

Public Events Industry Report 2014 Results



INTRODUCTION

In 2009, IAEE's Public Events Council prepared a survey report, *Public Events in 2009: How They Fared During the Worst Economy in Fifty Years*. The survey was sent to public event producers across 22 public events industry sectors to examine overall industry performance in 2009 compared to 2008. The report identified which public event industry sectors fared well, which sectors struggled, and their expectations for the future. As a follow-up to that report, the Public Events Council has repeated the study each year since 2009.

This report presents six years of findings detailing individual statistics for 2014 and comparative results using the 2009 benchmark information and subsequent report data from 2010 through 2013. To bring a predictive element to the report, producers were asked to forecast new launch and sponsorship expectations for 2015-2017.

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OVERVIEW BY SECTOR

Existing Event Expectations

Public Event producers were asked to indicate their general expectation outcomes for 2014 events conducted in each of the 22 identified sectors. (Figure 1)

The results for 2014 expectations closely mirrored 2013 expectations with the majority of the sectors meeting or exceeding expectations. Positive movement was seen from the Antiques-Collectibles, Arms-Guns-Knives, Automobile, Fairs-Festivals and Kids-Family-Lifestyle-Pets sectors.

When comparing the overall results for all industry sectors from 2014 to 2013, only four sectors, Craft-Hobby-Woodworking (20%), Food-Beverage (12%), Home-Garden (13%) and Sportsman-Hunting-Outdoors (25%) reported events below expectations. This is still a positive result as three-quarters or more of the events in the respective sectors met or exceeded expectations.

EXISTING EVENTS COMPARISON, 2009-2014																		
INDUSTRY SECTOR	2014 EVENTS	EXPECTATIONS		2013 EVENTS	EXPECTATIONS		2012 EVENTS	EXPECTATIONS		2011 EVENTS	EXPECTATIONS		2010 EVENTS	EXPECTATIONS		2009 EVENTS	EXPECTATIONS	
		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below			
Agriculture-Farm-Ranch	4	100%	0%	1	100%	0%	2	50%	50%	4	33%	67%	2	100%	0%	13	100%	0%
Antiques-Collectibles	6	100%	0%	5	75%	25%	42	55%	45%	14	75%	25%	13	100%	0%	5	0%	100%
Arms-Guns-Knives	3	100%	0%	2	50%	50%	2	100%	0%	3	100%	0%	3	0%	100%	0	-	-
Automobile	9	100%	0%	7	86%	14%	15	100%	0%	11	62%	38%	3	67%	33%	1	0%	100%
Aviation	1	100%	0%	2	100%	0%	1	100%	0%	0	-	-	0	-	-	0	-	-
Boating-Marine	6	100%	0%	1	100%	0%	11	57%	43%	18	50%	50%	9	33%	67%	12	0%	100%
Bridal	6	100%	0%	3	100%	0%	24	86%	14%	11	75%	25%	2	100%	0%	0	-	-
Business-Franchise-Entrepreneur	5	100%	0%	1	100%	0%	2	50%	50%	2	100%	0%	2	100%	0%	0	-	-
Computer-Electronics	1	100%	0%	1	100%	0%	1	100%	0%	1	0%	100%	5	50%	50%	1	0%	100%
Craft-Hobby-Woodworking	5	80%	20%	6	100%	0%	3	67%	33%	13	60%	40%	2	100%	0%	2	100%	0%
Education-College-Career	4	100%	0%	1	100%	0%	2	100%	0%	3	100%	0%	0	-	-	0	-	-
Fairs-Festivals	7	100%	0%	5	80%	20%	5	67%	33%	5	100%	0%	2	100%	0%	1	100%	0%
Food-Beverage	8	88%	12%	3	100%	0%	16	100%	0%	33	100%	0%	6	100%	0%	3	100%	0%
Gift-Gem-Jewelry	2	100%	0%	1	100%	0%	5	50%	50%	3	50%	50%	7	67%	33%	1	100%	0%
Home-Garden	15	87%	13%	19	89%	11%	30	73%	27%	14	75%	25%	15	60%	40%	39	80%	20%
Kids-Family-Lifestyle-pets	7	100%	0%	5	80%	20%	10	75%	25%	11	80%	20%	2	50%	50%	7	100%	0%
Miscellaneous*	20	100%	0%	25	85%	15%	35	100%	0%	9	100%	0%	25	50%	50%	17	75%	25%
RV	5	100%	0%	1	100%	0%	27	87%	13%	17	75%	25%	33	67%	33%	21	0%	100%
Retirement-Senior	3	100%	0%	7	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-
Sportsman-Hunting-Outdoors	8	75%	25%	1	100%	0%	14	40%	60%	8	100%	0%	14	75%	25%	5	100%	0%
Travel	4	100%	0%	2	100%	0%	25	33%	67%	2	0%	100%	13	67%	33%	2	100%	0%
Women's	4	100%	0%	13	100%	0%	1	100%	0%	13	100%	0%	3	50%	50%	2	100%	0%
TOTAL	133			112			273			195			161			132		
* Miscellaneous category for those events that don't fit into an identified sector.																		

Figure 1

New Launch Expectations

2014 was the first year that newly launched events were reported in each of the 22 sectors. (Figure 2)

Eighteen of the sectors reported their new launches met or exceeded expectations (100%). Eighty-three percent in the miscellaneous category met or exceeded expectations. Of the remaining three sectors, Automobile, Craft-Hobby-Woodworking and Home-Garden, all reported in at 50% meeting or exceeding expectations and 50% below expectations.

The Antiques-Collectibles, Fairs-Festivals and Food-Beverage sectors improved from below expectations in 2013 to reporting 100% meeting or exceeding expectations in 2014.

As new launches can take several years to become profitable, the overall New Launch results are encouraging. Looking at the data for existing events and new launches across the years, 2013 and 2014 show consistent and overall positive results.

NEW LAUNCHES COMPARISON, 2009-2014																		
INDUSTRY SECTOR	2014 EVENTS	EXPECTATIONS		2013 EVENTS	EXPECTATIONS		2012 EVENTS	EXPECTATIONS		2011 EVENTS	EXPECTATIONS		2010 EVENTS	EXPECTATIONS		2009 EVENTS	EXPECTATIONS	
		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below		% Met or Exceeded	% Below
Agriculture-Farm-Ranch	1	100%	0%	0	-	-	0	-	-	1	100%	0%	0	-	-	6	50%	50%
Antiques-Collectibles	2	100%	0%	1	0%	100%	6	40%	60%	0	-	-	2	100%	0%	1	0%	100%
Arms-Guns-Knives	1	100%	0%	0	-	-	0	-	-	1	-	-	1	100%	0%	0	-	-
Automobile	3	50%	50%	1	100%	0%	0	-	-	1	-	-	0	-	-	0	-	-
Aviation	1	100%	0%	1	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-
Boating-Marine	1	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-
Bridal	1	100%	0%	0	-	-	2	100%	0%	3	0%	100%	0	-	-	0	-	-
Business-Franchise-Entrepreneur	1	100%	0%	0	-	-	0	-	-	0	100%	0%	0	-	-	0	-	-
Computer-Electronics	1	100%	0%	0	-	-	0	-	-	1	100%	0%	0	-	-	0	-	-
Craft-Hobby-Woodworking	2	50%	50%	1	100%	0%	0	-	-	0	-	-	2	100%	0%	1	100%	0%
Education-College-Career	2	100%	0%	0	-	-	0	-	-	0	-	-	1	0%	100%	0	-	-
Fairs-Festivals	1	100%	0%	2	50%	50%	0	-	-	0	-	-	0	-	-	0	-	-
Food-Beverage	1	100%	0%	1	0%	100%	4	100%	0%	3	0%	100%	0	-	-	1	100%	0%
Gift-Gem-Jewelry	1	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-
Home-Garden	2	50%	50%	1	100%	0%	0	-	-	0	-	-	1	100%	0%	2	100%	0%
Kids-Family-Lifestyle-pets	2	100%	0%	0	-	-	2	100%	0%	0	-	-	0	-	-	1	100%	0%
Miscellaneous*	9	83%	17%	7	100%	0%	2	100%	0%	2	-	-	11	67%	33%	4	100%	0%
RV	2	100%	0%	0	-	-	3	67%	33%	2	50%	50%	1	100%	0%	1	0%	100%
Retirement-Senior	1	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-
Sportsman-Hunting-Outdoors	1	100%	0%	1	100%	0%	0	-	-	1	100%	0%	3	100%	0%	0	-	-
Travel	1	100%	0%	0	-	-	2	0%	100%	0	-	-	0	-	-	0	-	-
Women's	1	100%	0%	0	-	-	0	-	-	0	-	-	0	-	-	1	0%	100%
TOTAL	38			16			21			15			22			18		
* Miscellaneous category for those events that don't fit into an identified sector.																		

Figure 2

EVENT REVENUE, ATTENDANCE and EXHIBIT SPACE SALES (NSF)

Public Event producers were asked if their event Revenue, Exhibit Space Sales (NSF) and Attendance for their most profitable event in 2014 was better, nearly the same or worse when compared to 2013.

Since the benchmark report of 2009, Revenue and Attendance results grew incrementally and consistently from year to year. While both metrics showed positive movement in 2013, a slight decline was noted in 2014. NSF results for 2014 were comparable to 2013. (See Figures 3-5)

REVENUE 2009-2014

As shown in *Figure 3*, 2014 results indicate decreases in the combined better and nearly the same categories and an increase in worse results, much like the results reported in 2012. Overall, with 87% reporting better or nearly the same results for 2014 as compared to 95% for 2013, and with 13% reporting worse results compared to 5%, it will be important to monitor this metric to see if the downward trend continues in 2015.

When asked by what percentage revenue for 2014 was better or worse than 2013, the majority, 81%, reported their event revenue was 1-15% better. Of the 13% reporting worse results, 40% reported being 1-15% worse and 60% reported in at 16+% worse.

Note: In Figures 3-5, 2009-2011 columns may not total 100% due to the timing of the 2009-2011 surveys. Originally, there was an additional category for "event not yet held" that has since been removed from the survey.

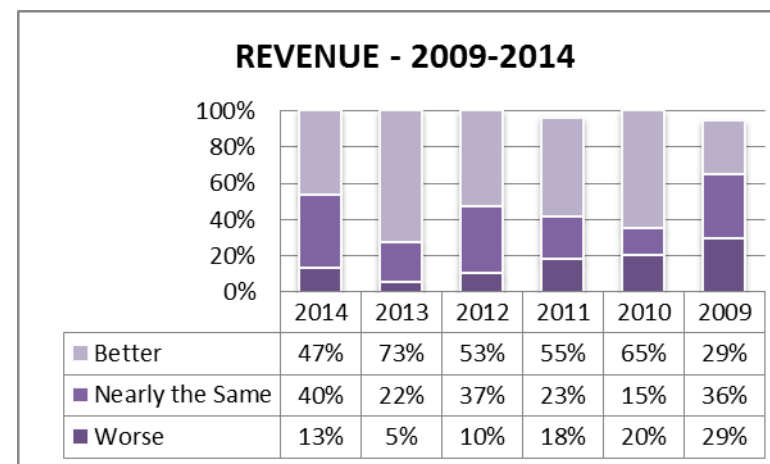


Figure 3

ATTENDANCE 2009-2014

Maintaining and growing attendance was identified as one of the major factors facing producers in 2015.

ATTENDANCE 2009-2014

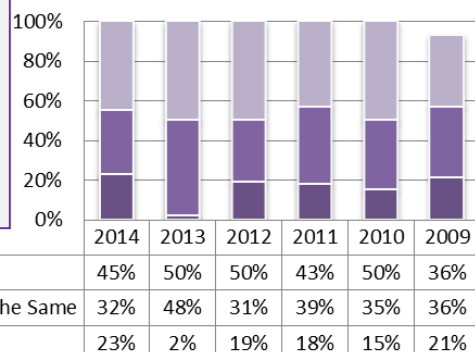


Figure 4

Figure 4 details the substantial increase in events reporting worse attendance in 2014 (23%) when compared to 2% in 2013. Better attendance results remain high at 45% compared to 50% last year and the nearly the same results have decreased from 48% in 2013 to 32% in 2014.

Of the 45% reporting better results in 2014, 65% indicated attendance was 1-15% higher than in 2013 and 35% in the 16-25% range. Sixty percent of the 23% reporting worse results had 1-15% worse attendance, while 40 percent were at 21+%. While there is no immediate cause for concern, these two metrics (revenue and attendance) will bear watching in 2015.

EXHIBIT SPACE SALES (NSF) 2009-2014

The NSF metric (*Figure 5*) remained consistent from 2013 to 2014 showing continued progress from the 2009 baseline figures. With 93% of respondents reporting better or nearly the same results and only 7% reporting worse results, NSF has performed increasingly well since the benchmark year of 2009.

Over three-quarters of the events reporting better NSF results in 2014 performed 1-10% better than in 2013. The other one-quarter were at 16-20% better.

Two-thirds of the respondents reporting worse results in 2014 when compared to 2013 fell into the 1-10% category, while the remaining one-third were at 26+%.

When looking at the three metrics as a group, Revenue and Attendance results are a little disappointing as they have been the strongest performing of the three. The NSF metric has consistently improved over the years since 2009's low point which shows exhibitor support is growing. The slight decline in Revenue and Attendance shouldn't be troublesome based upon single year results, especially in light of the continued positive results in the NSF metric. However, for 2015 these are the metrics to watch.

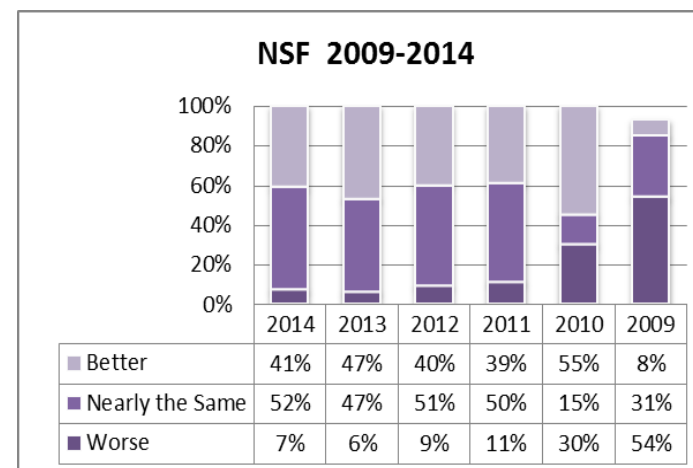


Figure 5

EXHIBITORS SECURING EXHIBIT SPACE

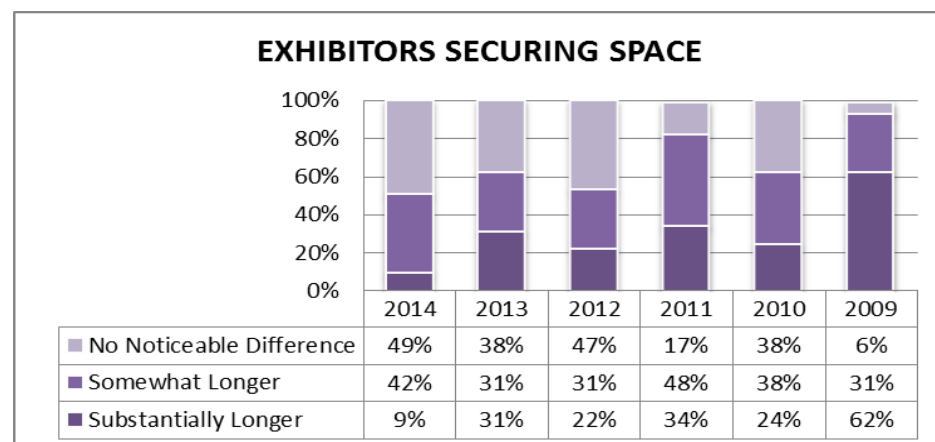


Figure 6

In 2014, only 9% of those surveyed reported that exhibitors waited substantially longer than the previous year to secure exhibit space. What a turnaround from 2009 when that response was at 62%.

When looking at the up and down nature of results from 2009 through 2012, and then the more balanced results in 2013, 2014 results are encouraging for producers (*Figure 6*), especially when combined with the positive NSF of exhibit space sold metric. It would appear that the exhibitor is becoming more engaged.

EVENT CANCELLATIONS AND WORKFORCE REDUCTIONS

Event cancellation results continue positive movement from the baseline year in 2009 when consumer event producers reported that 50% of their events were cancelled for economic reasons. As evidenced in *Figure 7*, the results have been consistently positive since 2009, and for 2014, only two percent reported cancelling events due to economic circumstances. For those reporting cancelling events, 100% have plans to reschedule the events in the future.

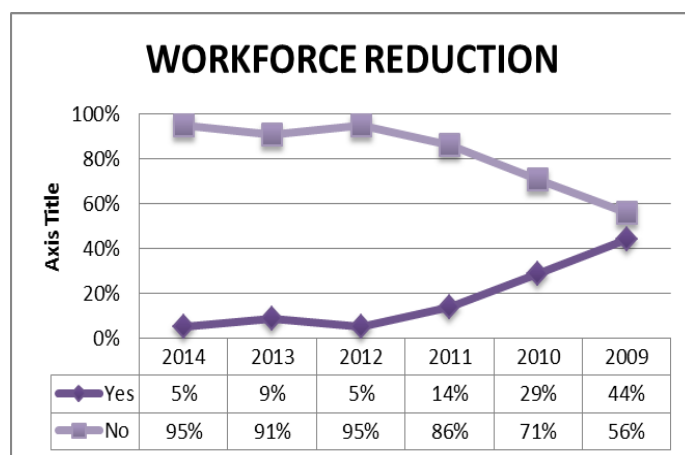


Figure 8

100% have plans to reschedule cancelled events!

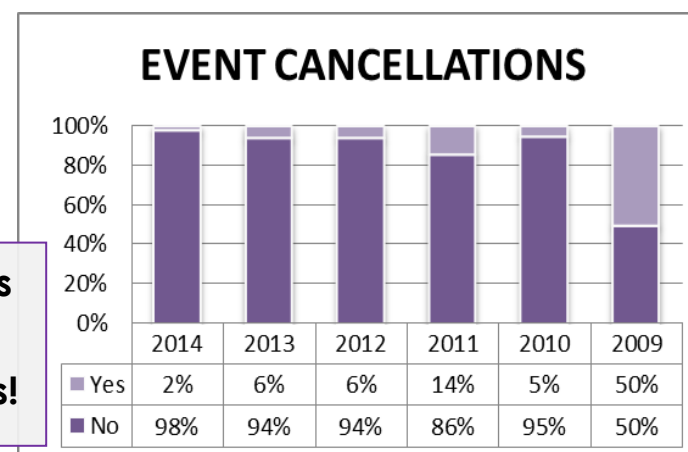


Figure 7

Five percent of respondents had to lay off employees in 2014 compared to 9% in 2013 (*Figure 8*). These results are much improved from the baseline year in 2009 when 44% of shows were laying off employees. It is interesting to note that when asked by what percentage their workforce was reduced, respondents were split - 50% reported their workforce reduced from 1-10 percent and the other 50% by 26% or more.

In 2013, 75% of shows reducing their workforce indicated they had no plans to rehire, and building on that trend, 100% of the 2014 shows reducing their workforce will not rehire.

On the Flip Side...

Were you able to add employees in 2014? This question was first asked in 2013 with 45% responding Yes and 55% responding No. For 2014, 55% responded Yes and 45% responded No. The result indicates that as the economy recovers and shows build more positive results, they are judiciously building staff.

LOOKING TO THE FUTURE – 2015-2017

In an effort to provide a more predictive look at the industry, show producers were asked two questions: if they were *planning to launch new events*; and what their *expectation for sponsorship revenue* would be in 2015, 2016 and 2017.

Results for Plans to Launch New Events 2009-2013 from previous reports, show on average 40% planning to launch new events in the following year; leaving 19% unsure and 41% not planning to launch new events over that time frame. For 2014 (Figure 9), 35% planned to launch new events, 12% were unsure and 53% were not planning to launch new events. When looking to the future, for 2015 nearly 60% have no plans to launch new events and when compared to 2016 and 2017 the number drops to around 40%. Unsure results include 12% for 2015, 33% for 2016 and 39% for 2017. Those planning to launch new events are 31% for 2015, 29% in 2016 and 22% in 2017. (Figure 10)

These results support the show producers being optimistically cautious. There is more trepidation for the immediate future, 2015, and more positive expectations for 2016 and 2017.

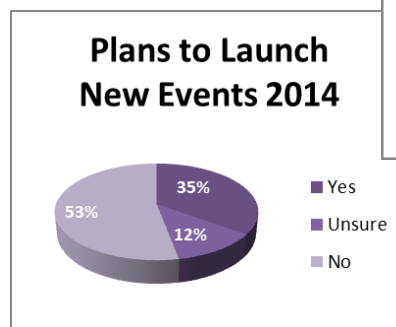


Figure 9

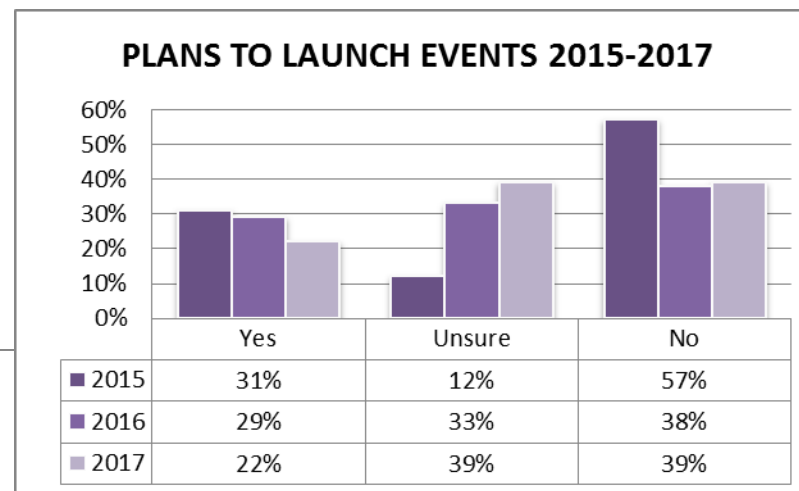


Figure 10

Expectations for Sponsorship Revenue have shown consistent positive movement over the years since the 2009 baseline results when only one-quarter of the respondents expected better sponsorship revenue than the previous year. Since that result, the better and nearly the same results were reported by over three-quarters of the respondents. In fact, in response to the question in this year's survey, 93% for 2015 and 100% for both 2016 and 2017 expect nearly the same or better results. (See Figure 11)

When asked what is the most important factor the public event producer will face moving into 2015 and beyond, many responses echoed the previous years' responses, including: competition with other events, maintaining/growing attendance, understanding marketing channels, general venue issues (dates, costs, restrictions), rising production costs, permits/regulations and the economy.

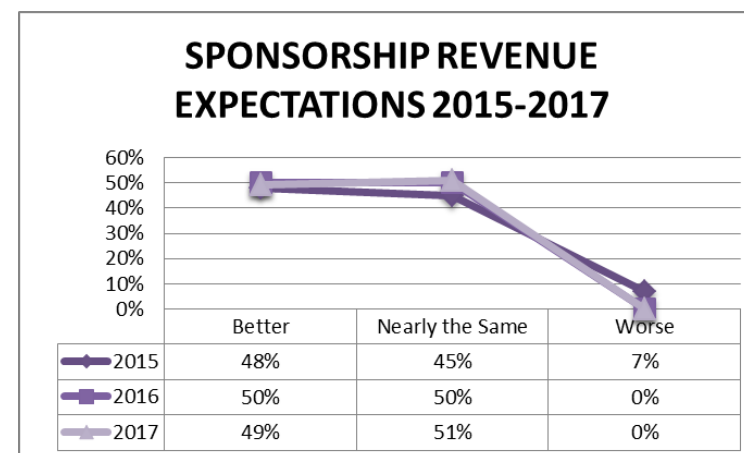


Figure 11

Two new challenges identified were competition from e-commerce/on-line shopping and proving economic impact of the event to the city/facility.

SIGNS OF RECOVERY MOVING INTO 2015

Following suit from last year, not one sector reported 100% seeing signs of recovery. In previous years, this was not the case. However, there is good news in that only three sectors, and in fact only one event in each of the three sectors, report not seeing signs of recovery: Agriculture/Farm/Ranch (33%), Miscellaneous (8%) and Sportsman/Hunting/Outdoors (20%). Again, all other events reported in those sectors saw or were unsure about seeing signs of recovery.

Sectors that were seeing signs of recovery were Auto (71%), Bridal (75%), Business/Franchise/Entrepreneur (67%), Craft/Hobby/Woodworking (50%), Education/College/Career (50%), Fairs/Festivals (71%), Food/Beverage (67%), Home/Garden (70%), Kids/Family/Lifestyle/Pets (50%), Miscellaneous (54%), RV (67%), and Women's (50%).

Several sectors reported 100% unsure about seeing signs of recovery, including Arms/Guns, Aviation, Computer/Electronics, Gift/Gem/Jewelry, Retirement/Golden Age/Senior and Travel.

While there wasn't one sector reporting 100% seeing signs of recovery, on the flip side not one sector reported 100% not seeing signs of recovery. When looking at *Figure 12*, it is clear the majority of sectors are experiencing enough positive results that they are giving the nod to optimism.

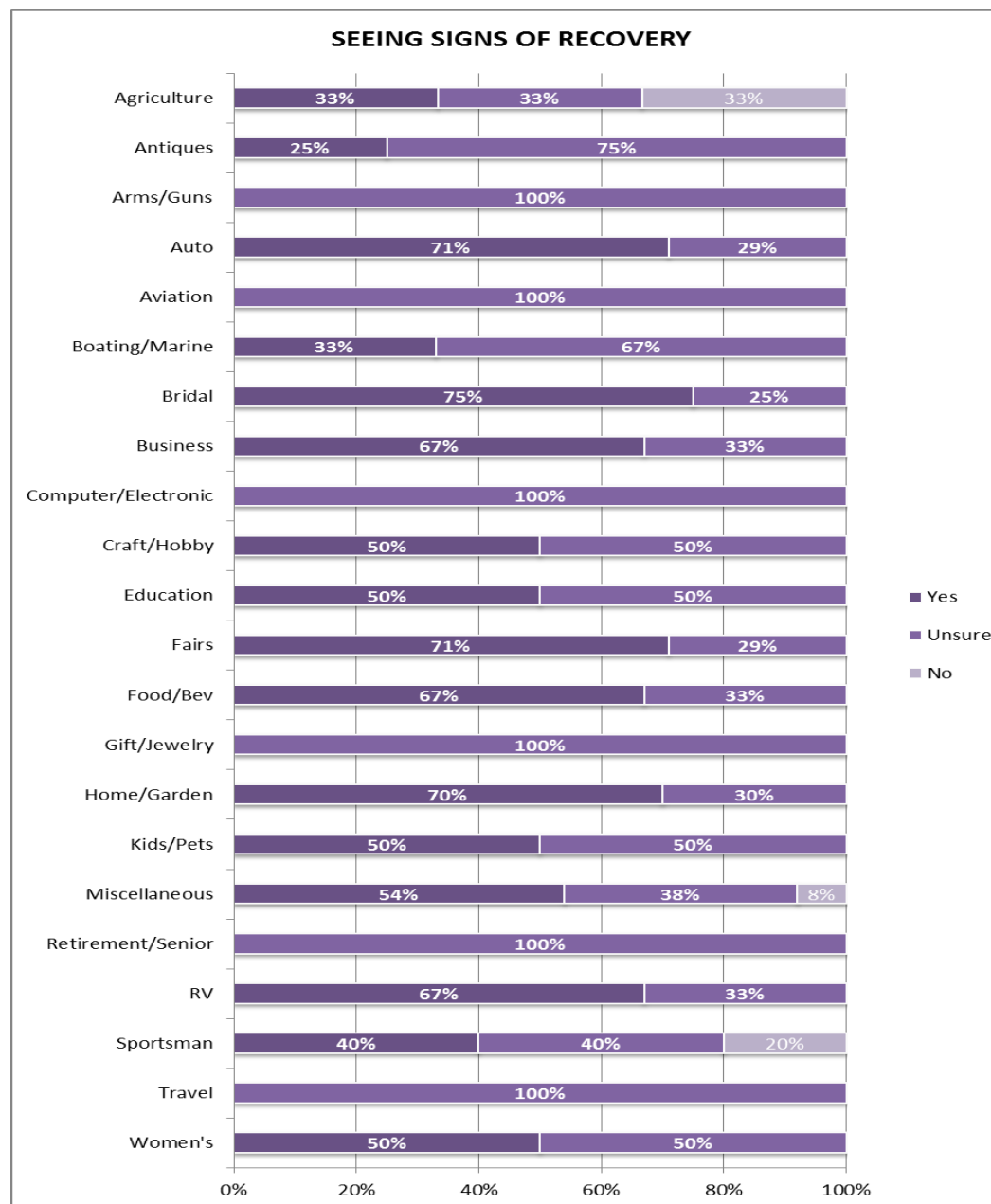


Figure 12

THE TOP ISSUES FACING THE PUBLIC EVENTS INDUSTRY TODAY

Each year survey participants are asked, in their opinion, what are the most important issues facing the industry today? Venue-related challenges and the business of the event dominated the responses in 2014. Changing demographics of attendees and exhibitors and marketing/advertising were also identified. All four of these identified issues were also on the list in 2013. One area that was a newly identified challenge is human resources. While it may technically fall under the business of the event, it is important to note as so many responses singled the issue out. Government permitting and regulations are also a continuing concern.

1. Venue Related Challenges: Available dates, rising costs, lack of safe and reasonably priced parking, cost of exhibit hall rental, lack of sufficient space, rising facility and ancillary costs, venue exclusives, and hotel pricing.
2. Business of the Event/Economy: Saturation of the market, cost of doing business, cash flow, growth, controlling costs, rising supplier costs, proving ROI, doing more with less, increasing insurance costs, lack of funding for expansion opportunities, proving value and economic impact of event to city/facility, competition with internet (online shopping/resources), keeping up with technology, and keeping events fresh.
3. Changing Demographics of attendees/exhibitors and other attendee/exhibitor related challenges: Aging exhibitor base, connecting with younger attendee base, attendees have expendable revenue, attracting qualified attendees, filling exhibit space/booth sales, exhibitor commitment from year to year, training older exhibitors to trust technology and to advertise their presence, and vendor acquisition.
4. Marketing/Advertising/Sponsorships: Increased digital viewing, increasing marketing costs, effectively spending advertising budget, evaluating ROI, identifying cost-effective promotions, sponsorship revenues not coming back, educating new companies on the value of events industry, and adjusting attitude towards consumer shows.
5. Human Resources: Managing staff versus number of events, managing time, finding qualified, experienced and competent staff, and finding good salespeople.

Other general observations reported:

- Internet usage by the younger demographic is creating disassociation between them and face-to-face interactions.
- The industry is growing and competition is increasing. Face-to-face events are still the most cost-effective way to reach the largest number of qualified prospects. It is not going away.
- There is great potential for the industry as the barrage of news and negative information is constant; consumers want events/outlets where they can find education, facts and community with like-minded people.
- There is too much duplication in the home-garden category.
- Consumer expectations are high – each year needs to be fresh and new.
- Keep up with trends as buying habits change. Exceptions are “passion” shows such as antiques, bridal and sportsman.

“As the economy improves and the convention business rebounds, it will be difficult for public shows to secure space in convention centers.”

- Shows with aisles and aisles of booths will be extinct soon – there must be an experience.
- Home and garden vendors are increasing/improving their showrooms – no need to exhibit.
- The industry appears to have slow, steady growth.
- The public enjoys and attends public events. There is a need to have a variety of interests to engage the different demographics. Entry fees need to stay reasonable.
- Show producers need to ensure the “call to action” matches exhibitors at show. The trend seems to be to increase the ratio as a result of the economic pressure to sell space. Producers need to be careful that the attendee experience meets their expectations. If not, drawing the desired demographic(s) will become more difficult.

IN CONCLUSION...

Venue-related challenges edged out the business of the event/economy in 2014 as the main challenge identified by respondents of the survey. Available dates, rising costs and venue exclusives were mentioned multiple times. This closely relates to the business of the event that also was at the top of the list of challenges for consumer event producers. While many of these challenges have always been around in the consumer events industry, the Great Depression magnified them and caused the producers to be more aware of big picture economics of their event. Many producers cancelled events over the years of the depression, many laid-off staff, and many were more prudent about business decisions.

As the economy recovers, we are seeing more new launches, more normal staffing patterns and a return to the more routine challenges that have always been around. 2013 and 2014 brought more awareness to technology-related and demographic-related issues. From engaging with the millennials and growing internet usage to rising consumer expectations and staying current with trends, there will always be challenges, and it is up to each and every producer to find what works best for their event. Use the millennials on staff to ensure the event is forward-thinking, engage in technology that resonates with the younger generations, and refresh and revitalize the event. It may take a couple years to catch on but change is good.



The IAEE Public Events Council recognizes and thanks the National Association of Consumer Shows (NACS) for supporting the industry report in providing a survey link to their membership. IAEE and NACS continue to explore collaborative opportunities to better serve the public event/consumer show audience.

Methodology: The data for this report was obtained through an IAEE Public Events Council Survey sent to 361 public event producers. Of those producers, 48 responded reporting on 171 existing and newly launched events in 2014.



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