FUTURE TRENDS

Impacting the Exhibitions and Events Industry

2015 Update

IAEE FUTURE TRENDS TASK FORCE

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Introduction

In looking to the future of the exhibitions and events industry, the IAEE Board of Directors created a Future Trends Task Force made up of senior industry professionals and chaired by Francis J. Friedman. The focus of this task force is to look into the future and identify major trends that potentially could impact the industry.

The first task force report was completed in 2013, and a second report was completed in 2014. Both reports can be downloaded at www.iaee.com.

Because the trends identified in those reports are starting to move into the mainstream of the industry, the reader is encouraged to review these reports for more background on emerging trends. Many of the former trends identified in these reports are now more visible in the industry and are becoming part of the active annual planning of show management.

Fourteen future trends the task force believes will impact and shape the industry for the next few years were identified. Some of the trends included here are among the issues the task force has been discussing for the past three years and included in past reports. They are included in this report as well since they continue to evolve and change the future landscape of our industry.

This report also includes two case studies from exhibition organizers who are dealing with some of the challenges of change. These are presented as illustrations of the methodologies organizers are using to anticipate and manage change.

The reader is also referred to the Center for Exhibition Industry Research (CEIR) report titled *Use of Analytics by Today's Business-to-Business Exhibition Organizers, a Journey To Data Drive Decision-Making*, 2015. This is the CEIR case study report available on the CEIR website, www.ceir.org. This report presents a number of case examples providing insights on how show organizers are dealing with change as it relates to technology in our industry.

In this year's future trends report, a number of historical trends are noted and are evolving into the future as the underpinning technology and applications mature. We will focus more tightly on the future aspects of these trends to provide insight in what is ahead for our industry as seen by the senior industry professionals on this task force. For the back story and history of these trends, we refer the reader to the past reports.

Reading this report will enable the reader to understand the industry challenges ahead and better prepare to successfully meet them head on.

1. Exhibition Industry Growth and the Economic Outlook

The U.S. economy in 2015 has had its ups and downs and appears to be on track to finish the year at a 2.5-3.0 percent increase over 2014. Unemployment has shown a sharp decline; however, the unemployment numbers do not include those people who have dropped out of the labor force.

Internationally, China's growth rate has slowed significantly and the European Union (EU) is still battling low economic growth and high levels of unemployment. The EU is possibly facing deflation with its associated negative banking and financial consequences. Japan is still in a long-term, very slow growth mode.

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Through a combination of reduced China growth and changes in international consumption patterns, commodity prices (especially oil) have fallen dramatically. Reduced commodity prices in basic minerals and oil have severely depressed these sectors both domestically and internationally. It is estimated that it will take several years for these sectors to recover to their 2013-2014 levels.

The U.S. stock market has continued to see record highs as companies are continuing to show higher earning levels. Many of these higher earning levels have been achieved through financial controls, low cost of investment capital, low levels of capital investments, wage controls, no dividend payments and stock buy-backs to reduce the number of outstanding shares.

The financial community projects that there will be a significant "market correction" ahead. This projection is based upon the fact that the stock market has been on an upward trend since 2009, and, historically, these trends typically do not last more than five years before a significant correction occurs.

While hiring is now on the increase, wages have not accelerated, and there are still large numbers of potential workers who have taken themselves out of the workforce. Consumers are reducing credit card debt and curtailing spending. Consumer optimism for the future has been on the rise during 2015. However, consumer debt is also rising.

The 2015 U.S. exhibitions and events industry growth rate is showing an overall upward trend of approximately 3.0 percent. Individual sector rates of growth vary based upon the economic activity in that particular sector. Exhibitors are continuing to invest in e-based marketing products and services. Budget allocations to e-based products, services, content, etc. are expected to continue their increase in the years ahead.

International markets continue to offer exhibitors expanding opportunities, especially in China and other developing areas of the world. International attendance is expected to grow in both the U.S. and internationally as content and resources to foster economic development are displayed at trade events.

Congress raised the U.S. debt ceiling in October 2015, which means the Federal Government can borrow more money to fund its activities.

The Federal Reserve Board had indicated it will raise the basic discount rate (i.e., the cost of money to banks) but did not raise the rate in October 2015 as expected, due to uncertainty in the international markets caused by the slowdown in the Chinese economy. Not raising this rate has caused a lot of uncertainty in the banking and financial community and, hence, in the larger global business community.

It is anticipated that in three years the Federal Reserve Board will have raised the discount rate, which will, in turn, increase the cost of money and will have a ripple effect on the cost of borrowed money and investment capital. It will also have an effect on the cost of government debt. Increased debt service costs will, in all probability, lead to increased taxes to pay the increases in debt service and other program costs.

The election in 2016 will give the U.S. a new president and members of Congress, which, in turn, will lead to new policies and government focus in many areas. It also may continue the Congress-White House struggle of the past several years that has hamstrung the country from making clear policy decisions in key economic areas.

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The task force considered two key issues:

- Is the U.S exhibition industry GDP dependent?
- Can the exhibition industry grow faster than the rate of U.S. GDP growth?

The task force's sense of these points is that, to a large degree, the industry is tied to overall economic activity and the level of GDP. Individual economic sectors will experience varying levels of growth or decline based upon the economic activity in that sector.

For example, as this report is being prepared, the oil and gas exploration industries are in significant decline based upon a 50 percent reduction in the prices of these commodities over the past 12 months. Trade shows in these industries are also feeling the pinch of these declines. Internationally, there are differing opportunities based upon the country and the economic sector within each country. The task force concluded that the exhibition industry's future is, in general, closely tied to the overall level of economic activity or GDP and the policies of the banking system and its ability to provide working capital to businesses and increase job growth.

Within the next three years, there will be important economic factors that will impact the industry. These include:

1) **interest rates being raised by the Federal Reserve Board,**
2) **a significant stock market correction,**
3) **increased taxes and/or significant tax policy changes, and**
4) **international banking system issues.**

The outcome of these four items is unknown at this time. However, if they do occur there will be an economic impact on the trade show industry. As experienced over the 2008-2015 period, exhibitor marketing budgets and attendee travel budgets are tied to the general level of economic activity and access to business finance sources. While there is a strong predisposition for U.S exhibition industry fortunes to follow the GDP track, there also is an opportunity for the industry and individual shows to grow faster than GDP by offering highly competitive marketing opportunities for both exhibitors and attendees.

2. Big Data/BDaaS/SaaS

Big Data, Big Data as a Service (BDaaS), and Software as a Service (SaaS) services and technologies will continue to evolve and morph into the future. Data collection, data analysis and measurement of results are becoming fundamental practices in marketing and management. The phrase "If you can't measure it you can't manage it" has become the guidepost in modern business practices.

While Big Data analysis and adoption is in the early stages, in three years it will be more broadly based and actively driving marketing investment decisions. Pragmatic decision making and "machine decision making" will be actively supported by the results of Big Data-style analysis.

Service bureaus offering BDaaS will continue to grow. These service companies will make data analysis for smaller companies and smaller data sets more affordable. They also will help the smaller companies understand what the data means and how to convert it into business plans.

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SaaS vendors are building data analytics into their software. For example, Microsoft is building data analytics into its server software. Exhibition organizers are starting to collect increased data from their shows, and BDaaS vendors will be able to help the industry analyze the data it collects at affordable rates.

The future trend for Big Data and BDaaS means marketers will be better able to measure results, including return on investment (ROI), from their marketing investments – including trade shows. The growing issue going forward for the trade show industry will be to clearly demonstrate competitive ROI for the marketer's time and financial investment. Measurement through data collection – and assessment of results and ROI – will enable marketers to more easily determine the productivity of their trade show investment.

In three years the exhibition industry will be expected to more convincingly demonstrate ROI via more comprehensive documentation and supporting data.

3. On-Site Data Capture

As noted above, data will become an important component of all on-site post-show analysis as the industry moves to the future. On-site data capture will help show organizers understand attendee on-site visiting patterns and also help exhibitors assess their exhibiting activities. The more data the show organizer has relative to attendees' patterns, badge swipes, aisle visits, conference attendance, etc. the better the organizer is able to lay out the floor plan and program the show.

Recording and reporting technology systems and capabilities are beginning to be used in trade shows and public-consumer events. Smartphone data-capture technology includes NFC (near field communications), iBeacon (a form of low-power Bluetooth wireless communications) and "smart card" registration systems.

Public-consumer events, theme parks and some shows are increasing their utilization of RFID technology in the form of bracelets and pendants, which normally includes having the bracelet tied to a database of user credit card advanced authorizations. In these applications, the user's RFID bracelet allows event entrance payments, concession purchases, etc. Disney is rolling out its RFID bracelet technology from its initial Orlando introduction to all of its global parks over the next three years.

These technologies capture data that are relevant in helping the event producer both manage business and more deeply understand customers and their behavior. The depth and breadth of the data capture system and the ability to effectively analyze the captured data help managers and marketers increase the success of their business.

Six challenges are ahead for the exhibition industry related to data and data capture:

- What is the business purpose for collecting this data?
- What data is to be captured?
- How will the data be captured and at what cost?
- How will the data be analyzed?
- How will the data be converted into plans and activities and who will do the conversion?
- How will the data be kept "clean" and non-corrupted over time?

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The quality of data and effective data collection techniques are important aspects of the future development of the trade show industry. The cost of data collection and data analysis will need to be included as a line item in future trade show budgets.

The on-going question for the industry remains how to implement the technology so it is cost effective, yields quality information and is acceptable to the attendee who will be tracked and receive on-site smartphone downloads. Policy questions and best practices related to data capture and usage, including individual attendee data security, will unfold over the next three years.

4. Facility Data/Wi-Fi Infrastructure Capabilities and Costs

Because of the use of mobile communications and e-delivered entertainment, all professional sports teams are wiring their stadiums and arenas with high speed Wi-Fi networks to keep their fans connected on-site – rather than at home watching the game on a big-screen TV. The San Francisco 49ers spent $125 million wiring their new stadium with a system that allows fans to use their smartphones to watch the game (second screen), order food, buy team merchandise and stay connected with their friends.

In the exhibition industry, the rapidly increasing use of smartphones as well as exhibitor demands for in-booth connections to the Internet, venue and facility data, and Wi-Fi infrastructure capabilities, are concerns for show organizers and venue managers. The same concerns hold true for data and Wi-Fi capabilities in the main hotels used for an exhibition or a large meeting.

Exhibition organizers want to be assured that the venue has appropriate bandwidth and throughput capabilities to meet the needs of their attendees and exhibitors. This capability would include show floor service delivery as well as public space service delivery.

The dialog as to the types of services to offer and who will pay for these high-bandwidth and data services will continue for the next several years. Venues are looking at significant capital costs and a concern that rapid technology changes will make their investment obsolete without an appropriated re-capture of that investment.

Venues want to charge for these capabilities and show organizers want them included in the venue package at little or no cost. Some venues see installing Wi-Fi capability themselves as a potential competitive advantage. Some also are investigating the installation of their own data capture technology systems (e.g., iBeacon) as a competitive advantage to attract event organizers. This will be an ongoing discussion in the industry as both a capability and cost conversation.

5. New Technology

New technology is accelerating in its development and introduction, particularly in smartphones and “wearable” computing and AV technologies. Smartphones are moving forward with upgraded screen capabilities, increased screen sizes (e.g., iPhone 6+), increased picture and movie quality, longer battery life, intuitive software programming and voice-based interactivity. These capabilities are turning the smartphone into a universal personal digital tool.

Wearable computing has come onto the scene and includes watches and “smart bands” that have access to the Internet. This aspect of personal computing is expected to grow over the next few years as the technology is improved and the Internet of Things (IoT) expands.

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Occulus and Samsung have introduced Virtual Reality (VR) headsets that deliver high quality, 3D, highly engaging "virtual" experiences via picture and sound. These VR technologies have advanced in quality so that they are entering the broader consumer and professional AV market as well.

These devices have moved quickly from their 2014 introductions into 2015. As these technologies mature over the next three to five years, they will have a continuing impact on the exhibitions and events industry and already have been in use during technology-based exhibitions.

Using these new technologies will enable exhibition and event producers to create and deliver highly engaging presentations and environmental space. Their use will expand throughout the industry as they become more cost effective to program and implement and as they become more commonly used by society in general.

Competitively, these technologies also will make it easier for marketers to download high quality product demos and product tours to potential customers outside of the exhibition environment. Software, cameras and technical capabilities now exist to author these types of VR product experiences. Transmission bandwidth also exists for delivering these VR presentations, so it will only be a matter of time until this technology gains wider traction as an active and direct sales tool for marketers.

6. Mobile Computing

The continuing rapid increase in smartphone capabilities and their penetration within the U.S. and global population has resulted in a shift in demographics of mobile computing to what is now called the C-generation (connected generation). Previously, smartphone utilization was thought to be confined to younger generations, but this is no longer the case. The C-generation smartphone usage cuts across all generations and all ethnic groups.

These increases in mobile computing also are generating increases in "apps." The smartphone and apps are an accepted combination (along with social media discussed below) for how people live today, especially the younger generations.

If the smartphone is the "engine," apps could be called the fuel that makes it run. With cloud computing growing in capability and ease of use, the smartphone/app combination has become the universal personal tool of an individual in an increasingly connected world.

As a universal personal tool, the smartphone also offers exhibitors and show organizers increased opportunities to engage and communicate with their communities and attendees. The types of products and services needed to take advantage of these opportunities should be determined by research and the personality and make up of each individual exhibition or event.

The speed with which mobile computing has become an almost indispensable personal tool means more attendee audiences will be using mobile options almost exclusively as younger demographic groups enter marketing positions and become larger components of business-to-business attendee audiences. Organizers will need to be as digital and as mobile as their newly emerging customers.

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Continuing from the 2014 trend report, the larger industry discussion will be …"What is the policy for each show relative to allowing the electronic distribution of messaging to attendees?" For example, if there is a show with 1,000 exhibitors, will each exhibitor be allowed to download a message to every attendee's smartphone?

Corollary questions include the following:

1. **Who will be in charge of the decision concerning the amount of download the attendee receives? Show organizer, the attendee, the exhibitor?**
2. **What will be allowed to be downloaded to the attendee's smartphone?**
3. **Will there be priorities as to what can be downloaded? For example, wayfinding information, show-only information, exhibitors' information when they pay a premium to be included in the download stream, any exhibitor's information, etc.?**
4. **How will attendees restrict downloads and/or complain to show management?**
5. **Will this be defined as "permission marketing," "push marketing," or the rights of exhibitors to distribute information electronically as part of their "exhibiting rights" in their booth contract?**

Questions related to data ownership, data privacy and personal tracking (primarily of attendees) also will continue to grow over time.

The urgency of these types of questions is expected to increase in the future as data capture/distribution technologies expand and as exhibitors want to be able to distribute their literature electronically. Data security and privacy laws also will be a part of these discussions.

7. Social Media Marketing

Social media marketing is continuing to expand its influence in all aspects of business and the greater society.

Social media marketing is becoming more sophisticated almost on a day-by-day basis. New analytical tools and processes are enabling marketers to better understand what their customers want and how to convert them from prospects to customers. As a result, budgets for social media content are increasing on a regular basis and are projected to continue to increase well into the future.

Social media content is evolving to include every form of media and content presentation. In time, this engagement level will go from the current YouTube channel to Virtual Reality channels and VR content programming. Social media marketing has become very competitive and increasingly more creative as new tools, techniques, creativity and budgets are added to the mix to attract and engage customers.

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The advanced Internet, Wi-Fi and venue capabilities discussed above will facilitate the growth in social media marketing and social media utilization in the years ahead. As smartphone capabilities continue to increase, social media marketing sophistication will also increase. The exhibition industry will need to respond with its own increases in social media marketing sophistication.

This cycle of technology advances and corresponding increased social media marketing sophistication is going to move faster and grow stronger as time goes on. Staying current with these increases in marketing sophistication and applying them appropriately will have to become a permanent part of the exhibition industry marketing practices.

8. Internet of Things (IoT)

IoT is a technology that is now emerging as a very vibrant future trend and one that will significantly alter the global society in the years ahead.

IoT is the connection of any device to the Internet so it can provide passive data and/or be actively managed. Current examples include home alarm systems where the alarm company can unlock a home owner's door, air conditioning systems that can be turned on or off remotely, and home electric meters being read from a central monitoring station.

The OnStar automotive system is an example of mobile data from a car being sent to a remote location (over Wi-Fi and the Internet) where an operator can assess the status of the systems in the automobile, talk to the driver and manage those systems (e.g., turn off the ignition).

Intel, the chip maker, has just introduced minute specialized chips with their own unique web address that can be embedded into almost anything and connected to the Internet. On a consumer basis, these chips are projected to be included in the next generation of goods such as appliances, door locks and security systems. On an industrial basis, they will be embedded in machines, vehicles, various industrial processes and possibly whole factory automation systems.

The key point is that IoT-enabled devices will provide data and the ability to be managed remotely via a smartphone or any device capable of accessing the Internet. Data will provide information that will enable more efficient use of the device (e.g., turn off the air conditioner remotely when the device tells you the temperature has dropped below 70 degrees so you can save money on electricity).

IoT investments also will be monetized by selling the data gathered from IoT devices. For example, refrigerator manufacturers can sell refrigerator-use data to food companies so they can plan marketing programs targeted to heavy refrigerator-use families.

As noted, IoT will have a significant impact on the larger society. IoT will impact future marketing techniques as it generates more and better data on product usage and customer experiences. It is not clear at this point in time how IoT will impact the exhibition industry, but it is clear that, as with all emerging technologies, there will be some impact on this industry in the future.

9. Experiential Trade Shows

As technology adds more engagement and digital experiences for the attendee, and as younger attendees are increasingly "digital natives", the trade show industry must address the question, "What has to happen at the in-person, face-to-face trade show experience to keep this experience dynamic and engaging for potential attendees at high levels relative to other media experiences generally available in society?"

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Music festivals and other types of active-engagement events have high levels of appeal to younger demographic attendees. These types of events are programming their offerings to assure they are on target to the engagement needs of their younger audiences. As the younger demographic audience takes on a higher level of representation at business-to-business exhibitions, the elements of show design must evolve to engage this audience and drive their show experience and level of engagement.

As business-to-business marketing evolves, the range of different formats an organizer is able to produce must also expand. No one format can serve all the interests in a given market. An organizer will need to be skilled and flexible enough to produce event experiences, in various event formats, that will attract and hold an audience.

Research will be necessary to help an organizer determine what the experience must be for a given show so the audience finds it engaging and rewarding. Researching and then delivering outstanding experiences will be a growing show management consideration as the industry moves to the future.

10. Engagement

The world is a busy place and the competition for time and attention will be increased significantly going forward. The competition to engage any audience in the future will only increase in intensity, uniqueness, creativity and costs. All media and all marketing channels are actively involved in this escalating competition for attention and engagement.

The face-to-face industry also will be deeply involved in this concept of engagement, first in the engagement of a potential audience to consider attending an event, and second to engage that audience on-site through show programming and the use of on-site smartphone apps and on-site activities (e.g., gamification, treasure hunts, etc.)

The question for the industry, however, remains: What is engagement; how is it defined, how is it measured and how is it produced for an event? This discussion of engagement is a moving target over time. As new demographic and technologically enabled audiences represent increasingly larger percentages of potential target audiences and communities for a given exhibition, the definition and practices of engagement are anticipated to continue to change.

Engagement, and its pre-supposed conversion to active participation and pro-active event promotion, is a concept that will require on-going research and study to understand its common characteristics and underpinning drivers. On-going research studies will be necessary to help the industry sort out what is engagement and what are its trend changes. There are many variables and nuances around the concept of engagement and “pro-activity” that need to be understood in order to harness these concepts into specific marketing/event approaches.

Another, but subtle, aspect of engagement has to do with how far down into an organization a show can reach to demonstrate that attendance at an exhibition contributes to the career development of what might be called “junior staff” positions. This is an engagement concept of building organizational “bench strength” when the usually designated, or preferred, attendee cannot or will not attend. This “bench strength” concept would build on the value of the show and its benefit to the organization. By sending another employee, the organization gets the benefit of the show – despite the preferred staff member not being able to attend.

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This concept engages the organization and sells the benefit of organizational learning via the show, independent of which staff member physically attends. In this case, it is the organization that is engaged. Building attendee engagement, loyalty and support on a year-in, year-out basis will continue to be an on-going challenge to the exhibition industry and individual shows in an increasingly competitive marketing environment.

11. Generational Considerations

As noted in the 2013 and 2014 Future Trends Task Force reports, the exhibitions and events industry is facing a rapidly broadening range of generations in the larger workforce, and in the exhibition industry worldwide. Many older workers who might have previously retired are continuing in their jobs as their retirement plans will not financially sustain them in retirement.

The larger marketing universe is focused on Gen Y, the millennial generation (roughly 20 to 30 years of age). However, right behind them is Gen Z (10 to 20 years of age), which is now starting to enter the workforce.

These legions of young people entering the workforce have grown up with smartphones and social media as part of their everyday lives. They live on text message, email and other social media such as Facebook, Twitter, Instagram and Snapchat. Their digital and social lifestyles of engagement and participation in decision making are not well known to older generations, and the older generation's skills and processes are not known to this younger generation.

The rate of millennial entry into lower-level decision-making positions in marketing and in event management has accelerated as this generation has more working years under its demographic "belt." The IAEE Young Professionals track is an acknowledgment of the growing importance and representation of this demographic group and their unique needs for training and mentoring.

Continuing future issues projected to face our industry include:

- How to relate across all generations of employees, customers and clients
- How to hire, train and motivate college graduates as employees and also keep them working in the industry
- How to reach, engage and teach the under-30 "online generation" about attending or exhibiting at trade shows and the value of face-to-face marketing
- Recognizing that communication tools to reach and influence population segments will continue to include all traditional media plus current and emerging digital and social media formats
- How to anticipate the direction and magnitude of disruption in the larger marketing community and our own industry as the age/technology wave sweeps throughout the society
- How to customize the show experience for each generation to maximize participation and engagement (e.g., offering digital and printed materials, segmenting and tailoring marketing for each generation, offering a diverse mix of educational offerings, etc.)

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From the 2014 report, questions remain with which trade show management will continue to struggle going forward:

- What is the new vocabulary that is necessary to understand the new generation entering the industry and to effectively communicate to them in/about face-to-face marketing (experience, engagement, marketing, etc.)?
- What are some ways that the exhibitions and events industry may have to change/adapt to accommodate the younger generations?
- How to train the younger generation to effectively relate with, and possibly supervise, their older colleagues?
- How to communicate to all generations the use and benefits of face-to-face marketing?
- How to develop mentoring programs for older people to mentor younger people … and reverse mentoring where younger people serve as the mentors. The outcome for these programs is to increase knowledge and cross-generational respect within/across a specific workforce and across our entire industry.

The speed of these changes is increasing with each passing year as more young people with higher level technology skills and a different take on life enter the workforce and older people retire. With Gen Z right behind Gen Y, these types of changes will be on-going.

Another generational issue now appearing is the change in state laws related to personal marijuana usage. The change in these laws appears to be an expanding trend across the 50 states and young people are more inclined towards this usage – although this may not be the case once the laws are changed. The industry will need to address this usage in terms of policies and practices for employees, contractors, on-site access to marijuana as part of a "catering amenity," work environment, liability issues, insurance, etc.

As noted above and in Sections 9 (Experiential Trade Show) and 10 (Engagement), demographic changes and demographic differences in social media and technology utilization will drive our industry well into the future.

Audience target marketing and specific audience programming are the future of the industry. The exhibition industry and individual shows will need ongoing research assessments on differences in technology/social media usage by demographic/audience groups in order to deliver engaging targeted messages and on-site programming.

12. Security

Data security has become an increasingly important issue in today's society and will only grow more important in the future. Credit card security breaches are almost a regular occurrence. Data hacking has made almost any database vulnerable to having its information stolen by hackers. Even federal government data has proven vulnerable to hacking.

Historically, the exhibition industry has not been particularly worried about this issue. Going forward, however, data security and data security protocols will be important issues for show management and industry vendors to consider and then build appropriate data security systems and protocols.

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Part of the good will and reputation of a show audience rests on the safety of its exhibitor and attendee data. The negative public relations of an online rant by hacked exhibitors and attendees could go a long way to injure the reputation of a trade show.

The task force envisions organizers taking a two-pronged track:

- Insuring constant upgrades and monitoring of data security systems and protocols.
- Preparing a contingent "reputation management" plan to rapidly address any data breeches and the action steps to be taken to deal with such a situation. This plan needs to be constantly updated and key roles and responsibilities clearly spelled out and rehearsed. A reputation crisis creates a time-crunch response and the organizer needs to have this response well rehearsed and ready to go.

Data privacy is also an ongoing concern. There is a growing reluctance for people to share their personal data because of over-marketing to individuals, too much email traffic, off-target marketing clogging up in-boxes and fear of data hacking.

Part of data privacy also relates to getting permission from attendees to share their data and disclosing where and how it is shared. (Note: There is currently a small trend for people to sell their personal information to a marketer.) The potential for increased data capture and analysis capabilities is exciting due to the new technology that is available to capture the data. However, attendees will need to receive value and/or an explanation in exchange for sharing their information.

As the future unfolds and people/businesses are concerned with data sharing, show management will need to communicate how shared data is protected and the value that is received for sharing data, so attendees understand they are, in fact, getting value for their information. Also in the future, legislation on data security and complying with private data security and management regulations will need to be an ongoing element in exhibition management's focus.

Physical security, including strikes, public demonstrations, mass shootings and public unrest, is a growing concern for the industry as the United States, and many international venues, may be threatened by various international terrorist groups and their domestic sympathizers. Major show organizers and major facilities usually have policies and practices in place for these potential attack contingencies. However, show producers and venues cannot assume these practices and policies are up to date and in effect across the entire industry.

This task force is recommending to the entire exhibition, meetings and event industry that every trade show plan include consistently updated contingency plans for both physical and health care emergencies and that these plans be reviewed by the event team with facility management and key local authorities (as necessary) prior to the move-in for each show.

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13. Trends in Learning and Adult Education

Education is one of the mainstays of the exhibition industry. Exhibition staff is not trained in adult education trends and techniques and rely on the following traditional approaches to delivering content on-site:

- Full day workshops
- One-to-three-hour workshops
- Keynote addresses
- Panels
- Breakout sessions
- On-floor theaters
- In-booth exhibitor presentations
- "Campfire" presentations
- PowerPoint and oral styles of presentation

In many professions, education contributes to certification in that profession, and many shows include educational courses designed to contribute to professional certification.

The exhibitions and events industry now faces the broad demographic spectrum of traditionally taught attendees and younger attendees who are computer-assisted learners. The industry also is facing the demographic differences in attention span that contributes to some of the differences in teaching and learning styles of the different demographic groups.

The consensus of the task force is that education will be a continuing and important dynamic in the creation and engagement of a given exhibition. The value of the educational content and its delivery methods/technology will contribute significantly to the levels of engagement, perception and success of a given show.

However, the task force recognizes that the industry needs to do more research into understanding how people learn and how education should be delivered across the learning/technology style spectrum in the trade show and exhibition environment. Dull topics or dull presentation practices will reduce engagement and the quality of the show experience.

As noted above, the continuing demographic evolution of the attendee population presents a continuing evolution as to what works today and what will work tomorrow. Teaching and learning styles will also continue to change as each demographic group moves into prominence within the exhibition attendee universe of a given show.

Producing a quality education program takes money. Part of the future of educational programming will be the development and testing of various program formats and financial models. The more traditional pricing and content delivery programming will need to be re-evaluated as the techniques and science of delivering content, and related costs, are re-evaluated.

The potential opportunities ahead in the delivery of face-to-face educational programming are significant. However, the quality of that programming, its cost to the attendee (especially paid vs. free online education) and the quality of the delivery approaches will require show organizers to increase their knowledge and skills in this area.

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14. Future Exhibition Industry Position in a Rapidly Expanding Digital World

The online and digital world is expanding rapidly and will continue to do so into the foreseeable future. Exhibitor/marketing budgets are expanding into more and more digital capabilities and service offerings. Bringing buyer and seller together is no longer the sole province of the exhibition industry, as e-commerce is bringing them together on a continuing 24/7 digital basis.

How will exhibitions fit into the digital world as it continues to rapidly expand? While not a complete answer, the task force's assessment is that a show's high level of relevance to the market it serves will continue to make it a significant factor in exhibitor and attendee business plans and budgets. To achieve this relevance, shows will need more research, data collection and analysis, and marketing capabilities to demonstrate their contribution to the success of both exhibitors and attendees.

Attendee and exhibitor research will also be necessary to understand what attendees and exhibitors are seeking in an exhibition so the organizer can build that show. Appropriate data collection and analysis at-show and post-show will document the value of the exhibition and support attendee and exhibitor ROI. Creating engaging trade shows, and documenting their value in the rapidly expanding digital future, will be an on-going element for the exhibition industry as a whole and for each individual show.

15. Case Examples of Show Organizer Change Management

Making changes to existing organizational policies and practices is stressful. Planning for and implementing new work process and practices means an organization has to stop doing what it historically has done (and knew well) and adopt new procedures, policies and tools. This means new learning and processes for the staff and the possibility of mistakes and a slow down in productivity. It also means the organization is moving out of its historical "comfort zone," and this can create a sense of stress as business processes change.

Two case examples of change are included in the report:

- Attachment 1: Emerald Expositions conversion to the Salesforce.com sales systems
- Attachment 2: Reed Exhibitions

Each of these case examples demonstrates the issues of change and the approach the organizer has taken to address these issues. Our purpose in including these case examples is to provide background information on how some organizers are discussing and implementing change in their organizations.

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CASE STATEMENT 1

Organization: Emerald Expositions
Darrell Denny, Executive Vice President

About the organization: Emerald Expositions is the owner and operator of business-to-business and consumer trade shows in the United States, connecting hundreds of thousands of buyers and sellers across 10 diversified end markets, including Gift, Home & General Merchandise; Sports & Apparel; Licensing; Design; Jewelry, Luxury and Antiques; Photo; Health Care; Food; Military and E-commerce.

Executive Summary

Two of Emerald Expositions' brands include Surf Expo and Outdoor Retailer. Surf Expo is produced in January and September, each featuring 2,600 booths of apparel and hard goods. Average buyer and exhibitor turnout exceeds 26,000 retailers, exhibitors and press. Two thousand are first-time attendees with an audience that includes both U.S. and international participants representing 68 countries.

Outdoor Retailer Winter Market is held in January each year and features over 4,000 booths of winter sports equipment and apparel retailers, manufacturers and outdoor industry professionals. The show draws 22,000 attendees, 1,050 exhibiting brands and attendance from 40 countries.

The Challenges

With large shows, it is difficult to create meaningful relationships with audiences that organizers are trying to attract. When a show has 20,000+ attendees, it becomes very difficult to provide the same level of service to the buyer audience. Organizers risk losing attendees and it becomes even more difficult to attract new ones if there is no relationship.

The Process or Solution(s) Used

Emerald Expositions has created customer-focused retail relations teams, who are sales oriented, to act as shepherds to exhibitors and sponsors. The team does a good job of assisting exhibitors and sponsors with their challenges. The same concept is now being applied to attendee acquisition. Rather than just sending email or direct mail, there is now personal outreach.

Outdoor Retailer created a small retail relations team who becomes the conduit between the attendee base and the brand. Their focus is to recruit quality buyers to the show in whatever manner is appropriate. The team assists with issues such as travel, housing and registration, instilling an awareness of everything available so that when they arrive they can be productive.

The team works from a VIP attendee list with identified key individuals/brands. The job of the team is to develop a more personal/intimate relationship with priority retail buyers that would *potentially* attend. The team works the telephone on a daily basis and they will travel to and call on retailers physically. Pictures of the store will be taken and they will discuss how business is going, what brands are moving and what changes are taking place. This information can be circulated to the rest of the team for nuggets/lessons learned. Members of the team may go to other events where there is a good opportunity for that person to engage current attendees and potential attendees. The team is taking the typical exhibitor sales-type efforts and mentality and applying it to attendees.

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Surf Expo group has had a similar team in place for quite a few years. The goal is for the team to have had a phone conversation or in person contact with every person on the VIP list in advance of every show. This VIP list is made up of 30 percent of the total number of retail brands. By meeting the goal, the show director can quickly find out which retail brand buyers might not be attending the show, and, more importantly, what can be done to get them there. Conversely, if there is an excellent store/chain exhibiting in the show, this information can be passed on to sales and marketing – this information may or may not be used to convince people who are undecided about attending to attend, resulting in new, strong buyers.

This outreach effort is critically important, especially for international buyers. International buyers may be a bit more unaware or overwhelmed by the difficulties presented in order for them to attend the show – from air travel, visa requirements, hotel, registration, setting up appointments prior to arriving, etc. Having someone make contact and walking them through the process will ease any anxiety and they will be more productive.

Most trade show producers have a detailed approach to maintaining exhibitor information in a CRM system. However, having data on the attendee side has been challenging. Personal outreach helps in a variety of ways, including identifying when a person has left a company, assuring the message is reaching the right people and continuing to develop a better understanding of the buyers' needs, resulting in stronger relationships and brand loyalty.

Emerald Expositions is converting to Salesforce. All of this qualitative intelligence will be fed into Salesforce and the entire show team will be able to access it.

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CASE STATEMENT 2

Reed Exhibitions – Customer Success Group
Ted Rawson, Senior Vice President of Information Technology

Reed Exhibitions (RX) runs over 500 events in 43 countries, including trade and consumer exhibitions, conferences and meetings, ranging across 43 industry sectors – from aerospace and aviation to beauty and cosmetics to sports and recreation.

Reed Exhibitions expects a lot from its sales staff, year over year revenue growth and the constant challenge of finding the next new exhibitor segment. Additionally, RX must also continue to improve how it looks after customers, answering service related enquiries quicker than ever, ensuring show goals are achieved and ultimately retaining them as exhibitors. Both aspects of the business are equally important but, realistically, both cannot be successfully achieved by one person. Sales people need all the time they can get to do what they do best and that is selling.

The challenge RX was faced with was how to reduce the impact on the sales staff from answering the overwhelming number of incoming exhibitor service questions leading up to the show but also not increase the number of contacts an exhibitor would receive from RX staff. At the time there was sales staff in booth sales, media sales, sponsorships, fulfillment and other third party vendors all reaching out to the exhibitor base. Creating another department to service exhibitors and add another touch point was not an option.

A process implemented to accomplish this goal meant a restructure of the sales, service and fulfillment teams. Booth sales would now be responsible to also sell media products and other sponsorships. This consolidation greatly reduced the number of outbound contacts an exhibitor would receive from a sales perspective. But it still didn't solve the problem of removing sales from answering service calls. The service aspect of the sale would now be handled by a new group called Customer Success Group (CSG). The CSG is a team created from existing groups with varied skillsets within the business.

- Customer Success Specialists who are proactive forward thinkers that empathize with exhibitors needs and anticipate where assistance might be required to ensure the greatest ROI and event experience. This team becomes a non-sales account management team focused solely on being the post-sale main contact for all exhibitors. One point of contact for all interaction not related to sales.
- Customer Service Team who handles all aspects of inbound and outbound call center services ranging from attendee, conferee and exhibitor needs.
- Customer Success Associates (level 1) who support all aspects of the sales teams from contract entry, mailings and on-site booking for space draw.
- Customer Success Associates (level 2) who handle all aspects of fulfillment, to ensure any product any customer has purchased is fulfilled and executed to perfection maximizing the return.

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Employing specific people to deal with customer service means the right people can be recruited and trained for the job. A talented sales person wants to sell. They want more opportunities to meet competitive targets. For customer service, job satisfaction comes from providing exemplary service and seeing the impact that has on happy customers, delivering better ROI and increased retention rates. Identifying the right skillsets for the right department under the new Customer Success Group structure was critical, and took six to eight months to optimize.

Statistical results snapshot:

- First time Exhibitor satisfaction increased 5 percent points on average overall, across all shows to date in 2015 (with the largest satisfaction increase of 28 percent!)
- Across all shows to date in 2015, there is a 10 percent point difference in satisfaction between customers who engage with a CSG versus customers who do not (with the largest satisfaction variance being 17 percent points higher when engaging with a CSG!)
- Approximately 48 percent+ increase in proactive customer (exhibitor) outreach and engagement versus year prior
- Approximately 20 percent increase in customer assets fulfilled (without increase size of staff)

Based on the results of the Customer Success Group to date, RX plans to expand the outreach farther and deeper with the customers to provide more value to more of its customers.

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