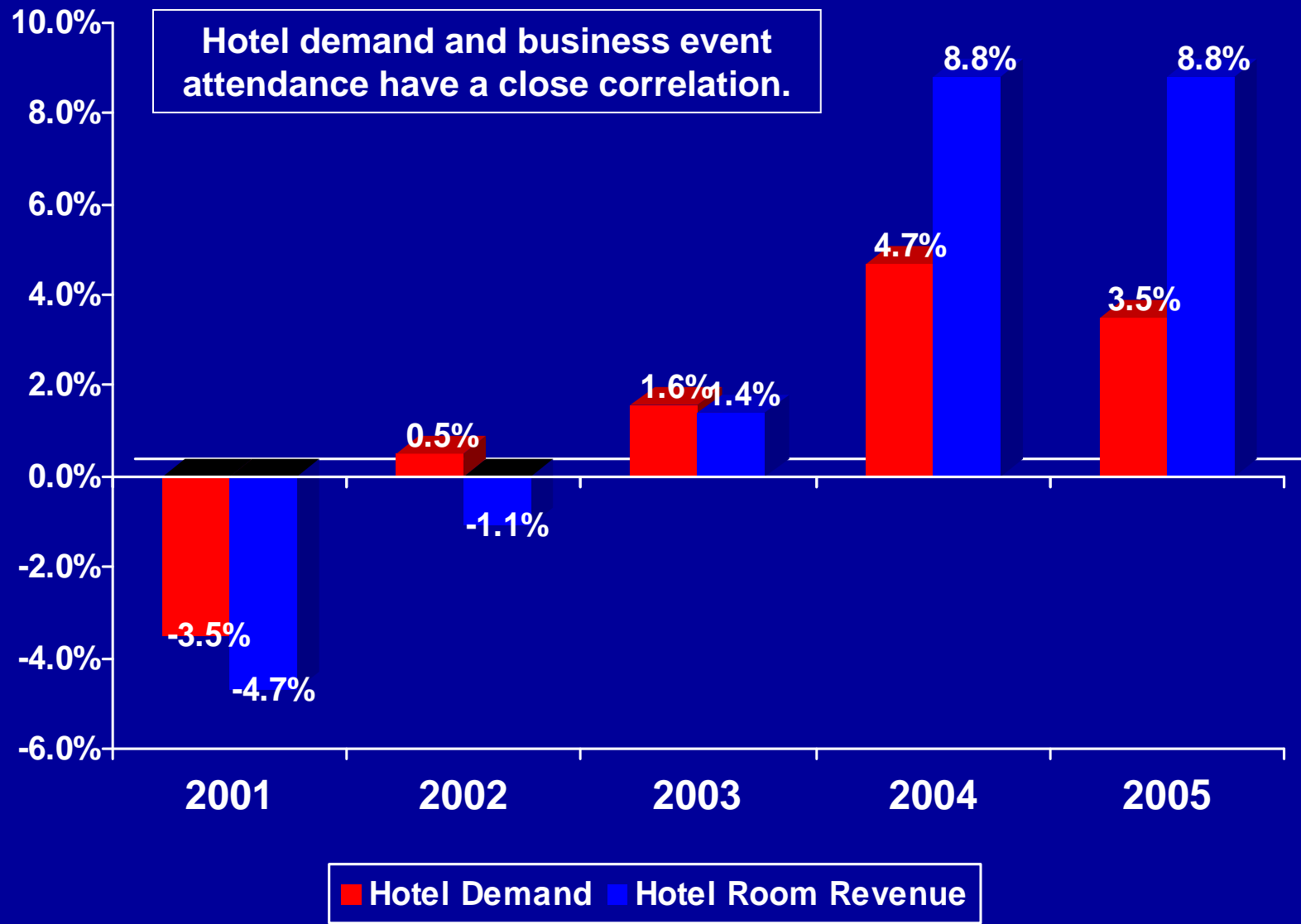


# 2001-03 Industry Growth – NSF, Exhibitors & Attendees



■ Net Square Feet ■ ExCos ■ Attendees

# U.S. Hotels Rebounded Steadily After 9/11



Source: Merrill Lynch – U.S. Hotels

# Outlook

Will this period re-align how marketing budgets are spent?

-- Likely, no.

Will it transform the convention and exhibition industry?

-- No, because this is a global financial and confidence crisis, resulting in across the board cutbacks and hoarding. The core event business model and industry structure will emerge intact.

# Convention & Exhibition Industry Evolution

Conventions and exhibitions are evolving. According to recent Tradeshow Week studies, some of the key issues impacting this evolution include the following:

- Events are becoming more closely tied to web sites – the two primary business-to-business marketing and information mediums are expected to become the web and events.
- Providing services and opportunities that are not available on the internet – enhanced educational sessions and networking opportunities; bringing buyers and sellers together to create a marketplace and community fostering deeper connections to build relationships and transact business.
- The role of events in the corporate buying process – information gathering and research increasingly starts on the internet and ends with the final purchase transacted online. Events are becoming more important in the middle of this process as buyers need to “touch and feel” products on show floors and assess people behind the brands.

# Conclusion

**1.) Reducing exposure at events during a recession is risky to future sales.**

**2.) Attendance at conventions and tradeshow recovered solidly and quickly following the past two economic downturns.**

# About Tradeshow Week

**For over 35 years Tradeshow Week magazine's mission has been to provide influential leaders and decision-makers in the global convention and exhibition industry with timely news, analysis and research. We engage opinion leaders and active members involved in all aspects of the exhibition industry through our original stories and landmark research.**

**Authoritative and research-driven, Tradeshow Week's diverse portfolio of resources – industry leading weekly newsmagazine, directories, website, events and research services – demonstrates our commitment to the exhibition industry and to the individuals actively changing the industry today.**

**Tradeshow Week Research provides a wide-range of information, research and consulting services to event industry leaders and leading corporations, entrepreneurs, investors and consulting firms.**

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