ALIGNING FOR SUCCESS

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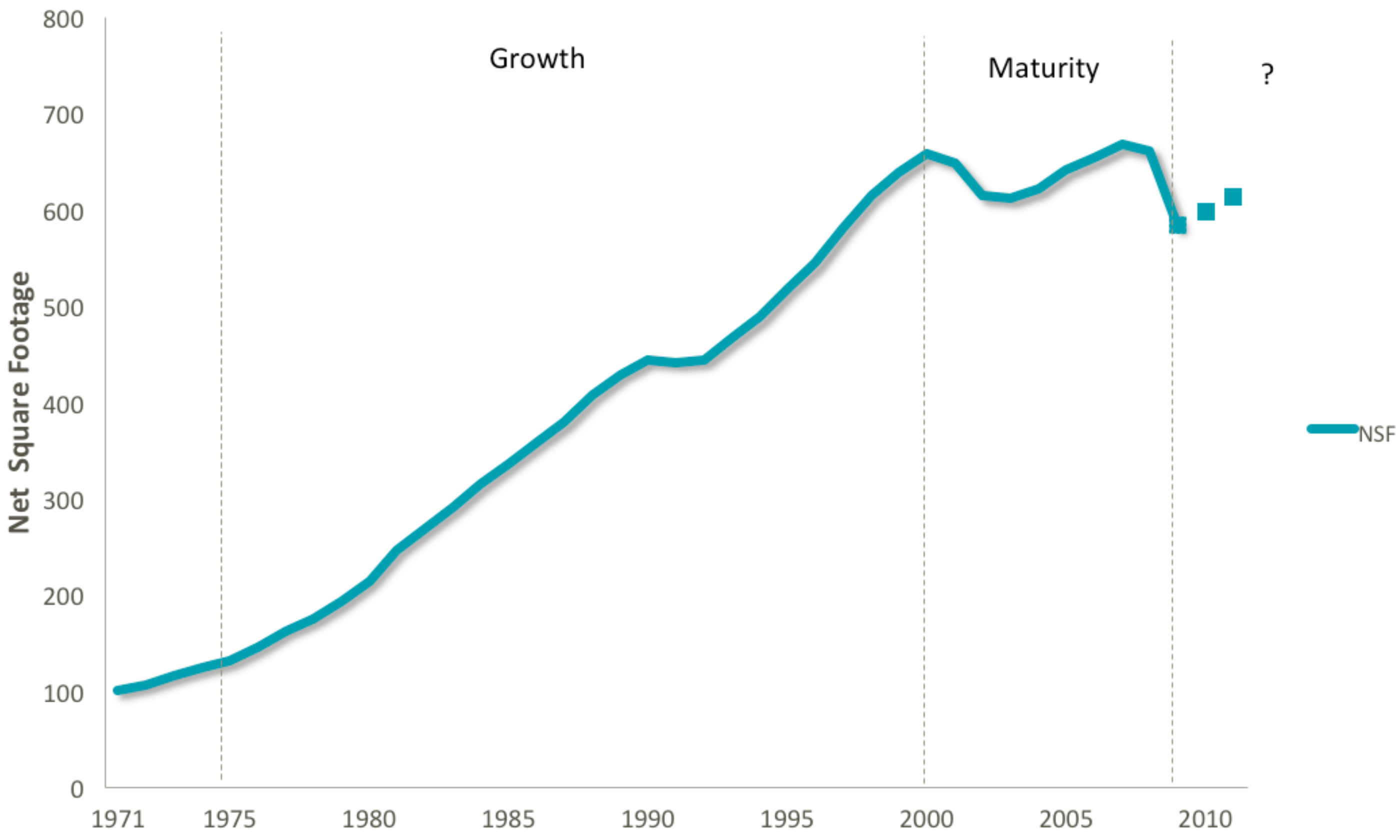
WHITE PAPER SUMMARY

After decades of growth, how will the U.S. exhibition industry transform to increase value for participants? Armed with an extensive market research study, Global Experience Specialists (GES) considers this pivotal question from the perspective of exhibitors, exhibit houses (EACs) and show organizers.

Exhibitor, Exhibitor Appointed Contractor (EAC) and Organizer perspectives and ideas to strengthen U.S. exhibitions

After three decades of growth, the U.S. exhibition industry has matured, prompting the question of how the industry—organizers, exhibitors, attendees, convention centers/hotel venues, host cities and third party service providers—will transform the trade show format to increase value to all participants. In an effort to provide better insights and solutions, Global Experience Specialists (GES) undertook an extensive market research study to understand the perspectives of three key participants—exhibitors, exhibit houses (EACs) and show organizers.

The study is a microcosm of the broader trade show ecosystem which includes convention centers, host cities, hospitality venues (hotels, restaurants, tour buses, taxis, etc.) and the multitude of third party service providers at trade shows (audio-visual, registration, floral, shipping, etc.).



Survey respondents and focus group participants highlighted key priorities:

- Exhibitors expect an easy, seamless, and impactful experience at the trade shows they support
- EACs are savvy advisors who influence which shows exhibitors support and how budget dollars are spent pre-, at- and post-show
- Organizers expect a seamless experience from their partners and are very keen to grow their shows and profitable sales

For trade shows to maintain a strong value proposition, all participants must work together to optimize areas in which common interests align:

- The need for an easy, seamless, end-to-end execution
- Access to relevant and timely information
- Collaboration on the part of all ecosystem suppliers (as part of a co-opetition model)

Finally, exhibitors were asked what initiatives could be undertaken to create more value at shows as well as manage costs.

- Enhance value: Exhibitors overwhelmingly seek better information on show demographics and look for opportunities to connect with target attendees pre-show
- Manage costs: Exhibitors are looking for price assurance on major exhibiting costs as well as advice and incentives to optimize spend

Perspectives of Key Players

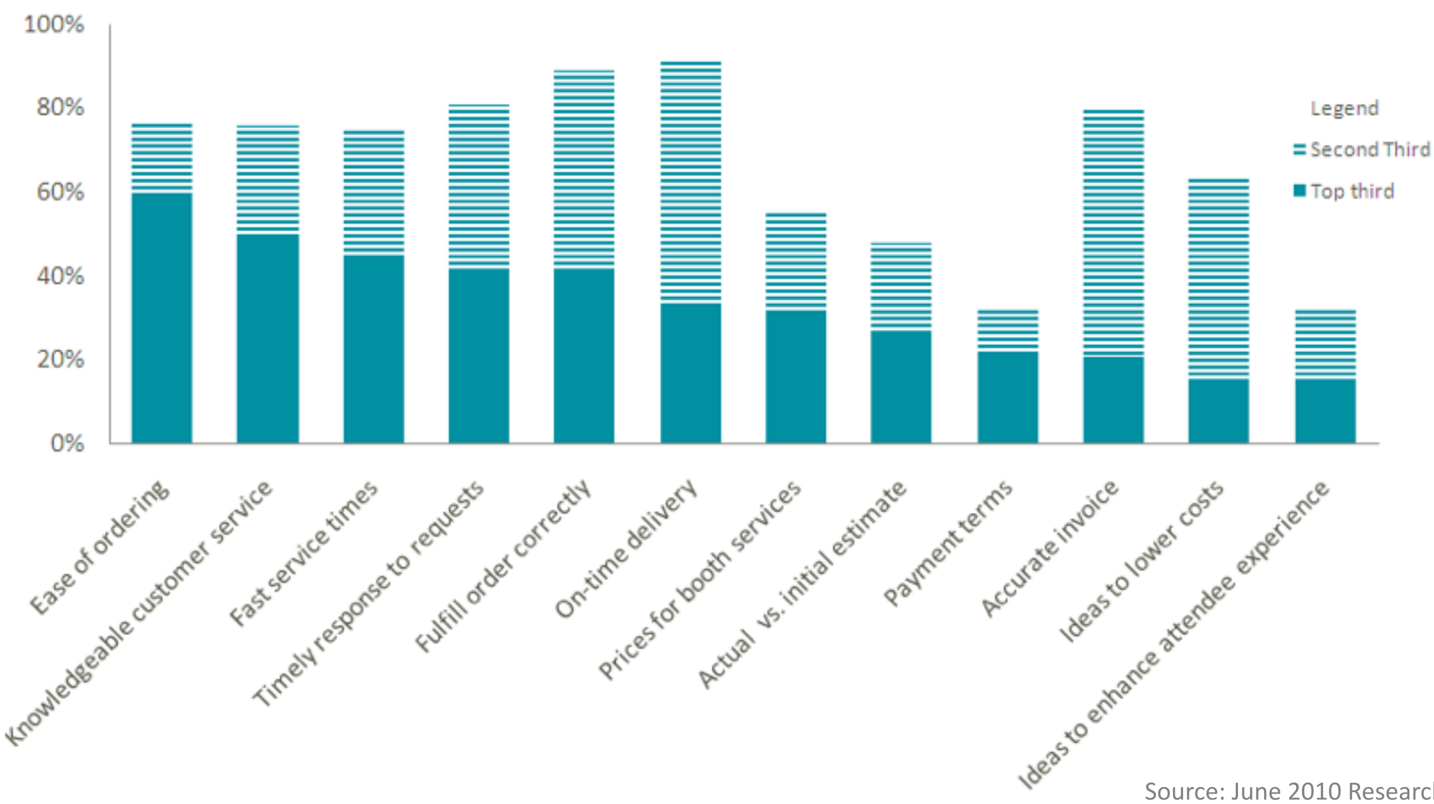
From April 2010 through March 2011, GES undertook extensive research with exhibitors, organizers, and EACs. Research included in-person interviews, online surveys and focus groups at major industry trade shows and conferences. More than 80 people participated in the in-person meetings and focus groups; online surveys garnered more than 700 responses. For more information, see Survey Methodology at the end of this white paper.

Exhibitor Perspectives

When asked to rank their key requirements when working with or interacting with services contractors, exhibitors highlighted three priorities:

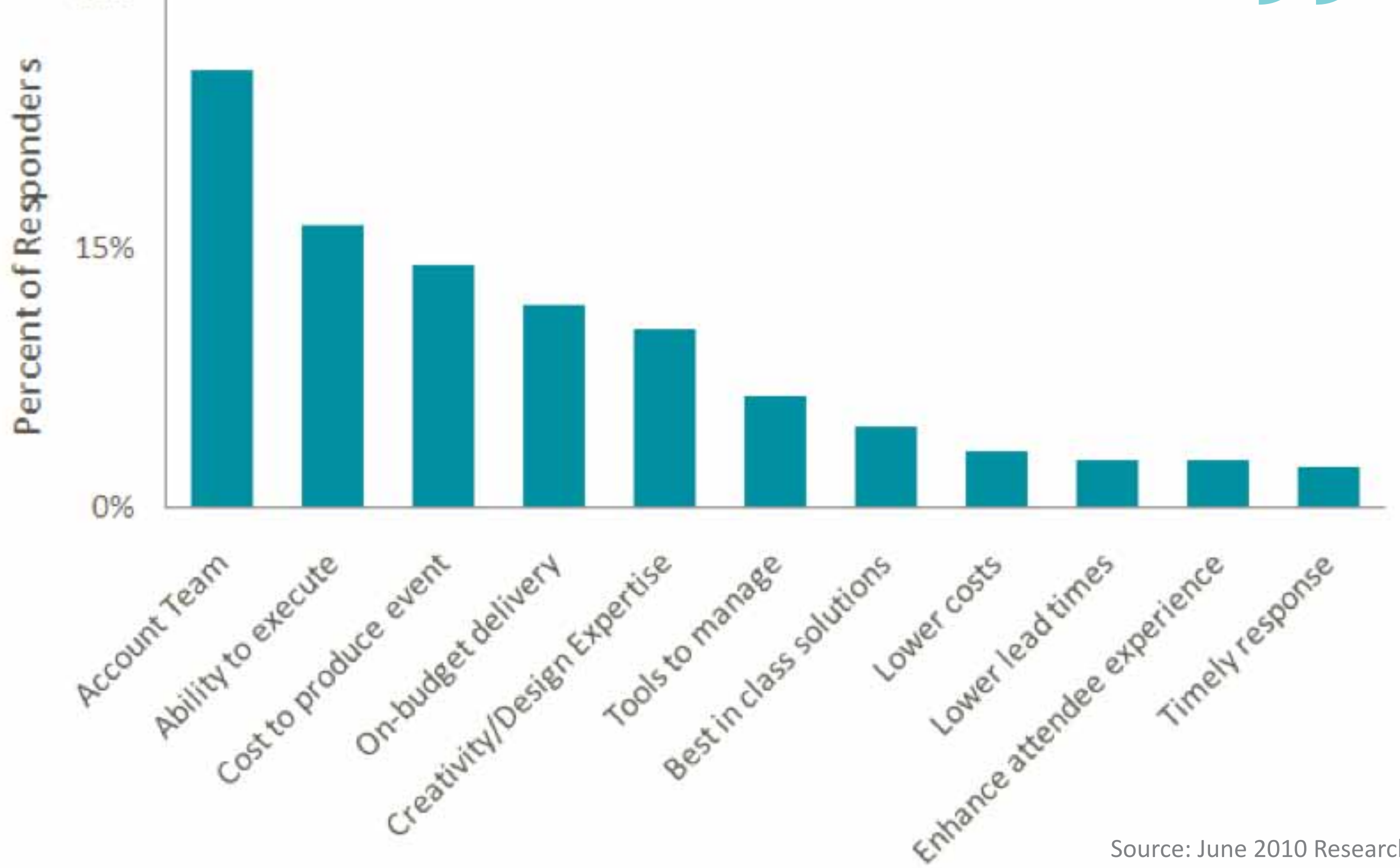
- Ease of ordering: Exhibitors seek a simpler, more intuitive means to order trade show services, to find information and manage deadlines, to access help and to understand product/service scope and charges.
- Knowledgeable customer service: Exhibitors seek a single point-of-contact ("person's name=accountability"). This service representative must be empowered to solve a problem at its origin. If a customer service representative cannot provide immediate resolution, they must communicate regularly and manage expectations effectively on steps being taken to resolve the issue.
- Services delivered on-time, right the first time: The old adage "time is money" is very prevalent today. Exhibitors are time-pressed and managing under ever-increasing responsibilities. With the complexities of trade show logistics, exhibitors need partners who come prepared with the right tools, start work on time, and manage changes in direction.

***Exhibitor Survey:* What are your key requirements when working with or interacting with a General Services Contractor?**
Rank 1 (most important) to 12.



Source: June 2010 Research

***Exhibitor Survey:* What are your key requirements when choosing an EAC/Third Party Supplier?**
(Rank 1 to 11) – Top ranked requirement



Source: June 2010 Research

Exhibitors Working with an EAC

Over the past 30 years, many exhibitors have chosen to partner with third party companies (i.e. exhibit houses, event marketing agencies, etc.) to manage their trade show presence. The majority of these exhibitors manage large budgets (Over $250k) and choose to delegate program management to their EAC partners. Exhibitors working with an EAC focus on two key priorities:

- Finding the right account executive: Exhibitors very much rely on one person, the account executive, when deciding with whom to partner. Key expectations include an account executive with proven experience, ability to present best solutions, and "no surprises" in managing trade show details.
- Match with exhibit house capabilities: Partnering with a firm that has the talent and resources to execute, that has sector specific expertise (i.e. healthcare, aerospace/defense) or subject-specific expertise (portable management, global execution).

Given the close partnership, EACs have expanded their role to include budget stewardship and execution. For example, EACs often recommend which shows to support, forecast tradeshow program- and show-specific budgets, and manage show execution and issue mitigation.

EACs

While initially EACs were booth builders or installers, EACs have expanded their influence and oftentimes serve as a savvy advisor and steward working on their exhibiting clients' behalf.

EACs highlighted several key priorities:

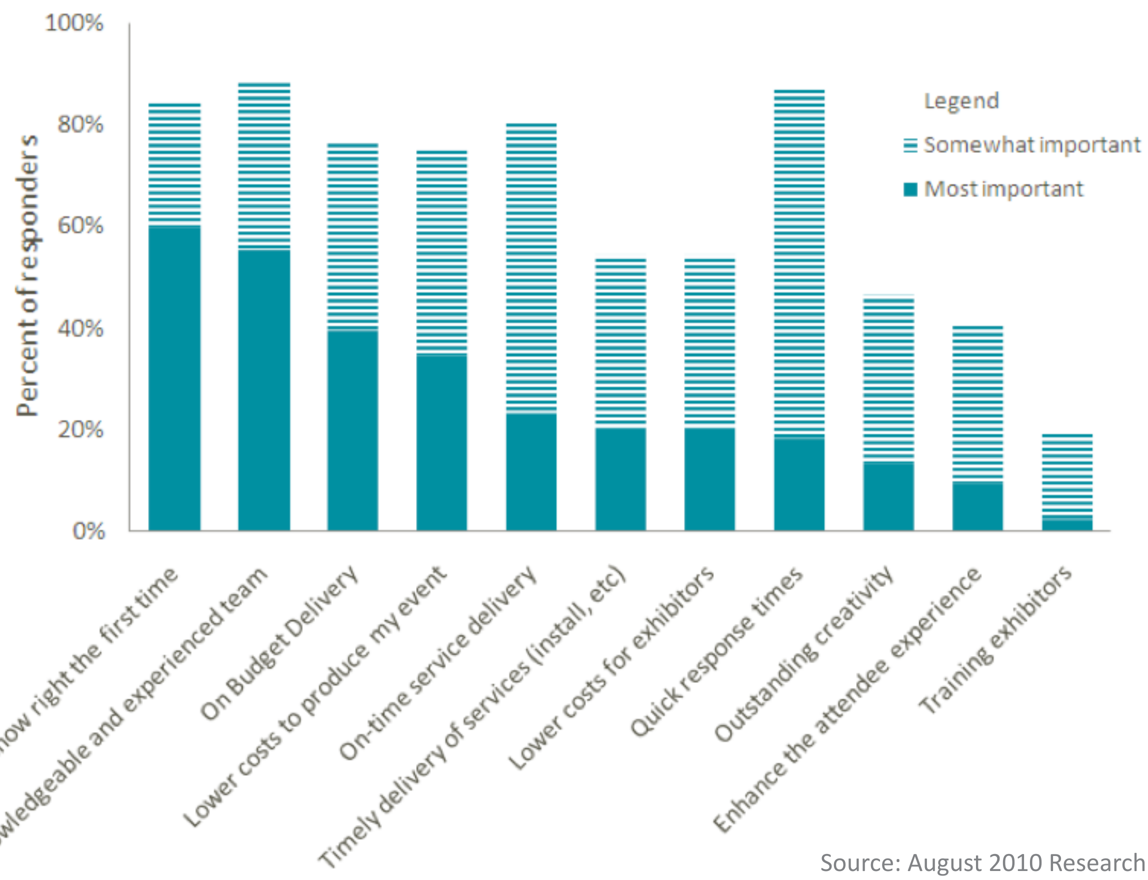
- Access to information across all clients: EACs seek a finer level of detail on show logistics; for example, they expressed a need to see not only show floor plans and layouts, but also convention center plans ("We would like to understand what is the full output from electrical and proximity to our clients' booths"). Similarly, EACs seek access to information regarding all clients at a trade show in order to leverage purchasing and coordination with other contractors.
- Higher level of customer service: Given their trade show savvy and role as program steward, EACs prefer to conduct pre-show coordinating meetings with contractor and convention personnel to orchestrate show details and resource requirements, ensuring that deadlines will be met and plans are managed on a daily basis.

Organizers

As the economy improves, organizers are focused on growing the show and demonstrating increased event value to current and prospective exhibitors. In order to drive success, organizers prioritize several attributes:

- High quality execution: organizers seek partners with the right resources and capabilities; as importantly, they expect best-in-class recommendations.
- Knowledgeable and experienced team: organizers rely on the whole account team to execute the full scope of show activity. Staff needs to be accessible and empowered and provide timely responses with top- notch customer service.

Organizer Survey:
What are your key requirements when choosing an Official Services Contractor?
(Rank as most important, somewhat important, or least important with only 3 per category)



Source: August 2010 Research

Areas of Common Alignment

In reviewing the findings across trade show participants, four key areas of alignment were identified:

EASY

Make it easy to obtain information, to order services, to coordinate deadlines, and to access help. Eliminate duplicative information, provide one set of information and coordinated deadlines, and make it easy for participants to obtain help in one place.

ACCESSIBLE

Provide access to insightful information on attendees, show rules and regulations, show/convention center/exhibit plans and related events. Currently information resides with a number of different players, forcing exhibitors to invest time to track down information needed from the right source. Providing one consolidated site with this information is key.

TRANSPARENT

Provide more transparency on the show and attendee information so exhibitors and other participants can make more informed decisions. Also, participants should embrace best practices in product and service descriptions, billing, and issue resolution to resolve issues earlier.

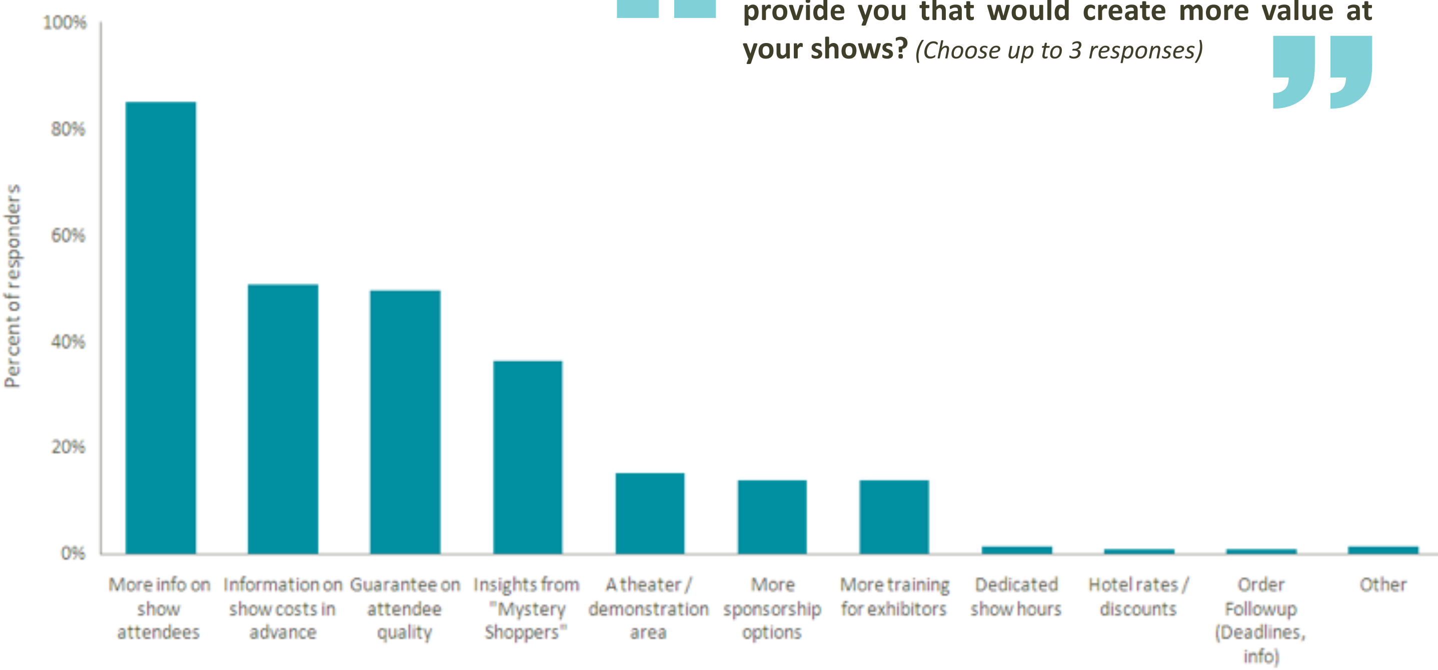
COLLABORATIVE

Current participants provide overlapping or competing services. While decision-makers such as organizers and exhibitors understand the need for competition, there is an expectation that industry participants will collaborate on areas of mutual benefit while reserving their right to compete in areas requiring specific expertise.

Initiatives to Transform the Trade Show Experience

In the most recent online survey of exhibitors, GES tested several ideas initiated by Large Show Roundtable, a forum for trade show organizers, on ways to improve the trade show experience. The survey tested ideas to enhance trade show value and to manage exhibitor costs.

> ***Exhibitor Survey:* What can show management provide you that would create more value at your shows?** *(Choose up to 3 responses)*



Source: March 2011 Research

Enhancing Trade Show Value

When queried on ways to enhance trade show value, exhibitors highlighted several key initiatives:

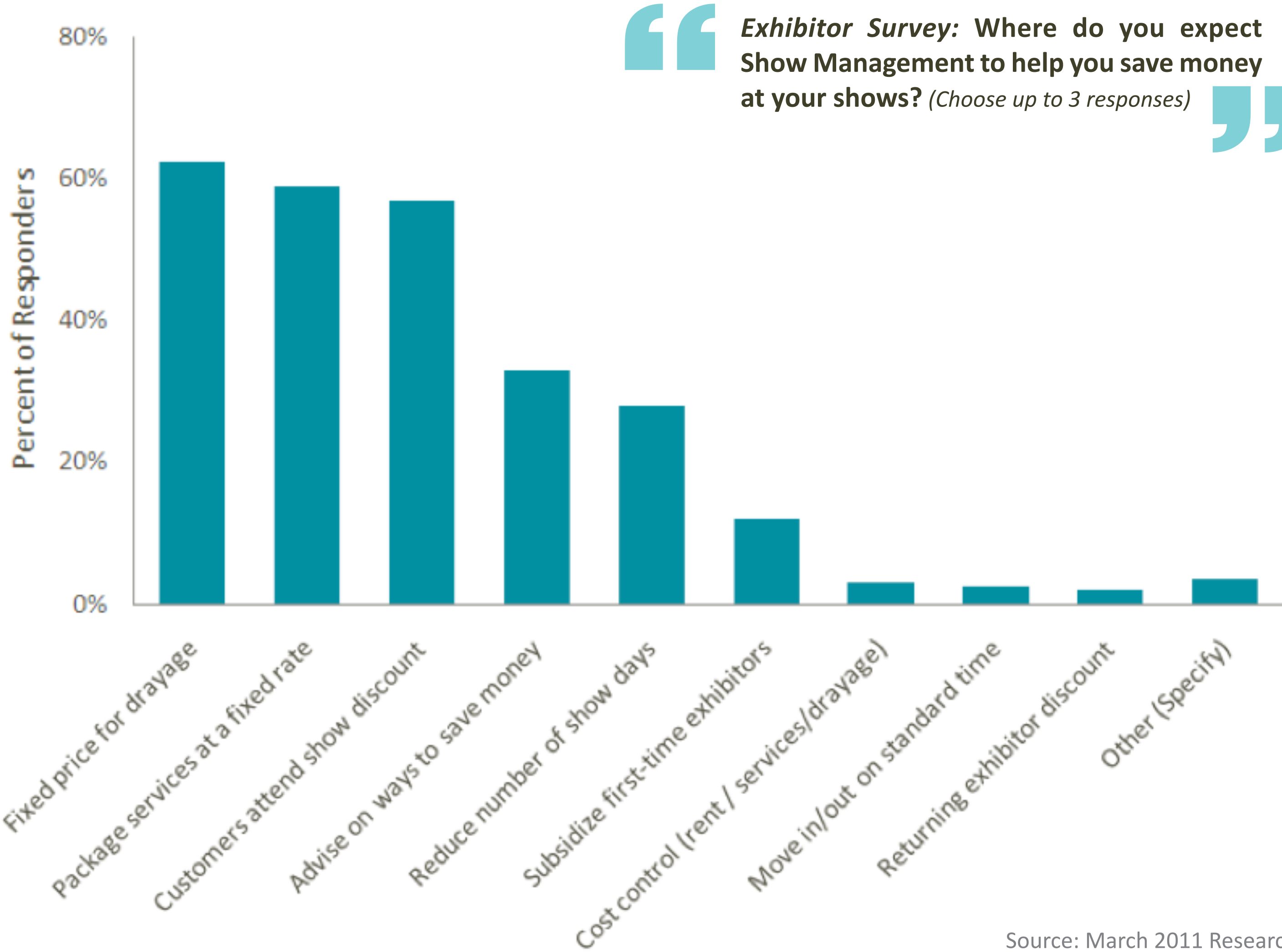
- More information on show attendees: exhibitors aim to connect with attendees who meet a targeted profile, and have been frustrated by the lack of access to detailed information from organizers. At the same time, organizers seek to manage pre- and post- show communications so attendees are not overwhelmed by irrelevant e-mail and phone contacts. One idea proposed is to allow exhibitors to target attendees based on more detailed profiles; however, communications would be controlled by organizers to ensure they are timely, relevant and appropriate.
- Information on show costs: exhibitors would appreciate better budgeting guidelines and a list of key activities to plan and budget for upcoming shows.
- Money/Credit for Attendee Acquisition: exhibitors would appreciate any efforts to provide financial and other incentives for exhibitors to invite or encourage customers and prospects.
- Mystery shopper insights: exhibitors value objective feedback and other ideas on enhancing their show presence and attendee experience from "mystery shoppers" who attend and participate in the show.

Managing Costs

Exhibitors prioritized several initiatives to manage costs:

- Firm prices for material handling and service packages: exhibitors seek price assurance through the packaging of services or a firm quote. This also allows exhibitors to optimize other attendee-facing aspects of the show experience.
- Lower booth space fees for customers who drive attendees to shows: exhibitors would appreciate any efforts to provide financial and other incentives for exhibitors to invite or encourage customers and prospects.
- Show management feedback on invoices: exhibitors seek insights on savings opportunities and ways to create a compelling attendee experience on a cost- effective basis.

***Exhibitor Survey:* Where do you expect Show Management to help you save money at your shows?** *(Choose up to 3 responses)*



Source: March 2011 Research

Final Word

The process has just begun to identify and better align efforts among the many trade show participants. By taking time to understand priorities and align interests, trade show participants can continue to reinforce the value of face-to-face marketing, especially in a trade show environment.

Methodology

Research design

Over the last year, GES set out to conduct research of both Exhibitors and Show Organizers as part of our continuous improvement strategy focusing on gaining insights and understandings around the current issues in our industry. This research was conducted using multiple online surveys, in person focus groups, and one on one interviews. Typically the research objectives were defined and then an online survey was conducted to capture a wide pool of responses. The responses were quantitatively analyzed and the findings were then qualitatively examined through the use of focus groups and one on one interviews.

Sampling

- Surveys: The responder pool was obtained through using industry lists, past responder lists, and third party consulting firm's lists. GES conducted three online surveys: the first was conducted with tradeshow organizers in August 2010, in which there were 194 respondents and a 6.2% response rate. A July 2010 survey of exhibitors was conducted with 214 respondents and a .81% response rate. A survey of online exhibitors was also conducted in March 2011 with 294 respondents and a 2.42% response rate.
- Focus groups: Focus group participants were recruited through third party consultants as well as through responders opting in while taking the survey. GES has conducted 6 focus groups, with over 80 participants at major tradeshows.
- Interviews: In-person interviews were conducted with 26 organizers and exhibitors ranging across show/program size, and use of all market providers.

Procedure

- Surveys: All surveys were conducted double blind, GES had no influence over the responders as they took the survey and the responders did not know that GES was conducting the research. Responders received an e-mail invitation to take the survey online. The survey was left open for responses for about 14 days. If invitees had not responded, a reminder invitation was sent. As consideration for their time they were offered a change to win a gift if they completed the survey.
- Focus groups: Focus groups met in a round table format. As a general rule, results were shared with the participants and they were probed for deeper insights. Open discussion was encouraged in both directions. Focus groups lasted about 1.5 hours and participants were offered a nominal gift in return for their time.
- Interviews: These were conducted in a fashion similar to the focus groups. The results of prior research were shared and then a discussion about the areas of those findings ensued. Due to a more intimate setting than the focus groups, this format allowed for deeper probing on issues.

David Saef *Executive Vice President, Strategy & Marketing, GES*

As GES' Executive Vice President of Strategy and Marketing, David is based in the Roselle, Illinois client care center managing a team of strategy and marketing professionals dispersed throughout the country. Prior to this position, David led the growth of GES' Marketing Solutions integrated marketing and measurement offering and previously served as general manager of the Roselle, Illinois client care center. He also acted as a strategy advisor on national client accounts, where he provided insight on establishing and managing face-to-face marketing objectives, program performance, and best-in-class program optimization.

Prior to joining GES, David spent seven years with L.E.K. Consulting, a global strategy consulting firm specializing in corporate strategy, operations management and mergers and acquisitions. While working out of both London and Chicago L.E.K. offices, David consulted with clients including Baxter Healthcare, British Airways, Johnson Outdoors, DTZ and Marks & Spencer, on various growth and performance improvement strategies.

David received his bachelor's degree in Russian and Soviet Studies from Harvard College. He also holds a master's degree in International Studies from the Lauder Institute at the University of Pennsylvania, and an MBA from The Wharton School.