

When Exhibitor Discontent Surfaces: Hanley Wood's Turnaround Strategy

By Renee Di Iulio, senior editor

The year was 2003, and *Surfaces*, the most significant show for the residential flooring market acquired by Hanley Wood in 2000, had just experienced its best show ever. The show's 925 exhibitors occupied 535,275 net square feet of space and drew 40,000 attendees—all records for the event. Even better, the show had also generated record revenues, more than \$11 million. But before organizers could recycle their champagne bottles, a significant number of major buyers pulled out of the show, placing it in mortal danger.



Galen Poss

Hanley Wood's first reaction was natural: confusion, panic, anger, litigiousness, fear. But the team was also smart, so it rode out the emotions and began to form and execute a plan. Galen Poss, president of

Hanley Woods Exhibitions, shared that plan and the results at the *Exhibition and Convention Executives Forum (ECEEF)* in June.

The Situation: The show's success had worked against it. The bellwether exhibitors, with a very wide reach in the industry, saw the growing international presence as a threat and wanted more control, so they pulled out and took others with them. In the 10-day run-up to the space draw, *Surfaces* lost 90,000 square feet or 17% of the show floor. Over the next 30 days, an additional 15,000 net square feet resulted from cancellations or downsizing.

The Reaction: The rumors began flying and reporters were circling. Hanley Wood executives considered the extent of the problem. "We realized we could lose the show if we didn't act smartly, quickly, or correctly," said Poss. The team wanted to stop the bleeding.

The Plan: Hanley Wood's first step was to determine its allies. These included the key exhibitors still in the show, industry associations, publications, buyers, retailers, key consultants and show suppliers. These groups could deliver positive multiple messages about the show. Hanley Wood chose not to respond directly to rumors to avoid reinforcing a negative message, but it did release positive aspects of the show on a frequent basis, some of which were delivered through the groups identified as allies. And some groups stood to benefit from a healthy show. For example, for magazine publishers, often their biggest issues – and therefore a large portion of their earned advertising dollars – were tied to show issues.

The Message: "We changed the look, size and frequency of the marketing communications program," says Poss.

The show's look had been sophisticated and elegant. Elements of that concept were retained, but some

Continued on page 26

Full House. The *Surfaces* team enlisted the help of allies including loyal exhibitors, associations and industry publications which helped strengthen the show after some bellwethers pulled out.



Continued from page 25



Smaller Retailers Make a Big Difference. *Surfaces* developed an Installation Showcase for small retailers who often set themselves apart from the big box stores with installation services.

ads were bold (such as one announcing “CHOICES”) and others were blatant (another full-page ad listed participating exhibitors).

Hanley Wood doubled the length and number of telemarketers to cast a wider net. It also reached out to more associations and shoulder industries. Marketing lists were expanded and the marketing budget grew. “If you get into this situation, be prepared to spend money,” said Poss.

The Execution: Poss also emphasized the importance of innovation. Hanley Wood introduced five new features to draw people to the show floor: *The Installation Show*, which promoted small retailers; *The Surfaces Celebration* with Kool and the Gang, which drew 5,000 attendees; a “Win a Designer” contest; a Town Hall; and a *Best Practice Retail Forum* with experts to grade metrics. New pavilions and a customized program for big builders (which included appointment setting) were also new. “The sales team sought to lock up exhibitors committed to the show and gave a higher degree of personalized service to insure that exhibitors got what they needed,” said Poss.

Attendees also received

attention. A new Loyalty Club rewarded those returning for their fifth consecutive year with perks like free Internet access. A private sale for Power Buyers was created to draw decision makers.

The Result: Eventually, many came around and the 2004 *Surfaces* show had a respectable turnout: 925 exhibitors, the same as 2003; 471,000 net square feet, a drop of 12%; 36,140 attendees, a 10% decrease; and a mere 2% loss in revenue over 2003.

The show has continued to grow. Last year, 944 exhibitors used 490,051 net square feet and drew an audience of 34,540. Revenues increased 25% over the 2003 record event.

In 2009, the fluctuating economy is expected to have some impact on the show. However, Poss estimates that exhibit space will be off only about 15,000 net square feet and exhibitors will actually increase a bit to 950 exhibitors. And the day before Poss’s presentation at *ECEF*, the *Surfaces* team had gotten a call. One of the bellwethers, who had originally pulled out, is considering coming back.

Reach Galen Poss at (972) 536-6311 or gposs@hanleywood.com

Lessons Learned the Hard Way

Galen Poss, president of Hanley Wood Exhibitions, felt the *Surfaces* team learned some valuable lessons while saving the show from the loss of a number of bellwether exhibitors. Lessons learned include:

1. “The fragile nature of trade shows cannot be overstated,” cautioned Poss.
2. No matter what your customers say about the long-term benefits of supporting a leading industry event, they will almost always do what they perceive is best for their business – even if it means pulling out of your show.
3. It is important to have deep and broad relationships throughout the industry.
4. Big problems require a lot of people to fix.
5. You must Invest time and financial resources to reverse a decline.

Poss said a big factor in the turnaround was the determination of the staff to overcome the challenges presented by the exhibitor fallout and not let that damage the show. “The staff, led by Michelle Troop [former show director], was unbelievable in their single-minded focus,” Poss emphasized. “The amount of time and people they incorporated into the process is what made it possible for them to implement all the tactics [noted in this article].”