A look at the future of shows

The New Hughes Group
profit from tradshows

[Introduction]

Recent research by EMI on the future of trade shows indicates that the format of the trade show is evolving and diversifying to accommodate attendee and sponsor/exhibitor needs. The purpose of this white paper is to take a look at those changes, discuss the rise of smaller content-driven events—such as executive conferences—and examine how physical structure and sponsor presence might be best served in this evolving model.

Executive Summary: The trade show model is evolving

According to "The Future of Trade Shows," an insight research report published by EMI, the standard model of the trade gathering—keynote, breakouts, networking events, and exposition floor—is likely to become less standard over the next five years as event organizers re-think their platforms based on evolving audience needs.

The effect of these changes will be all sorts of new hybrid events—with and without exposition floors—geared to fulfilling the content and networking needs of highly targeted groups of attendees.

One hybrid event model that is already growing is that of the executive conference—a one to two-day meeting that brings together executives with similar interests and responsibilities and offers them relevant content and professional networking responsibilities. In a recent sur-vey by EMI, seventy-seven percent of respondents said they currently execute executive events—typically more intimate affairs for groups ranging in size from 100 to 200 attendees. Sixty-one percent of these events have no show floor, yet sixty-six percent rely on sponsors for funding. This indicates the development of new event models where sponsors can achieve their ROI objectives without an exhibit.

Forces at work

For years, event organizers relied on traditional formats to attract a wide and varied audience. However, today's attendee, afflicted with budget and time limitations, is looking for events that make the most efficient use of their time—and address their current and specific needs.

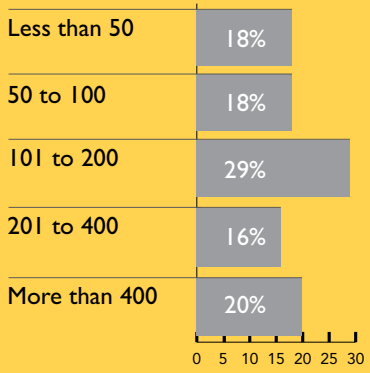
Attendees have a specific agenda

Usually, when someone takes time away from the office, it is with a specific agenda. In instances where that agenda is to "see what's new" or take a broad survey of industry trends, a typical trade show may best fulfill that need. However, when people do opt to leave the office—especially in the case of team members from small and medium-sized businesses who are wearing multiple hats at work—it is typically to receive education they feel will improve their job performance. They often have a specific goal—such as to learn how to apply a specific technology to its greatest advantage, or to discuss a potential business solution with someone who has already implemented it. These sorts of narrow needs are often best met at a smaller, more intimate event tailored to meet that need. Another challenge is reaching top executives. Many executives may attend trade shows and conferences, but they aren't likely to walk the exhibit hall.

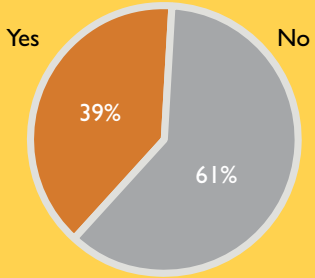
Sponsors want to maximize ROI

From the supplier's perspective, the industry trade show remains the best opportunity for companies to flex their industry leadership muscle and reinforce their brands. However, smaller companies and companies with niche products often stand to achieve greater ROI with a more focused approach to events. Advances in marketing—including technology tools and better databases enable companies to hone in on their specific audience—narrowcast rather than broadcast. They can identify the proper prospects and connect pre-event to set-up meetings. In these instances, standing in an exhibit booth and waiting for the right people to walk by may not be the most efficient application of their marketing dollar. Often, these marketers would prefer to reach a small, highly targeted audience rather than a larger audience peppered with non-prospects.

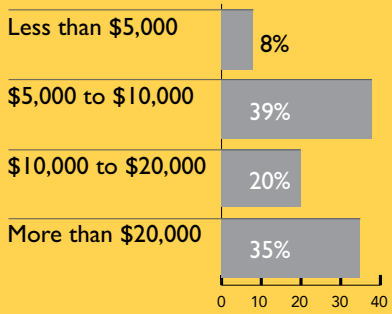
What is the number of attendees at executive events?



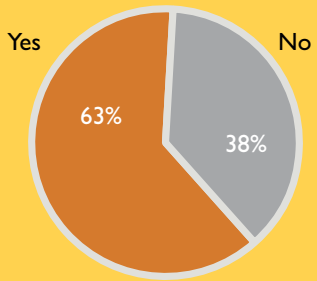
Has your company used virtual events?



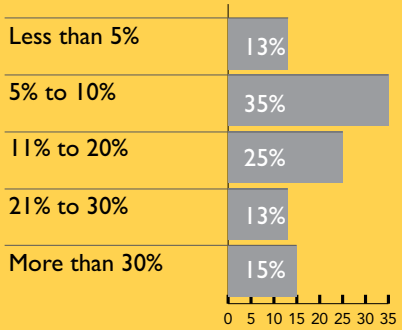
What level of sponsorship do you offer?



Have you witnessed audience declines?



How much are these declines?



The evolution of the smaller format trade show

Historically, the event organizer measured her success on quantitative metrics, including the net square footage of exhibit space and total number of attendees. After 9/11, event organizers saw a reduction in both of these metrics. However, the exhibitors who continued to participate in shows reported that the attendees who did attend post-9/11 events were often more serious buyers—it was the tire-kickers who had opted to stay at home. Therefore, while the size of the show had diminished, its value to its exhibitors was still intact.

After 9/11, some event organizers continued on the tack they have always pursued, while others experienced an epiphany. Smart organizers applied what 9/11 had taught them about the quality of attendees and decided that they would measure the success of their events based on factors including sponsor satisfaction, attendee satisfaction, and achievement of financial objectives. In other words: the amount of successful engagement that had taken place at the event.

With this new perspective, these organizers have been able to take a good look at the challenges facing both their attendees and sponsors—and brainstorm new hybrid event formats that meet these challenges.

Among the factors driving the design of new event concepts are:

[1] TIME—The length of time an attendee is willing to be away from the office is declining. This affects the ideal length of events, the distance various audiences will travel to get to events, and the number of people who will really walk an entire trade show floor.

[2] GREEN—Attendees and sponsors have an eye toward adopting more sustainable practices. Over the next five years, this will have increasing impact on people's travel and transportation habits—and on marketers' ability to justify building and shipping large exhibit structures.

[3] MEASUREMENT—Methods of quantitative, qualitative and video-based measurement are enabling event producers to understand what is working, what isn't working and why, like never before. This valuable insight enables them to retool existing events and see opportunities to create new niche events that meet their audiences' unique needs.

[4] TECHNOLOGY—The biggest changes in the way we approach events are due to technology. Online matching programs enable buyers and sellers to connect and set up meetings before an event. Virtual displays that demonstrate how a piece of machinery works can replace the need to see the real thing. As social media evolves, it is likely to drive our ability to promote events to targeted audiences and increase the at-show efficiency of individual attendees.

And technologies such as RFID and Near Field Communication (NFC)—which will be embedded into our mobile phones—will make it possible to customize content to specific attendees, track the location of a person or exhibit, and exchange information automatically via our phones.

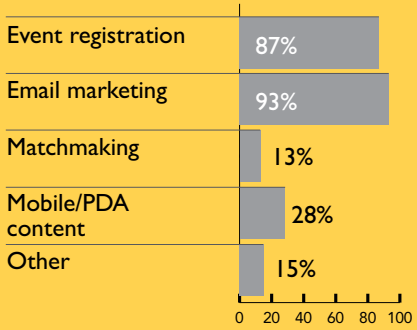
[5] NETWORKING—As more and more of our educational and content needs can be satisfied online, face-to-face interaction and the desire to network will be the primary reasons people attend events. A room with 2,000 people is not conducive to locating peers who are facing like challenges or getting to know a potential supplier. Especially for service industries and products—building relationships will remain key.

[6] CHANGING SPONSOR BEHAVIOR—In the last few years, there has been an increase in the number of marketers who have approached the producers of traditional trade shows with requests to create new ways to participate in their trade shows—without a physical exhibit. The solutions to these requests have included educational sponsorships, demonstration areas, and meeting room presences—all of which open up possibilities for new event varieties with non-traditional sponsor participation.

[7] EXHIBITORS' DESIRE TO CONTROL COSTS—Currently, the expense of participating in trade shows is increasing faster than the show audiences are growing. This decreases exhibitor ROI and makes it harder to attract and retain exhibitors to traditional trade shows. The implications here are twofold: first, it is in the event producer's best interest to find a method to reduce the cost of event participation for sponsors and exhibitors. Second, there is a vast opportunity to attract sponsors to participate in events where no physical exhibit is required, but ROI is delivered.

[8] ATTENDEE NEEDS—No two audience groups are alike—therefore there is no one-size-fits-all event type. The ideal event format for any audience is based on its industry, responsibility level, ability to take time out of the office, budgets, immediate needs, comfort with technology, the type of content which will be exchanged, and other factors.

What kind of event technology do you use?



“A lot of the larger tradeshows may be trying to do too much for too many people for too many different reasons.”

—Gil Cowley, Former VP Exhibit Events, Discovery Communications

The growth of executive conferences and niche events

“A lot of the larger tradeshows may be trying to do too much for too many people for too many different reasons. I think people, particularly with tight budgets, are only going to go to what’s going to directly benefit them and their company,” says Gil Cowley, Discovery Communications.

One of the reasons for the increase in the number of executive conferences or small, niche events is that this intimate platform facilitates the achievement of the goals of all three constituent groups: attendees, sponsors, and the event organizers themselves.

Attendees can receive highly specific content, connect with others in their position, learn from peers who have already addressed key challenges, and meet suppliers with targeted solutions.

Sponsors have access to a group of attendees who belong to their target audience and are actively shopping for solutions and suppliers. When the number of sponsors is limited, participation becomes even more attractive, with the sponsors willing to pay for their sponsorship on the basis of its value in terms of expected ROI—since there is little or no additional spending for a booth.

When the attendees and sponsors are happy, the event producer is successful. Plus, these events have the potential to be self-funding or even highly profitable because sponsors will pay top dollar to have intimate access to pre-qualified prospects.

Currently, some of the fastest growing event formats include:

Executive events: Content and sponsors are focused on more strategic issues and business solutions in a consultative venue with highly qualified senior level audiences with shorter time frames.

Regional mini-conferences: A larger one-time event is broken down and scaled for traveling. These conferences target a select group of local buyers and sellers with like interests and convene at hotels or smaller venues (even restaurants) for a single day.

Hosted events (or buyer/seller events): The sponsors select the attendees they’d like to meet with and underwrite all attendee costs and content.

Proprietary events: A specific company creates an event (or user group meeting) for a very targeted group of its customers (even individual customers) or prospects and invites its business partners as sponsors.

Conference-within-a-conference: A smaller event held for a single day within a major trade event to enable a target industry sub-group to network.

Executive seminars: Content is the primary draw, sessions are focused and time is limited (breakfast, half day, afternoon, evening formats).

Time to retire the traditional static booth format?

The growth of various small event platforms raises questions about the validity of the traditional tradeshow booth. At an event where the audience wants to invest time learning and networking, is a traditional exhibition format in the best interest of the sponsor?

Common sense would say that although sponsors require visibility and possibly a place to do scheduled demos, being tied to a booth may not the best way to interact with an intimate audience. The best way for a sponsor to engage at smaller events is as a participant. The emergence of new formats like Innovation Spaces, Learning Labs and Solution Centers underscores this.

One alternative strategy that has been successful is to utilize small, customized, portable Learning Labs to give sponsors visibility in key areas such as in the educational sessions they sponsor and in the meeting and networking areas. These structures can be used as greeting stations, whiteboard structures or worktables, giving the sponsor the freedom to interact and participate freely in the event activities. She no longer has to stand alone like a fisherman waiting for the fish to come to her.

Solution Centers are collections of 'conversation spaces' that enable sponsors to invest their time and money in making connections and sharing ideas rather than building architecture. "Our philosophy is to be as creative and resourceful as we can to bring ROI back to our exhibitors and sponsors…That means doing more, [such as special content areas where] the booths become more like modular stations and everything is done with multimedia presentations and wireless uploads and downloads…It's a natural progression to use the space more wisely and trying to bring ROI to our exhibitors and sponsors," says Tim House, director of marketing and sales for PCIA.

A variation of this is an event, Innovation Spaces, where the networking area emulates a bar and the sponsors all have a means of visibility somewhere in the room. That way, the sponsor presence is part of the event experience, which encourages impromptu meetings and bonding—rather than in a separate room or hall. This fuels connection moments between peers and sponsors—rather than awkward selling situations. To this end, sponsors can be integrated into speaking panels, sit with the attendees at meals, and take an advisory role in the planning of the event.

Ed Thomas, director, UtilityExchange.org, has had success with this approach. "Instead of spending the exhibitors' money on drayage and signage and shuttle buses, we're spending the sponsors' and attendees' money on feeding them and giving them reasons to stay together during the event. People often feel that they need to choose between the tradeshow floor—where they expect to get sales pitches—and the sessions—where they expect to learn. Well, [at our events] no one can tell where the learning stops and the selling begins," says Thomas.

Robert T. Dixon, president of Creative Technical Services, Inc., says the ideal solution is lightweight, portable, easy to set-up without paid labor, green, and has the ability to be customized graphically to the sponsor's specifications. "It solves the signage problem in a really elegant way. It solves the message problem in a really elegant way," he says.

He also points out the overall cost savings in labor and drayage by using this sort of solution. "One time we used [this type of solution] at the Kodak Theater. The set, which normally would take six hours of labor took 45-minutes…Based on what I'm paying for a union crew in the Kodak Theater, five hours savings is incredibly substantial. That's on the order of $20,000," says Dixon.

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[Conclusion]

The trade show and event model is likely to continue to evolve as savvy event organizers design new event formats to reach targeted audiences.

As the executive conference model mutates, the number of targeted, intimate events that blur the line between sponsor and attendee is going to increase as this format satisfies the aggregate needs of the attendee, sponsor, and show organizer. At the same time, we will see the development of alternatives to the traditional exhibit—which provide sponsors with visibility in a sophisticated manner without limiting their ability to fully participate in the event.