



World Summit 2017

Montpellier, La Grande-Motte

21-24 June 2017

Industry Overview - U.S.

A Quick View of Exhibitions in the U.S.

Post Recessive Environment

The recessive U.S. economy of 2008-9 put a fairly significant damper on the U.S. tradeshow industry and those associated with it in all capacities. As the economy began to turn around so did the Exhibition industry. The trade show industry's growth rate is expected to rebound for 2017 from the slight dip it experienced in 2016 according to the Center for Exhibition Industry Research (CEIR).

The CEIR Index, projected the overall industry would grow **2.4% this year**, up 1.2% from the 2016 rate. The upward trend is expected to pick up momentum to **2.8% growth in 2018 and 3.0% 2019**.

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U.S. Exhibition Environment

Three of the four CEIR metrics - net square feet (NSF) of exhibit space sold, number of exhibiting companies and gross revenue - increased last year; however, professional attendance was flat. Declines in the attendance at shows in the Raw Materials and Science sectors were cited as part of this neutral attendance. By contrast, the strongest overall performances were registered in the Food and Building, Construction, Home and Repair sectors. The result was a 1.2% overall growth rate, which was 1.1% lower than the 2015 rate.

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U.S. Exhibition Environment

Improving employment and consumer spending in 2017 should accelerate U.S. economic growth beyond last year's 1.6% GDP growth, which should help stoke the entire trade show industry. Their rebounds will help to push the overall CEIR Index growth to around 2.4%.

A more pessimistic outlook is in store for the Education and Government sectors due to assumptions that government hiring and services will remain suppressed.

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U.S. Exhibition Environment

According to the CEIR 2016 Changing Environment of Exhibitions Study:

Virtually all surveyed executives understand that business-to-business exhibitions deliver a unique value not replaced by marketing and sales alternatives, providing the ability to see a large number of prospects and customers over a short period of time as being the most popular benefit.

Exhibitions:

- Offer an opportunity to demonstrate new and existing products / services.
- A chance for prospects and customers to interact.
- An ability to meet a wide variety of players face-to-face.

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Is The U.S. Market Different?

The U.S. Model for trade shows does differ in many ways from that of many other countries.

- Many exhibitions / venues require the use of Union providers for varying services (labor, electric, rigging, etc.).
- Most shows adopt standardized guidelines (like IAEE) for how an Exhibitor can utilize their contracted floor space - this differs greatly from the Cubic Content concept commonly found abroad.
- Costs for show services and the cost of exhibiting (floorspace, drayage, shipping, labor) are driving Exhibitor's costs up - often dictating what type, style or design of exhibit will be used.

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Is The U.S. Market Different?

- Over the past several years exhibition budgets have continued to shrink forcing the Exhibitor to seek creative ways to achieve their branding and marketing on the show floor. This often drives down the size of exhibit and can dictate the use of a system vs. a purpose build (custom) display.
- “Systems” are becoming more mainstream and are more readily accepted by exhibitors.
- Lighter weight (to account for shipping and drayage costs) materials are being used - aluminum lumber has become the new building block.
- Green exhibiting is mandated by some exhibiting companies, however green may often come at a cost.

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Is The U.S. Market Different?

According to CEIR, as presented during the 2017 Global Exhibitions Day earlier this month, domestic exhibitions in 2016 accounted for:

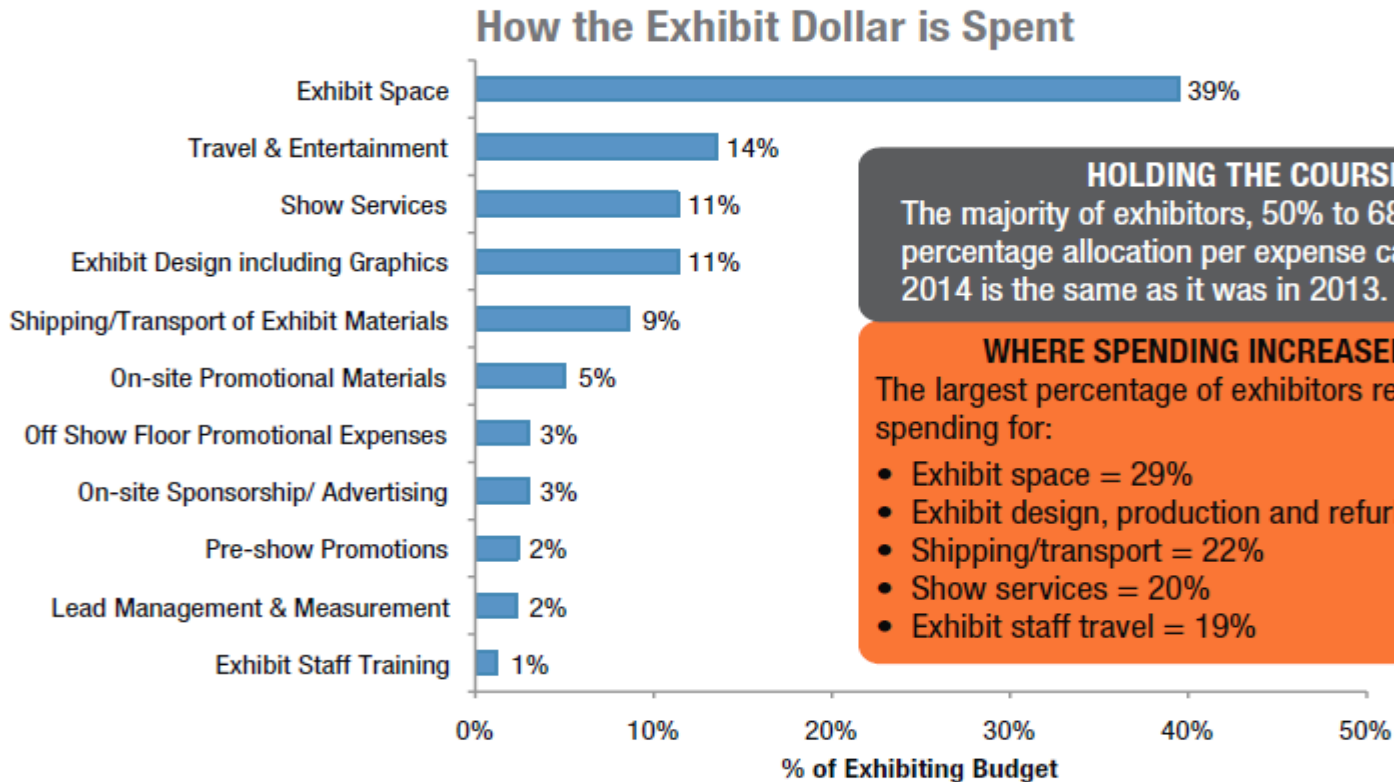
- Contributed \$80 Billion to the U.S. GDP in 2016
- Over 9,400 B2B Events annually
- 285 Million Net Square Feet (26.5 Million SM) of exhibition space
- 1.35 Million exhibiting companies
- Over 33 Million attendees in the U.S annually

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Is The U.S. Market Different?

Exhibitor's Real Costs



2014 CEIR

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Trends In The U.S. Marketplace

- Many domestic company's are deciding to exhibit abroad (Where the world economy goes, so go meetings).
- Use of Big Data by Exhibitors is gaining traction.
- Near Field Communication (NFC) and RFID technology is being employed (as costs come down this should expand) - both sides of the aisle.
- Request for "Connectivity" is growing - venues adding capacity.
- More mobile devices (exhibitors and attendees) are being used.
- Social Media Marketing is being added to the Exhibitor's mix.
- Experiential is the new buzz word (Exhibits as an experience).
- Face to face is still king - Exhibitors will need to train staff to be better brand marketers to interact and engage on the show floor.

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Trends In The U.S. Marketplace

- Engaging (as well as educating) the “next” generation (on both sides of the aisle) is paramount.
- Acquisitions and consolidations are on the rise within our industry (on both sides of the aisle).
- Fabric continues to be a big player in the industry as do creative new display systems that become the core building blocks for lightweight, easy to use exhibition design.
- Purpose build custom display builds have been on the rise the past few years (many incorporate systems into the designs to control weight) as the economy continues to improve.
- The cost of exhibiting continues to rise.
- Exhibitors continue to want better tools that help them track their show ROI.

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Trends In The U.S. Marketplace

- New A/V and digital technology continue to be incorporated.
- Although attendance had been flat, those attendees are generally more qualified to make decisions.
- Many exhibit houses have begun stepping out of the traditional show floor model and are now offering other services ranging from events, to retail, to pop-up marketing, to architectural installations , museums, etc. - all new areas of growth.
- International markets continue to offer Exhibitor's expanding opportunities (and in some cases reduced costs).
- Any global economic downturn would surely impact the domestic marketplace as well.
- Government trade policy changes could impact the state of the exhibition industry.
- Incoming international Exhibitor's are often confused and frustrated by their domestic trade show experience (especially as related to all around costs incurred).

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What Will The Future Bring?

- The Center for Exhibition Industry Research ([CEIR](#)) reports that growth of the exhibition industry during the first quarter of 2017 resumed after a temporary setback in the fourth quarter of 2016. The performance of the industry, as measured by the CEIR Total Index, posted a moderate year-over-year gain of 1.6%
- *"The increase in the first quarter validates our prediction that economic fundamentals still point to moderate growth for the exhibition industry,"* said CEIR Economist Allen Shaw, Ph.D.
- The Food; Building, Construction, Home and Repair, Communications and Information Technology and even Government sectors registered robust year-over-year gains. In sharp contrast, Education and Non-profit; Consumer Goods and Retail Trade and Business Services posted year-over-year declines. Raw Materials and Science, which was the weakest sector in 2016, has started to stabilize as attendance rebounded sharply.

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What Will The Future Bring?

There are struggles within the U.S. industry:

- An aging labor force on the show floor may create future shortages of qualified workers.
- As more international exhibitors visit, exhibitions may have to look at alternative formats (like cubic content) to continue to attract international business.
- Regulations may hamper growth (who's liability is a contracted worker? Trade and duties issues).
- Continued travel (as well as venue) safety concerns.
- Infrastructure updates (transportation, housing and dining) are critical to the exhibition industry (U.S. ranks 11th worldwide).
- Housing and event booking pirating / fraud.
- Promote the U.S. marketplace as a safe, viable (for business) and cost efficient exhibition destination.
- Intellectual property concerns (primarily with regards to design).
- Uncompetitive trade, service or venue practices.

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What Will The Future Bring?

- According to Statista 61% of Exhibitors plan to stay in their domestic markets only, while 39% said they would explore exhibiting outside their borders.
- Exhibit providers will be asked to provide additional services from Experiential, to events, to branding and marketing - creating the need to grow in breath of services provided.
- International (incoming and outgoing) exhibiting will continue to be a growing segment of the industry.
- The future can be bright and perhaps challenging yet every segment of the industry will need to embrace change in order to move forward for continued growth.

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Thank you.

Special thanks for content and data to:

EDPA

CEIR

IAEE

Trade Show Executive

IFES

Meetingsnet

Exhibition Day 2017

Statista