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AttendTrend®
State of the Exhibition Industry
2008 Study Update

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1.0 Introduction

Jacobs Jenner & Kent Market Research has conducted research among tradeshow organizers over the past five years to assess best practices in attendance marketing. This 2008 AttendTrend® was conducted by telephone interview among 501 North American tradeshow organizers and reports on the exposition industry in 2008. The key objectives of the 2008 research were to:

- Benchmark tradeshow attendance
- Understand best practices in attendance marketing
- Determine marketing budgets and changes in these budgets
- Assess the effectiveness of various types of attendance marketing
- Identify the greatest challenges in marketing to attendees
- Delineate frequency, changes in, and effectiveness of marketing vehicles used
- Discover plans for future attendance marketing programs

The research included representation from both independent and association show organizers, across industry segmentations. Additionally, shows of all sizes were represented.

The sample of interviewed tradeshow organizers for 2008 is as follows:

Event Ownership	
	2008
Independently Owned	23%
Association Owned	63%
Both	14%
Event Location	
United States	97%
Other North America (Canada, Mexico)	23%
Europe	17%
Asia (including United Arab Emirates)	17%
Australia & Oceania	9%
Africa	3%
Size of Event Marketing Staff	
5 or under	31%
5-10	34%
11-20	20%
21-50	9%
50-100	6%

Event Industry Represented	
	2008
Automotive	4%
Business Services (Accounting, etc.)	9%
Computer/Information Systems	5%
Consumer Electronics	5%
Construction	6%
Fashion/Jewelry	4%
Food/Hotel/Restaurant	4%
Gift/Furniture/Merchandise	3%
Manufacturing	8%
Machinery	9%
Medical/Healthcare/Science	10%
Public Services/Transportation	5%
Recreation/Sports/Fitness	9%
Technology (Wireless, etc.)	8%
Travel/Tourism	6%
Defense	4%
Utilities	6%
Education	4%
Civil service (Law/Fire, etc.)	6%
Other	14%

Participation in the AttendTrend® survey was at the highest level:

- President/CEO/Owner
- Executive Director
- Show Director/Group Show Director
- Operations Director /VP/ Manager
- Marketing Director/CMO/Manager

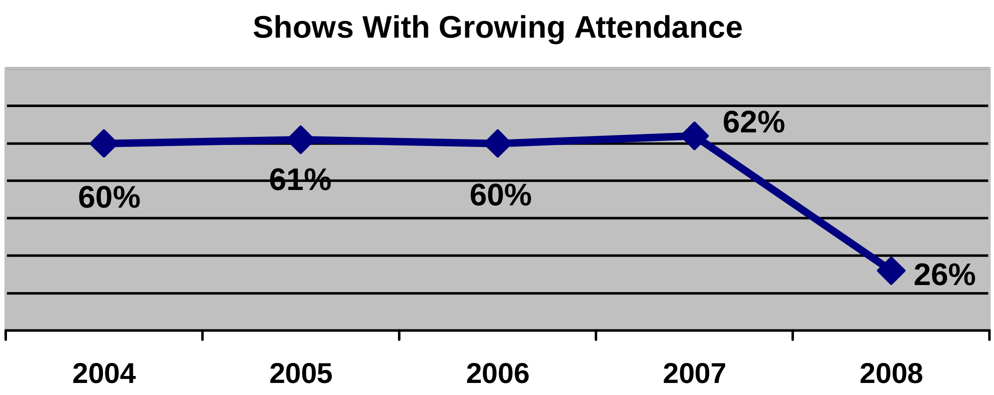
2.0 Highlights of the 2008 Research

- The number of organizers producing off shore events continues to increase, 69% in 2008 vs. 44% in 2007.
- The number of organizers reporting increased attendance has decreased from 62% in 2007 to 26% in 2008. 43% of organizers report declining attendance for 2008.
- The net square feet of organizer's largest show has also decreased in 2008, with few exceptions, mostly those engaged in co-location of events.
- Those organizers, who have increased their marketing budgets, have experienced the largest increase in attendance.
- In response to the current economic downturn, organizers have engaged in many enhanced marketing efforts include both attendee promotions and concessions for exhibitors.
- Organizers are anticipating a continuation of the negative impact on their events through 2009.
- Senior level decision-makers are again ranked most difficult to attract, increasing 26% over last year.
- Cost is the greatest decision-making factor in determining how to maximize communications channels. But the overall strategy can be characterized as "try it and see how it works."
- Organizers are starting their marketing campaigns earlier and also marketing at more frequent intervals.
- The most effective attendance motivations are networking opportunities and education, because attendees are looking for answers and solutions to conducting business in the economic downturn.
- In 2008 there is a considerable increase (43%) in the involvement of top management's input in non-exhibitor attendee marketing decisions.

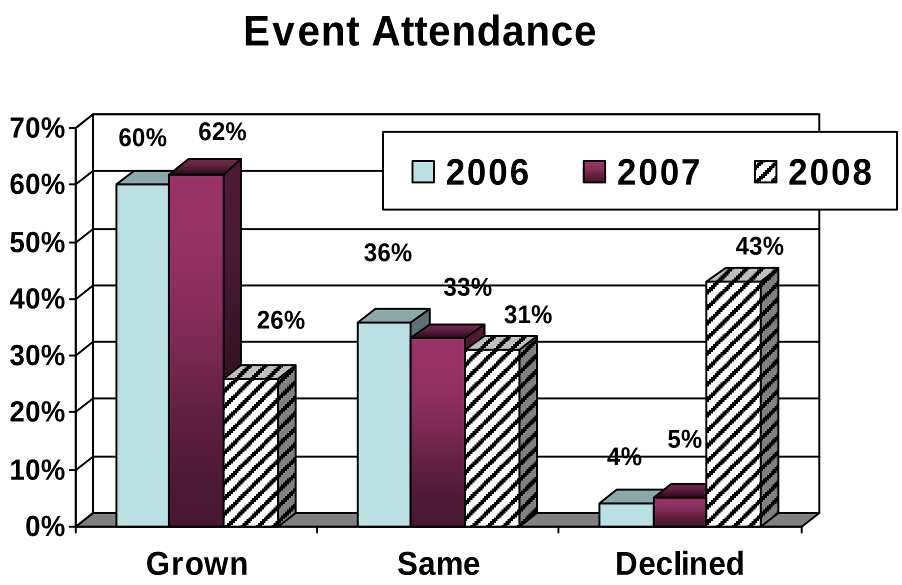
3.0 Study Results

3.1 Attendance Trend

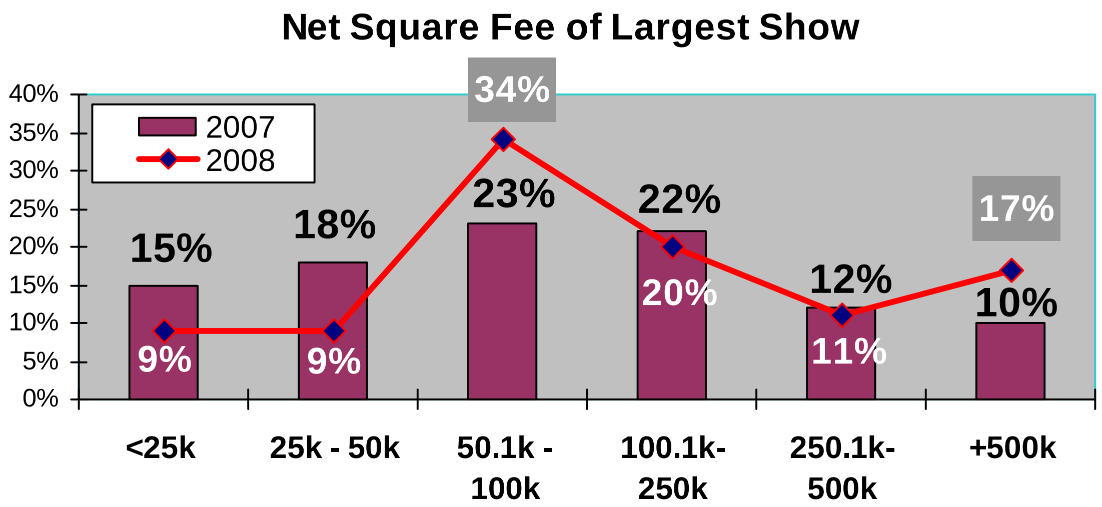
Since the 2004 benchmark study, with some fluctuation, the majority of industry shows have increased attendance figures until 2008, where a drop of 36% is evident.



Forty three percent (43%) of the event organizers interviewed in 2008 have seen decreased attendance for their shows, compared to 5% in 2007.



The net square feet of organizer's largest show has also decreased in 2008, with the exception of some size categories (50k-100k nsf. and greater then 500k nsf.). The reason for increase among these shows has been primarily due to co-location of events.



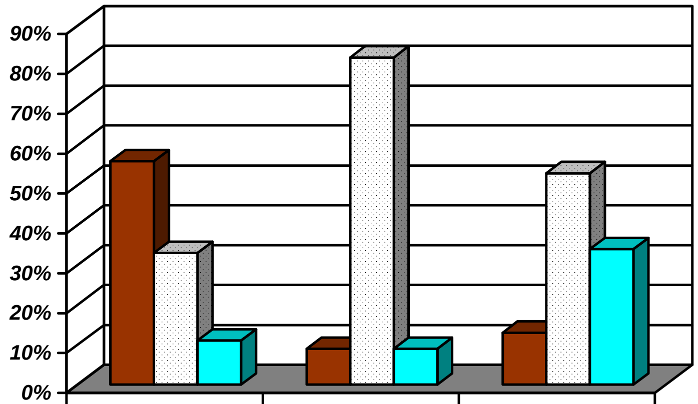
3.2 Marketing and Promotion

Largely marketing budgets have stayed the same, but the more insightful evaluation is that 25% fewer organizers increased their budgets in 2008. The question to ask here is has this reduction been in response to, or a contributing cause of decreased attendance.

Marketing Budget			
	2007	2008	Anticipated 2009 Budget
Budget grown	48%	23%	23%
Stayed the same	44%	57%	57%
Budget shrunk	8%	20%	20%

Analysis indicates there is a direct correlation between marketing budgets and attendee growth. Organizations that increased their marketing budgets reported growth in attendance (56%). This compares to attendee shrinkage for 34% of the companies that decreased their marketing budgets.

2008 Marketing Budget By Attendance



	Attendance Grown	Attendance Same	Attendance Shrunk
Increased Budget	56%	9%	13%
Same Budget	33%	82%	53%
Lower Budget	11%	9%	34%

In response to the current economic downturn, nearly half of organizers (47%) have cut their operating budgets. A very positive reaction to this situation is the many enhanced marketing efforts organizers are making to include both attendee promotions and concessions for exhibitors.

Changes Organizers Have Made Because of Economic Slowdown	
Cut budget	47%
Increase attendance promotions	29%
Combine events / co-location options	18%
Looking at new markets and new segments	16%
Alternate participant options	13%
Created payment plan options for exhibitors	12%
Target marketing efforts	12%
Cut internal expenses	10%
Internal efficiency changes	9%
Contracting smaller exhibit space	8%
None – No changes made	15%

Organizers are anticipating a continuation of the negative impact on their events through 2009.

How Organizers Expect the Economic Slowdown To Affect Their Events in 2009	
Decreased attendance	63%
Decrease in exhibitors	16%
Decreased sponsorship	14%
Decreased spending	12%
Exhibitors will buy less square footage	10%
Economy will improve by next show	6%
Negative impact of Federal government intervention	4%
Unsure at this point	11%

3.3 Most Difficult Challenges

On average, the greatest challenges show organizers currently face in marketing to attendees is increasing first-time attendees (3.40) and increasing overall response rates (3.40). The shift in challenges between 2007 and 2008 demonstrate the organizer's sensitivities toward the current economic downturn.

Marketing Challenges
(Mean Ratings By Year of Research)
(On a 5-point scale with 5 Extremely Challenging)

	2007	**2008**
Increasing first-time attendees	3.40	**3.40**
Increasing overall response rates	3.16	**3.40**
Reaching VlPs/power buyers	3.40	**3.26**
Reaching buying teams	2.83	**3.26**
Increasing international attendees	3.06	**3.22**
Getting attendees' attention	3.32	**3.03**
Getting attendees and exhibitors to purchase seminar and conference packages	-	**2.97**
Getting attendees to stay at the event longer	-	**2.69**
Increasing number of qualified attendees	2.88	**2.60**
Increasing repeat attendees	2.52	**2.26**
Converting pre-registrations to verified registrants	2.29	**2.23**
Attendees traveling given security concerns	1.76	**1.89**

Looking at the attendee sectors considered the most difficult to bring to organizer's shows, senior level decision-makers are ranked most difficult, increasing 26% over last year. Show organizers would also like to see more VIPs/power buyers and attendees outside of the event's immediate geographic area.

Most Difficult Audiences to Attract

	2007	**2008**
Senior level decision-makers	30%	**56%**
First-time attendees	44%	**36%**
VlPs/power buyers	64%	**34%**
International attendees	38%	**24%**
Attendees outside of the event's immediate geographic area	24%	**19%**
Buying teams	24%	**16%**
Qualified attendees	12%	**16%**
Repeat attendees	12%	**14%**

Looking inside of tradeshow organizations, the areas currently perceived as presenting the greatest challenges are finding ways to improve marketing return on investments (3.18) and measuring marketing effectiveness (3.14). Almost as difficult are measuring return on marketing investments (3.12), monitoring the marketing process (2.86) and assessing the value of attendees (2.74). This is the same as last year since improving marketing return on investments was also the most difficult challenge (3.46). Organizers appear less interested in improving customer service/personalization (2.14) and implementing e-marketing (2.09).

Internal Operation Challenges
(5-point scale with 5 Extremely Difficult)

	2007	**2008**
Improving ROI in marketing	3.46	**3.18**
Measuring marketing effectiveness	3.15	**3.14**
Measuring ROI in marketing	3.38	**3.12**
Monitoring the marketing process	2.92	**2.86**
Assessing the “value” of attendees	2.46	**2.74**
Increasing the role/payoff of Website	2.96	**2.63**
Use the event’s online match making programs	-	**2.62**
Integrating marketing efforts	2.69	**2.60**
Exploiting marketing technology	2.84	**2.49**
Building/reinforcing a brand	2.54	**2.47**
Applying best practices	2.46	**2.46**
Learning from past failures/successes	2.08	**2.20**
Improving customer service/personalization	2.50	**2.14**
Implementing e-marketing	2.54	**2.09**

3.4 Attendee Marketing Media Used

With all the shifting in the target audience's preference for communication channels, i.e. print vs. electronic vs. broadcast, etc, how are organizers deciding the best way to maximize the marketing and promotion of their events? Cost is the greatest decision-making factor. But the overall strategy can be characterized as "try it and see how it works."

Determining the Best Way to Maximize Communication Channels	
Cost factors	31%
A mix of direct and electronic marketing	26%
E-mail because of cost effectiveness	24%
Use all methods available (Shotgun approach)	18%
Market research	16%
No definite strategy, trial and error	14%
Driving audience to the website	12%
Use social networks (Twitter & Facebook)	12%
Gather decision-making feedback	11%
Hire expertise in new technologies	10%
Use blast facts and electronic mailing to create a relationship	9%
Direct mail is paramount to success	6%

Show organizers continue to rely on more free and lower cost media to reach attendees. E-mail has become the most prevalent media used to market to attendees with 86% of show organizers using it more. They are also using all other types of media, except use of billboards, radio and television are also low.

Frequency Of Marketing Mix Used For A Specific Show				
	More	Same	Less	Don't Use
E-mail	86%	14%	-	-
Blogs	69%	6%	3%	23%
Web advertising	63%	26%	3%	9%
Word-of-mouth marketing	60%	34%	-	6%
Web advertising	59%	28%	3%	9%
Special promotions/programs	44%	41%	9%	6%
Web 2.0	40%	31%	6%	23%
Exhibitor sponsored promotions	34%	54%	3%	9%
Marketing research	34%	49%	3%	14%
Exhibitor sponsored promotions	30%	58%	3%	9%
Public relations	23%	57%	-	20%
Multilingual marketing	14%	31%	9%	46%
Telemarketing	14%	49%	14%	23%
Radio/TV	6%	29%	20%	46%
Direct mail	3%	31%	66%	-
Print advertising	3%	46%	43%	9%
Billboards	-	26%	11%	63%

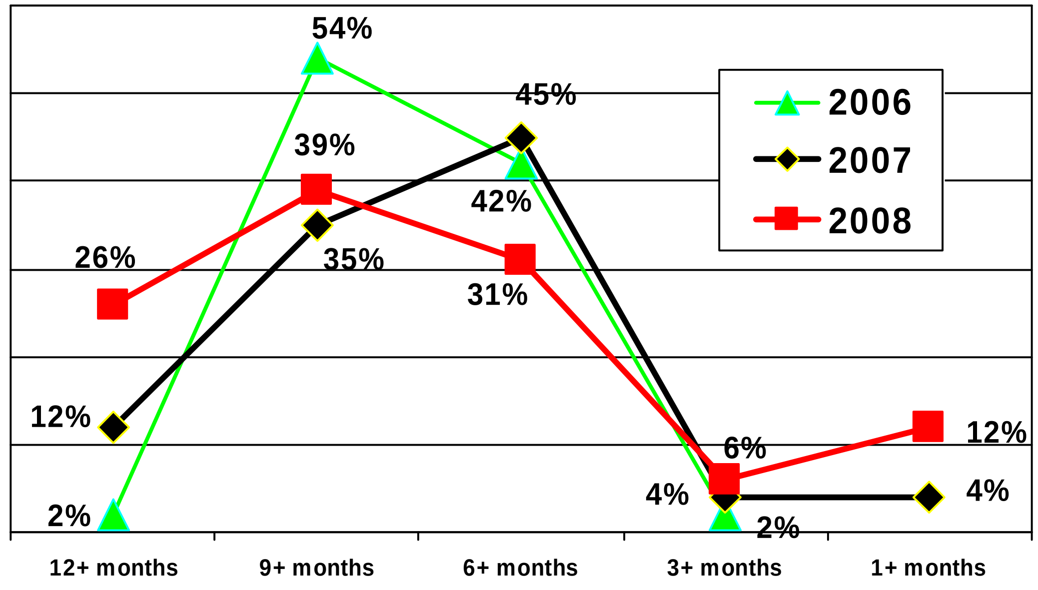
Organizers use word-of-mouth marketing through event networking, social networking and created ambassadors among attendees, association members, board members, etc.

Ways of Using Word-of-Mouth Marketing	
Event networking	47%
Social networking via Internet	37%
Attendees referrals	23%
Have exhibitors spread the word	20%
Key volunteers & leaders assigned points to spread	17%
Track from meeting to meeting	13%
Through members & board of directors (Ambassadors)	13%
Create materials that are a catalyst for conversation or referral	12%
Spread word through association members	10%
Through association with other organization	9%
Attract VIPs and new attendees	9%
Through local offices	4%

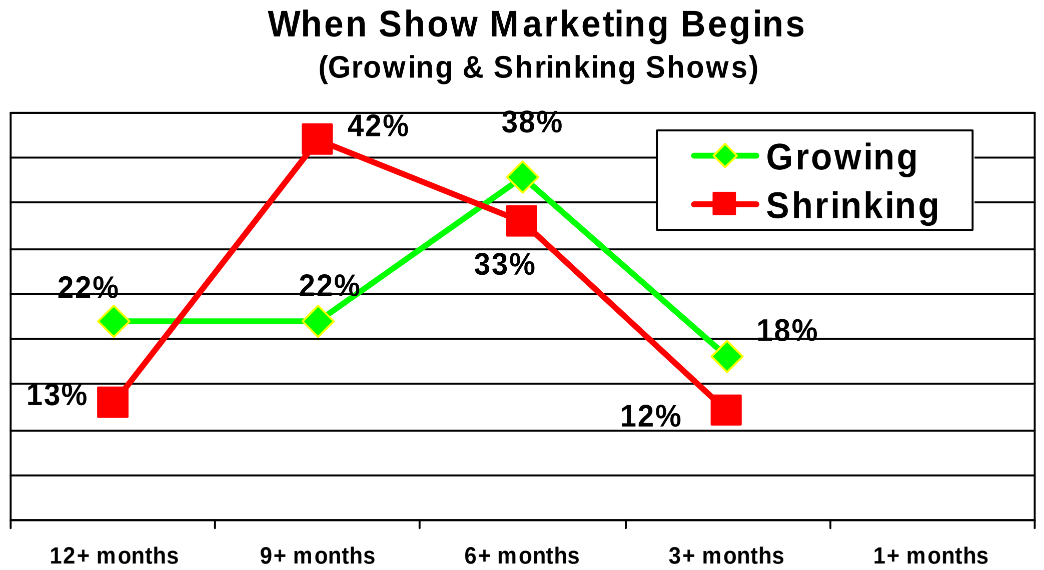
3.5 Marketing Strategy

Show organizers are starting their marketing campaigns earlier than in previous years. In 2008 twenty-six percent began marketing their show 12+ months before the show was scheduled to take place, up from 14% in 2007. Organizers are also marketing at more frequent intervals.

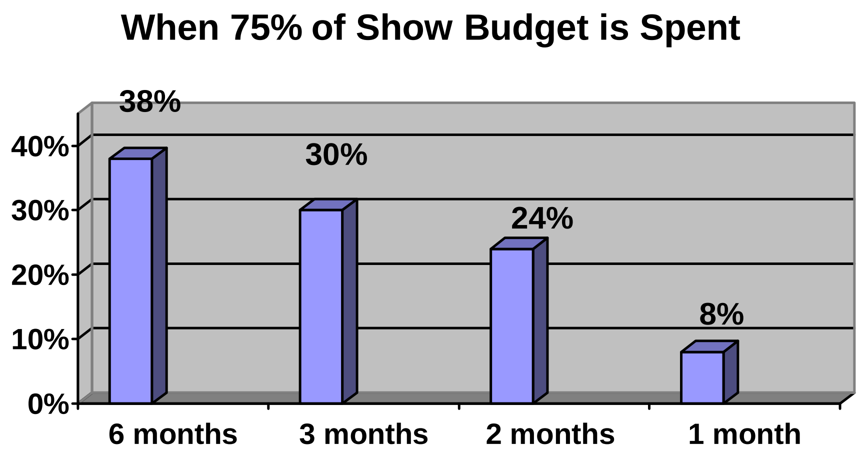
When Show Marketing Begins



More growing shows begin marketing efforts earlier than do shrinking shows. Twenty-two percent (22%) begin marketing 12 months or more in advance while 13% of shrinking shows begin marketing efforts then. This also continues with greater frequency.

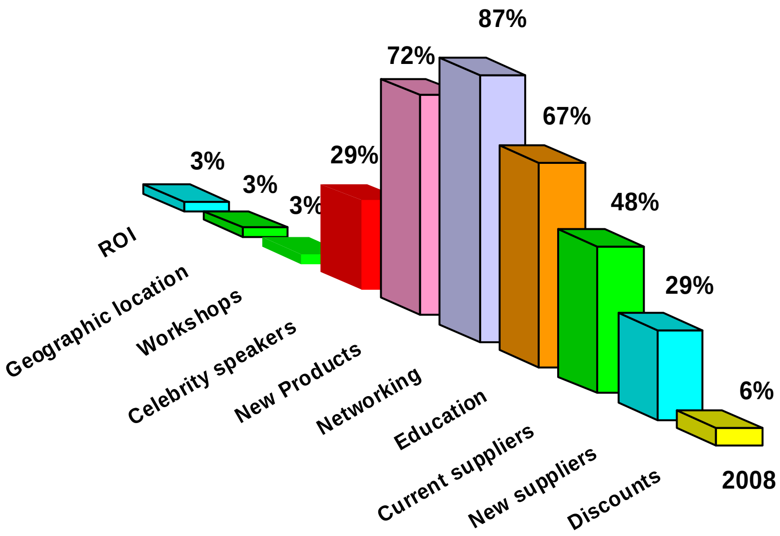


Most show organizers spend 75% of their marketing budget 6 months prior to the event. Thirty percent spent most of their budget 3 months before the event.



The most effective ways to motivate attendance at shows in 2008 was the promise of networking opportunities (87%), new products (72%), and education (67%), each of which has become more important then in 2007 because attendees are looking for answers and solutions to conducting business in the economic downturn.

Most Effective Way to Motivate Attendance

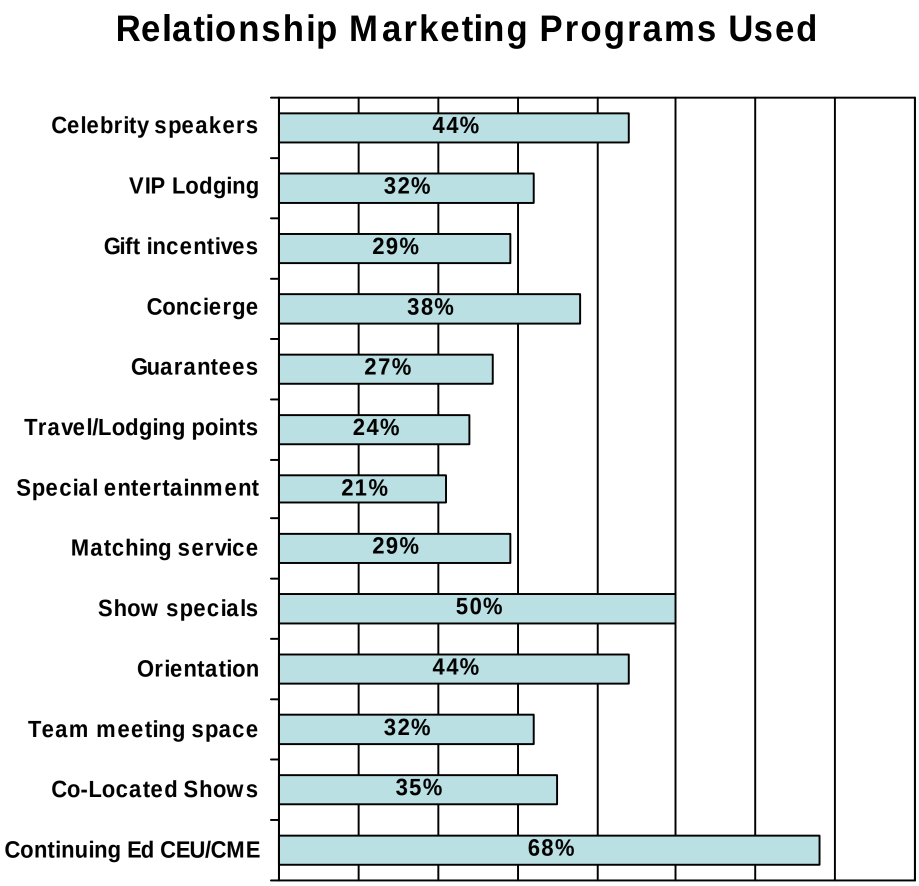


Motivation Attendance – Top Score Comparisons		
	2008	**2007**
Networking	**87%**	55%
New products	**72%**	65%
Education	**67%**	53%
New suppliers	**29%**	14%

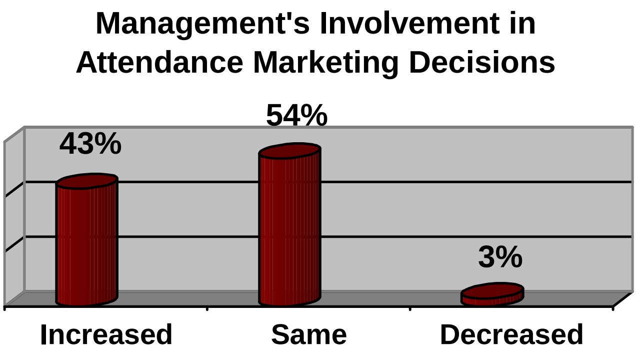
Most show organizers have improved their attendance marketing by studying and applying Process Improvement Techniques to their overall trade show marketing strategy. Being more creative by applying new thinking, new marketing technology/tools and understanding the attendees/audience through research were also key to improving marketing efforts.

Methods Used to Improve Trade Show Marketing	
	2008
Overall strategy	89%
Applying creativity (Looking at new ways of doing things)	77%
Employing diverse marketing technology/tool	69%
Understanding of attendees/audience research	66%
Developing inside expertise	60%
Marketing integration	57%
Improving e-marketing strategy	51%
New lists/list sources	51%
Outside expertise	49%
An industry wide awareness campaign	49%
Enhanced co-promotion with exhibitors	40%
Faster process	37%
Cooperation with trade magazine publishers	26%
Multilingual marketing	14%
Increased marketing budget	6%

Organizers are using a variety of relationship marketing or value added programs to enhance attendance. Continuing education credits has the greatest impact. Overall, there is little use of special entertainment, travel/lodging points, guarantees, or gift incentives.



In 2008 there is considerable increase (43%) in the involvement of top management's input in non-exhibitor attendee marketing decisions. Over half have maintained the same level of involvement.



Organizers are looking at the creation of partnerships with diverse entities to expand their penetration into current and new audiences. Over half of show organizers have increased their relationships with exhibitors (54%). Other entities they are partnering with are complimentary organizations and international competition.

Partnering With Other Entities	
Exhibitors	
Increased	54%
Same	46%
Decreased	-
Other Organizations	
Increased	57%
Same	40%
Decreased	3%
International Competition	
Increased	13%
Same	77%
Decreased	10%

About Jacobs, Jenner & Kent Marketing Research

Baltimore, MD-based Jacobs Jenner & Kent is a full-service marketing research and consulting firm established in 1980. The company's recommendations are based on primary research using qualitative and quantitative methods, including focus groups, in-depth personal and telephone interviews and self-administered mail studies. The company has clients in tradeshow and association management, high technology, finance, healthcare and consumer products. More information is available at **www.jjkresearch.com**. Or contact Wayne Jacobs at 410-256-2206.