A VIEW TO
THE FUTURE OF THE TRADESHOW INDUSTRY

A WHITE PAPER
ON
TRENDS AND CHALLENGES
2003-2010

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INTRODUCTION

This white paper has been prepared to introduce research, analysis, and observations regarding the potential future of the tradeshow industry as its structure evolves over the remainder of this decade. This white paper goes the next step in this evolving dynamic to introduce structural issues and changes that should be the concern of tradeshow organizers, exhibitors and attendees as this decade unfolds.

Some of the issues presented here will be readily apparent. Other issues will take time before they do become apparent. Still other issues may not take place at all or go in another direction as new unforeseen factors act on the society. Predicting the future has its risks and potential for being flat out wrong. However, it is the authors purpose to introduce these topics for additional insights, dialog, and to encourage professional study of the issues and implications.

PART I. LOOKING AT THE PRESENT

“Tradeshows Are The Only Medium where The Customer Pays To Hear Sales Presentations”

(Source: Francis J. Friedman)

PRINCIPLE #1: THE CUSTOMER IS IN CHARGE OF THE TRADESHOW RELATIONSHIP…BECAUSE THE CUSTOMER IS PAYING TO HEAR SALES PRESENTATIONS

PRINCIPLE # 2

TRADESHOW ORGANIZERS AND EXHIBITORS ARE IN THE ATTENDEE BUSINESS
**Fundamental Tradeshow Presuppositions**

- Manufacturers cannot bring their products to an individual customer
- Manufacturers can bring their products to a centrally located hall
- Customers can come to a centrally located hall to meet manufacturers
- Finding customers, and the channels of distribution, are chaotic and not well defined. Customers and manufacturers are able to more easily find each other at tradeshows and establish face-to-face relationships
- Customers place orders at tradeshows

**DISCUSSION:** Fairs and tradeshows have had as one of their fundamental rationales the historical inability of buyers and sellers to find each other, that they could not (as cost effectively) get together one-on-one on their own, and that companies could not easily bring their products to the customer. By centralizing the “get together” function, bringing equipment to a central hall, and having the customer pay to see vendors, the tradeshow organizer historically “added value” to the vendors and convenience to the customers through the centralization of people and equipment / products. The other fundamental aspect of tradeshows is that they self-select an audience that values the topic of the tradeshow and the audience saves the exhibitor the expense of field sales presentations because they pay to travel to the tradeshow.

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**Historical Fort Tradeshow**

The Organizer and the Exhibitors built a CLOSED-LOOP System of Commerce.

- INFORMATION
- Exhibitors
- Products
- Attendees
- Leads
- Sales
- ROI (easy to measure and track)

**DISCUSSION:** Because of the historical inability of vendors and customers to (cost effectively) get together outside of the tradeshow environment, the walls of the tradeshow were like a fort. Everything was brought into Fort Tradeshow and a closed-loop system of commerce took place therein. It was Closed-Loop because everything and everybody necessary to get information and make purchasing decision were “all
together at one place and at one time”. The closest contemporary version of this experience was the recent agricultural event produced by Peter Nathan in Cuba. Cuba had not had an American agricultural tradeshow there in decades. His was the only game in town. His was Fort Tradeshow. Reported results were outstanding.

The other element of Historical Fort Tradeshow was that the industry of that tradeshow prepared for that tradeshow with a high degree of focus and pre-show preparation. Because of the lack of other outlets/opportunities, and the importance of what took place inside of Fort Tradeshow, exhibitors and customers were intense in their preparations for the show and in their active participation at the show. Senior job titles and responsibilities were ever present on-site. That tradeshow was a central focus in the annual calendar of that industry.

### Tradeshow Organizers As Marketing “Agencies”

**The Tradeshow Organizers “Agency”**

- Represent (agent) the interests of the Exhibitors
- Represent (agent) the interests of the attendees
- Bring together the right mix of exhibitors and attendees to produce results

**DISCUSSION:** An agent provides a service for a principal the principal could do for himself but chooses instead to hire an outsider. The tradeshow organizer has an implied “agency” to represent the exhibitor’s interests in delivering attendees to the tradeshow floor. The tradeshow organizer has an implied “agency” to represent the interests of the attendees to deliver to the tradeshow floor, the right mix of exhibitors who are prepared to exhibit the goods, services, and information the attendee is willing to pay to hear.

The creativity the Organizer brings to this “agency” function in terms of venue selection, logistics and organization, marketing, educational sessions, and showmanship is the “value added” of the agency function, and relationship with its principals, that keeps the organizer in business (and this applies to both association and for-profit organizers).

Recent exhibiting trends for privately produced corporate events signals that exhibitors have taken back some of the “agency” functions they previously assigned to public / association tradeshow organizers. Attendees at these events also have taken back their tradeshow organizer agency assignments by not attending public tradeshow events.
In the fuller view of the tradeshow Organizers agency role, his purpose is to ADD VALUE to the interaction of the exhibitor and the attendee. Just as an advertising agency adds value through compelling copy and artwork, a tradeshow organizer adds value through understanding the needs and wants of the market being served, executing on-target exhibitor sales and attendee marketing for the right mix of exhibitors and attendees, and the creative execution and programming of the on-site tradeshow experience.

To retain the vitality of the agency role, and the confidence of the potential exhibitor and attendee clients in the future, the tradeshow organizer will need to further enhance his role as a VALUE ADDED facilitator of the exhibitor and attendee agenda’s and their interactive goals and objectives. Enhancing this role over the decade will require new research tools, creativity, experimenting with form and function, and building new co-operative marketing partnerships with the exhibitor community.

Exhibitors do not fully understand the creative, VALUE ADDED aspects, of their own participation in tradeshow production. Tradeshows Organizers set the outside frame of the show through the shows layout, graphics, and formal educational sessions. Exhibitor booths, in-booth product offerings, staffing personnel and boothmanship fill in the “content” of the frame for the on-site attendees experience and value.

The total satisfaction of the attendee, and the willingness of the attendee to spend money to attend the next version of that tradeshow, is the co-responsibility of the exhibitors and the organizer. If the exhibitors are not prepared to exhibit specifically at that show the attendee is not satisfied and feels his visit did not achieve his goals. Conversely, if every exhibitor in a tradeshow brought its best products and best people to the show, and aggressively pre-promoted the tradeshow to its potential audience, the tradeshow would be very strong. The success of a tradeshow is directly related to the combined strength of all of the exhibitors co-marketing the show in partnership with the show organizer.

For the future, the tradeshow Organizer community must reach out to the exhibitor community to increase their role, with the organizer, in co-marketing tradeshows. Stronger exhibitor co-marketing and pro-activity at tradeshows will lead to stronger tradeshows and increased exhibitor success.

**Structural Changes Affecting Tradeshows: Closed-Loop Buyer-Seller Relationships. Industry Moving Off-Shore**

Many structural changes in the economy and the organization and composition of industries have had, and will have, significant impacts on tradeshows.

- INDUSTRY CONSOLIDATION has resulted in fewer “buying doors”
- Consolidation results in fewer, larger, buying doors with “vendor clout”
- “Vendor clout” drives the buyer-seller relationships / industry tone / tradeshows
- Large accounts establish “closed loop” buyer/seller relationships with their vendors
- These closed-loop relationships take place off the tradeshow floor
- Vendors provide buyers intense service through “Key Account” teams
- Vendors bring new products and services to large account offices. Large accounts do not need to go to a tradeshow to see what’s new
• Key account relationships are bound together through integrated, computer controlled Supply Chain systems
• Industry is exporting work overseas (e.g. China, Singapore, India)
• Companies are “Global Sourcing” to reduce costs…and managing the relationships through the Internet and supply chain systems

DISCUSSION: Structural changes brought about by consolidations in industry sectors is having, and will increasing have in the future, profound effects on buyer-seller relationships. Tradeshows, industry associations, publications, and education providers will all be affected by industry consolidations and fewer larger buyers. Large buyers have what’s new presented to them in their offices. They do not have to go to a tradeshow (necessarily) to see what’s new. Computerized systems tie buyer and seller together into a very close relationship. All of this takes place off-of the tradeshow floor.

Industry is moving jobs and domestic production offshore to reduce costs and to compete in emerging global markets. Call centers in India and industrial manufacturing moved to China means that employees (potential attendees/buyers) and equipment producers (potential exhibitors) are not available to participate in domestically produced tradeshows. This business opportunity is lost to overseas venues.

Marketing Changes Affecting Tradeshows

• The Internet has revolutionized the ability to communicate, search, and execute transactions. It has opened “real-time” marketplaces and relationships.
• Call Centers (telemarketing, sales, customer service, customer satisfaction surveys) have become an increasingly effective tool in making contact and establishing relationships between buyers and sellers. (Off the tradeshow floor)
• Database development/utilization has become a focused source of customer targeting and business building strategies and implementation programs.
• Marketing information explosion (including all of the direct marketing tools) has reduced the randomness of finding customers. Customers can now be segmented, targeted and assessed with these advanced tools.
• INFORMATION IS FREE. Information is a leading sales tool and a key historical factor in deciding to attend a tradeshow. So much information is now available on the Internet for FREE. What new information will be available at a tradeshow?
• Exhibitor marketing programs are competing with tradeshows for customers, leads and sales

DISCUSSION: Fort Tradeshow controlled “information” and “new”. The Internet, call centers, databases, and advanced direct marketing techniques have given buyers and sellers the tools they need to find each other and to establish relationships off of the tradeshow floor. Competitively, the advertising and broadcast media that also compete for a share of the marketing budget have moved dramatically to increase their revenue streams through programs in these “new media” marketing tools. They have been successful in inserting their advertisements into the stream of Internet relationships between a buyer and a seller. With INFORMATION being free, and new product introductions available at any time, “new” is no longer the province of tradeshows.

CRM: Customer Relationship Management

• Extreme focus on the customer
• “Customer Centric” outreach into the marketplace by companies
• Extensive customer market research; profile development
• Customer care drives company communications and “programs”
• Creating internally produced events with customers as the center focus
• Customer target marketing…with no off-target, or “wasted”, expenditures
• Focused on keeping customers from switching to another vendor

DISCUSSION: Customer Relationship Management represents corporate consciousness focused on the customer. CRM will only get more intense as time goes on. The competition for customers on a 24/7/365 basis will drive more intensive CRM activities. CRM activities will utilize all of the marketing, communications, research, and event tools at the marketer’s disposal. Gaining and retaining customers will become an even more competitive and dynamic activity on the part of vendors. These other customer generating activities will require that the exhibitor and the organizer cooperate to develop the structure of how tradeshows “fit” into multi-faceted CRM programs.

Corporate CRM will interface with Supply Chain and key account development / management programs to build and manage closed-loop relationships. CRM programs are internally conceived and managed and designed to get and keep customers. They do not wait for, or rely on, a tradeshow.

Supply Chain Management

• Way of thinking and managing that Integrates all functions of sales, production, and paperwork into a “real time” business process and data management system
• Reduces costs, increases speed and productivity
• Integrates and binds customers, vendors, and company into a “closed loop” system of buying and selling through advanced computer networks
• Is a “managed” buyer-seller relationship away from the tradeshow floor
• Includes “professional purchasing” practices
• Includes all aspects of a transaction from product design, pricing, production, inventory management, merchandise delivery, re-orders, and financial transaction processing
• Integral to “key account” selling and vendor management programs
• The ability to supply the troops in Iraq is a demonstration of effective supply chain management
• Will grow more robust and penetrate deeper into the fabric of global business practices and capabilities. Advanced and simplified Internet applications will speed up the adoption of common supply chain practices.
• Business goals for 2010 are to streamline the data and systems side of purchasing and procurement to squeeze as much cost out of the supply chain management as possible. These cost savings will provide competitive pricing and earnings protection in an increasingly competitive marketplace

DISCUSSION: The implementation of supply chain systems will provide the increases in productivity, cost reduction, and “time to market” that companies need to compete. The complete integration of supply chain systems will move the ability to “produce to demand” to the forefront of business. This will mean a reduction in inventory investment, and the production of off target goods. For tradeshows, it means that an off-the-
tradeshow floor, closed-loop, system of buying and selling is taking place between exhibitors and attendees.

Supply chains also mean tightly integrated buyer-seller relationships. Supply chains are managed through advances computing systems that wire the buyer and the seller together and provide ongoing information as to the buyer-seller relationship. Because of the closeness of the supply chain relationship, buyers and sellers are able to “communicate” with each other in real time on a continuing basis. Supply chains have as their very nature the focus of improving communications and responsiveness between buyer and seller.

Looking to the future of the decade, supply chains and the ability to participate in supply chain relationships will be the on-going quest in buyer-seller relationships. Systems development will seek to simplify supply chain protocols to make them very Internet friendly so everyone can participate. This expansion of supply chain capability, plus the increased sophistication in professional purchasing techniques, will expand the range and penetration of supply chain applications in the buyer-seller relationship. The question for the tradeshow industry is how to interface tradeshows into the closed loop relationships cycle of supply chain relationships,

E-Commerce

- E-commerce is an infinitely “open”, Internet based, marketplace, 24/7/365.
- Closed-loop, off the tradeshow floor, real-time, buying and selling relationships. Price / terms can be changed and “programmed”, “on-the-fly”
- Business is learning how to manage “bricks” and “clicks” (the integration of their stores-Bricks-with their web site-Clicks)
- Fundamentally changes the definition of “personal” and “face-to-face” relationships…and “customer service”
- Allows the creation of businesses that only exist in cyber-space
- Represents a “time-shift”, and “location-shift” for the customer to interact with the vendor at the convenience and discretion of the customer
- Is the backbone of global sourcing, supply chain, and advanced professional purchasing models such as reverse auctions and blind bidding
- Generating increasing transaction volume….with by-product customer database information as to customer needs and wants. Database tracking of transaction volume and activity creates closed-loop customer universes and businesses
- Becoming an accepted way to buy goods and services for the general public
  - Dell Computer
  - E-bay
  - HOTELS.COM (real time inventory and pricing on-the-fly)

DISCUSSION: We are establishing customer relationships on the phone and through the web with a person named “CSR” (Customer Service Representative) and “whose call is being monitored for quality assurance purposes”. We are buying expensive products through a “corporate system” with interchangeable humans in the “role” of customer service representative. As a society, we are becoming individuals plugging ourselves into an e-commerce system to get our “needs and transactions” fulfilled. We have become used to a “system” helping us to decide/get what we want and have accepted that we have turned away from needing/demanding face-to-face sales assistance.
The subtlety of this is that we are becoming “do-it-yourself” buyers. This is just as we have become trained as do-it-yourself bus boys at fast food restaurants. Sellers want buyers to incur the cost of key stroking the input data for a purchase. As a society we are responding by doing our own on-line research and on-line order entry input. No human interaction from the seller and---increasingly---none asked for by the buyer.

Sales, transaction volume, and “trust” are being evolved into “systems applications”. Customer Relations are becoming corporate systems management. Over this decade we will see smarter and smarter systems evolve. This evolution in systems sophistication will also increase systems productivity and “general” user satisfaction. Increasing customer satisfaction will also lead to more transaction and dollar volume through e-commerce and supply chain “systems”.

The challenge ahead will be to determine where and how in-person tradeshows fit and contribute in the future CRM, Supply Chain, and e-commerce “systems” environment. How will in-person tradeshows break into the closed loop communications, relationship and transaction systems that are now being built and actively utilized on a 24/7/365 basis? What is the “programming” that must take place at a tradeshow that will make it compelling to the industry it serves to attend in-person?

The other future challenge is how do companies measure the value of their tradeshow investment if they are increasingly encouraging do-it-yourself customers? An attendee goes to a show and buys an exhibitor’s products through that exhibitor’s e-commerce systems...because that exhibitor encourages do-it-yourself ordering. How will that exhibitor ever know that order was generated from its exhibiting activities? How will that exhibitor know to assign that order to its tradeshow activities if that order is placed by a Purchasing Department, through an on-line systems transaction, months after the show and after a “committee” has made the purchase authorization based upon information received at the show? If exhibitors are going to continue to use ROI in the future as an evaluation criterion, they then must factor their own e-commerce systems into the evaluation equation to give appropriate credit to on-line, tradeshow related, orders.

### Continuing Growth In Computing and Communication Technologies

This is a decade of technology advancements. Here is what we can expect.

- Hi-speed, commonly available, world-wired networks (24/7/365)
- Hi-speed wireless: voice, data, internet--any where, any time
- Mass data storage is almost free
- Multi-media (picture, voice, data) is common
- Expansion of end user services to meet new customer needs
- Advanced technologies available today...first introductions now starting
- 2004-2005 implementation after Wall Street digests current telecom debt
- 2010 will see movie quality, high-definition screens, two way real-time video interaction, anywhere / any time in the world to a handset or desktop
- 2010 will see hi-quality 3-D video and a sense of in-person video “presence”
- With the advanced technologies, video streaming, e-learning, global conferences, video-on-demand and direct 2-way personal video interaction will be a matter of course
- Tomorrow’s leaders are today’s Gen Y…and they are growing up with this technology and continue to expect more of it and from it
• Aggressive, quality, cyber-only tradeshow, meeting, and e-learning offerings

DISCUSSION: The current Wall Street meltdown in the telecom sector is keeping the funding and rollout of the next communication technologies sitting on the shelf. By 2005 the current economic climate should permit the next wave of technology infrastructure to begin build-out. Hi-speed wireless technology and super-fast Internet capabilities will lead the pack. With these communication systems in place, every mode of communication can take place. Wireless Internet with hi-speed interactivity will become a global reality.

The advancement in technology infrastructure, software, and wireless devices will make people time independent and location independent. People will not have to be somewhere specific to gather information, take an on-line course or seminar, communicate with a vendor or customer, or participate in a videoconference. The news coverage of the Iraq war is only a hint of the power of the technology that will be available by 2010.

Communications technology advancements will encourage the growth of “content” and “service” companies that exist only in cyber-space. As the quality of the communications infrastructure increases, it will enable content providers to enhance their products and services to high quality standards of both content and delivery. When telecom infrastructure is able to support TV like, two-way video conferencing from a handset device, the need to be in any specific place will diminish. Cyber-providers will focus on producing cost effective high quality content. Potential attendees to an in-person conference or educational forum will have cyber-content choices to balance against physical attendance at the conference.

The future will see high quality on-line tradeshow capabilities. Advanced multi-media software will permit full booth tours, customized (electronic) in-booth product demonstrations, and on-screen fully guided product tours. Much of this technology is already in architectural soft ware and in the latest video game hardware and soft ware. Already, video gamers are playing interactive games with different players all over the
world. Think about it…interactive global collaboration and competition in the same on-line gaming environment with today’s technology. What will tomorrow’s global interactivity bring?

“Professional Purchasing” disciplines will utilize these communication capabilities to manage advanced forms of buying and selling. Auctions, portals, private networks, remote video tours of vendors plants, and global design team interactive video conferencing are only a few of the applications available in this new communications reality. These capabilities produce closed-loop buyer-seller relationships off the tradeshow floor.

Changing Historical Tradeshow Perspective

Trade Show Evolution

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<tr>
<th>INTERNET</th>
<th>CALL CENTERS</th>
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DISCUSSION: The relative importance of tradeshows in buyer / seller relationships, communications, and transaction volume has declined over time. While the total dollar level of tradeshow industry activity has increased over time, it has not increased as rapidly as the increase in communications and transaction volume from other types of activities in the marketing of goods and services. The Internet and related advanced technologies has produced an “explosion” in commerce related communications volume and transaction activity.

The other aspect of this relative change in communications and transaction volume is that in-person tradeshows, as fixed venue activities, provide only one “touch point” (on the dates of the event) in a comprehensive buyer / seller relationship. Today’s relationships require more “touch points” and interactions to meet CRM criteria.

Recent trends in corporate marketing have seen exhibiting companies implement more “self-produced” activities to reach and “touch” their customers on a more frequent and (they believe) cost effective basis. Self produced tradeshows, conferences, special customer events, 18-wheeler tours to customer facilities, and mall events are just a few of the ways companies are reaching out to “touch” their customers on a more frequent basis. Ways in which the exhibitor is bringing the factory to the customer.

The implementation of these other customer “touch” programs, plus investments in other expanded advertising, media and direct marketing opportunities, has resulted in tradeshows experiencing a dilution of the “relative share” of total corporate marketing,
sales, and transaction focus. The tradeshow industry is still a major industry and a significant part of the total marketing, sales and communications infrastructure. However, due to the rapid expansion of other activities and investments, its “relative market share” of customer producing activities has been diluted in relation to the total universe of marketing, sales, and transaction activities.

For the future, the need to build customer relationships and maintain a continuum of communications over time, and with different types of customer “touch points”, will fuel exhibitor decision making considerations between in-person tradeshow exhibiting / attending investments and the utilization of other non-tradeshow activities.

The tradeshow tool, in light of Supply chain, CRM, and other corporate systems will have to undergo a new learning curve in understanding its future applications and functions. This new learning curve will demand cooperation between the exhibitor and the tradeshow organizer communities to target and harness the power that tradeshows can attain. Half measures and “not my job” attitudes by either community will delay the development of the necessary understandings to harness the power of tradeshows in the evolving future. Exhibitors and organizers will benefit from cooperatively building this new understanding as the strength of each is additive to the success of the other.

Think about this. Companies spend money to send sales presentations out to customers in all other media. Customers pay money to come into a tradeshow to hear sales presentations.

**Historical FORT TRADESHOW Is No More**

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DISCUSSION: The walls of Historical Fort Tradeshow are down. Exhibitors and tradeshow organizers must realize that together they have knocked down the walls of historical Fort Tradeshow. The containment of information, new products, and personal relationships that previously took place behind the secure walls of Fort Tradeshow now takes place in “open venues”, through multi-channels of communication, and at times
and places determined by the “market”. Information, CRM, Supply chain, Call Centers, and direct marketing programs all take place outside the tradeshow and are becoming part of the daily fabric of standard business practices.

Exhibitors have to realize they have helped tear down the walls of Historical Fort Tradeshow. By tearing down the walls of Historical Fort Tradeshow they also helped destroy the commercial security that these walls once provided when an entire industry showed up inside these walls. Exhibitors must also realize that in tearing down these walls they cannot use yesterday’s exhibiting programs and measurement metrics any longer. New exhibiting programming and new metrics must be established in the new “no-walls” open environment in which tradeshows will operate over the decade.

The future will have to see the development of “New Tradeshow”. The reality of New Tradeshow is that it will be the responsibility of the Exhibitor and the Show Organizer working together as Co-Marketing Partners to test and build this new tradeshow model. Old tradeshow design and production approaches, Old exhibiting programs, and Old measurement metrics will not unleash the power that is potentially available in a tradeshow when the exhibitors and the Organizer become co-marketing partners. The reality of exhibitors new integrated marketing, customer relationships, and transaction programs must also be brought to tradeshows through co-marketing partnerships with Organizers.

PART II. LOOKING TO THE FUTURE

CREATIVE DESTRUCTION OF THE HISTORICAL MODEL

DISCUSSION: Every industry has faced changes in its fundamental structure and rationale for existence. This decade will be a time of change for the exhibitors, tradeshow organizers, attendees, and related industries that serve the tradeshow, convention and meetings industries. Change will be the watchword of the decade. There
will be no going back to Historical Fort Tradeshow. Exhibitors cannot expect it to exist and organizers cannot continue to use those blueprints. All (tradeshow industry) partner communities will have to collaborate over the decade to build the contemporary tradeshow reality.

Fairs and tradeshows have existed for centuries. They are not going to disappear. Transformation and “creative destruction” of the past is a natural evolutionary step as a society moves forward. The tradeshow industry is no exception. This decade will see continuing change in form and function. It will demand change in the form of the product, its design and development, and its relationship structures. Today’s tradeshow organizer, as a VALUE ADDED provider, will need to continue to tune his offerings to meet the needs of a rapidly changing global marketplace. Exhibitors will need to become the Organizers co-marketing partner.

**Significant Buyer Seller Trend Changes On The Tradeshow Floor**

**TREND CHANGES IN BUYER – SELLER TRADESHOW RELATIONSHIPS...2003-2010**

- **CLOSED LOOP RELATIONSHIPS**
  - Key Account Selling-
  - Professional purchasing
  - Internet purchasing
  - See “new” in their office
  - Tradeshows now important to them
  - Increasingly directly targeted by vendors
  - In time buy direct

- **LARGEST volume buyers**
  - 10% of accounts
  - Major $ purchases

- **INTERMEDIATE sized Companies**
  - 40% of accounts
  - Intermediate purchase volume

- **SMALL corps.**
  - 50% accounts
  - Small dollar purchases

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**DISCUSSION:** Significant structural changes in the buyer seller relationship will carryover to the exhibitor-attendee composition on the tradeshow floor. The graphic above represents the composition of the business universe of an industry. The LEFT side shows the distribution of the buyer company universe by size of company. As shown, large companies are represented as the smallest segment of the universe, but account for the large individual dollar purchases. The definition of Large, Intermediate and Small company size will vary with the individual industry represented by a specific industry tradeshow.

The RIGHT side of the graphic shows the type of buyer-seller relationships by size of account. The RIGHT side of the graphic also indicates how a tradeshow factors into the buyer-seller relationship. The “need” for a tradeshow is dictated, in part, by the size of an
industry and the size of the trade factors within the industry. Small tightly focused industries behave differently than large diverse industries.

In any industry, as it progresses towards 2010, Key Account selling and Supply Chain relationships will take hold in the large accounts of the industry (the LEFT side of the graphic). This means that “new product” presentations will be delivered in the offices of the large accounts on a “closed loop” basis (RIGHT side of the graphic). For these large accounts, the need to attend a public show to “see what’s new” (for the majority of items purchased), will not necessarily be as compelling as in the past (RIGHT side of the graphic).

These large accounts are the accounts that most exhibitors want to see in their booth at a tradeshow. These large accounts are also the accounts where exhibitors may have also made private key account presentations. The point here is that the large highly valued accounts are projected to increasingly go “closed loop” over the decade due to key account selling and supply chain relationships. This means that the very large buyer companies that exhibitors want to see will become increasingly “scarce” as attendees at a public tradeshow. And, if they do attend, their attending pattern will be significantly different because they will already have seen the new (tradeshow) merchandise in their own offices. Bringing large buyer accounts to the tradeshow floor, where exhibitors have already shown them the new merchandise/equipment, will be the ongoing challenge of the decade.

The Intermediate sized companies (LEFT side of graphic) represent a significantly larger total universe than the large accounts and are now just beginning to get into supply chain and e-commerce relationships. Tradeshows are now important to them and provide access to the marketplace.

Small companies (LEFT side of the graphic) represent the largest numbers of individual accounts and the smallest unit purchase potential. Tradeshows are vitally important to these accounts as there is nowhere else for them to see and interact with their industry (RIGHT side of the graphic). Depending upon the structure of the industry, the larger exhibitors in a tradeshow may not even care to interact with these small accounts at-show and instead refer them to their distributors or wholesalers.

Looking ahead across the remainder of this decade, it is projected that the on-going trend will be to have key account and supply chain selling and customer service penetrate all large accounts in an industry and then move down to the intermediate sized accounts. This means that all large accounts will see new merchandise presentations, by exhibitors, in private closed-loop relationships off of the tradeshow floor.

The significance of this trend is that these “private” presentations may discourage large accounts from actively visiting and participating in public tradeshow venues. Further, the potential lack of this large account participation will provide challenges to tradeshow organizers and exhibitors as to the composition of tradeshow participation and the specific on-site programming. Tradeshows organizers will devote significant thought and efforts to trying to hold onto the large account representation as the decade progresses.

Looking ahead across the remainder of this decade, it is projected that the intermediate sized company will become the focus of tradeshow activity for both organizers and exhibitors. With large accounts receiving private key account presentations from
vendors, the need for access to the marketplace will default to the intermediate and smaller sized accounts. The larger of the intermediate sized accounts will be targeted as key account candidates as the decade progresses. However, public tradeshows will still be important to them. Tradeshows and intermediaries will tailor their offerings and expectations to design shows for intermediate sized accounts and to meet their competitive needs. (Note: it should be pointed out that the definition of an Intermediate account would vary depending upon the composition of the specific industry. In some industries an Intermediate sized account could have sales of between $500 Million and $1 Billion).

It is projected that the decade ahead will see shifting tradeshows by size of attendee accounts as impacted by the trends in key account selling and supply chain relationships. Since one of the highest rated reasons to attend a tradeshows is to “See What’s New” the pre-empting of “new” in private closed-loop exhibitor presentations will enhance the tradeshows experience for Intermediate and smaller attendee accounts that do not get these advance “new” presentations.

Stated another way, as the decade unfolds, the tradeshows will default to serving the intermediate and smaller sized account. Large companies will still exhibit, and large buying companies will still have some attendee buyer representation. However, the main structure and focus of the show will be on the intermediate and smaller sized attendee accounts. The organizer efforts across the decade will be to hold onto the large attendee accounts for as long as possible while developing the intermediate accounts.

As the dichotomy between Large accounts and Intermediate and Small accounts grows, the public tradeshows can become a leveling factor in the marketing battle between the “Big Box” and the smaller trade factors. The decade is projected to see a shift in tradeshows activity and educational programming to assist the Intermediate and Smaller accounts to effectively compete with the Big Box competitors. These significant structural changes will evolve over the decade and present challenges to exhibitors and organizers at each and every show being produced.

Major Elements Of Future Success

The major strategic and marketing elements and capabilities for future success (both for tradeshows organizers and exhibitors) include the following:

- COMMUNITY
- VALUE
- CONTENT
- PROGRAMMING
- INTIMACY
- BRANDING
- MULTIPLE FORMS OF BUSINESS
- RESEARCH
- EXCELLENCE
- EXHIBITOR-ORGANIZER CO-MARKETING PARTNERSHIP

DISCUSSION: A white paper could be written on each of these major drivers of future success. This discussion will briefly touch on each major driver and the reader is encouraged to follow-through with his own additional thinking in each area.
1. Community: Organizers and exhibitors will need to focus their activities on a specific "community". Who is the community that you serve? How are they defined and what do they need? What are their aspirations and goals?

2. Value: “Value creation” will be the key focus for organizers and exhibitors. Content, programming and intimacy are significant components of value creation. Intimately knowing the community to be served will enable the organizer and the exhibitor to implement specific programs and activities that the community will find highly valuable and for which they are willing to pay a fair price. Average value creates average profits. Compelling value creates premium profits. Advanced research techniques will be required to understand the “value scale” of the communities to be served and to create appropriate “value creation” programming. As the decade unfolds and more information and experiences go on-line, the need for high quality research assessments as to value measures will increase substantially.

3. Content: Content is king. What will you provide as content that your community is willing to pay for? With so much information being free, what content will you provide that is unique to your community and that they will beat a path to your tradeshow floor or booth? For competitive success, organizers and exhibitors will also have to be the “definitive source” of a specific “content” area. “Owning” content will be a significant competitive advantage and the area of most intensive battles for market share.

4. Programming: What is the “programming” that you need to provide to your community that they will stay loyal to your offerings? Does you community need newsletters, mid-year meetings, high-level videoconferences, nationally recognized speakers, or hands-on working sessions at your annual tradeshow? To keep and build community loyalty and repeat business, what programming must you offer your community?

5. Intimacy: Organizers and exhibitors must become intimately connected with their community. This means that the people of organizer and the exhibitors staffs, must know the “heart” of the community they serve and be open to a higher/deeper level of involvement with that community. The increase in systems will also call out for a deeper level of intimacy in the organizers relationships and in the on-floor interaction with booth guests. Creating “intimacy” will be one of the significant cornerstones of face-to-face marketing in this decade.

6. Branding: Competition will increase as the decade unfolds. Branding and building brand values that are core to your community will keep you in business. Effectively executed branding strategies will keep a tradeshow and an exhibitor importantly in front of the community it serves. Good brand strategy creates a brand preference environment where your customers only want your brand…to the exclusion of competing brands.

7. Multiple Forms of Business: Progressive tradeshow organizers will evolve over this decade into operating three forms of business: the in-person tradeshow business, an on-line tradeshow business, and an on-line transaction business. As masters of content and community, the organizer will be forced to re-define himself to be a “value creating information provider”. He will no longer define himself as an in-person tradeshow organizer. The Community the organizer and exhibitor serves will seek on-line information and (increasingly) transaction processing. If the organizer is dedicated to
meeting the content and programming needs of his community he then MUST evolve his business model to include all modalities of communication, content, intimacy, and community. If the organizer does not move on-line, a cyber-provider will invade his market.

8. **Research**: High quality research will be increasingly necessary as the decade unfolds. The questions will get tougher and the answers harder to find. High quality research will help in the discovery of the deeper issues in the community served and in discovering solutions and values that can be implemented in content and programming.

9. **Excellence**: Competitive pressures and rising customer expectations will lead to the understanding that EXCELLENCE will be the competitive differentiator of market success. This means enhanced methodologies for understanding your community and in meeting their needs…to the smallest details of an implementation plan. Excellence equates to market success and creating a sustainable business model in an increasingly complex and competitive environment.

10. **Exhibitor-Organizer co-marketing partnership**: The compelling nature of a tradeshow increases as the exhibitors and the organizer work together to bring the entire community to that tradeshow. This decade will demand that the organizer and the exhibitor work together in co-operative partnerships to market tradeshows. This includes on-line and virtual events as well. The organizer and the exhibitors are cultivating the same “community” through their different CRM and community development activities. Combining efforts as co-marketers of a tradeshow is additive of the strengths of the exhibitors and the organizer. Since the exhibitor is engaging the organizer to perform the “organization function” on his behalf, it only makes sense that the exhibitor combine with the organizer in a co-marketing partnership to market the tradeshow.

**PART III. PREDICTIONS FOR THE DECADE AHEAD**

No white paper would be complete without some additional predictions for the future. Here are a few that seem most likely to appear in the remainder of this decade.

- M&A activity levels will increase by 2005. Finding suitable tradeshow inventory to purchase will be a challenge for acquiring companies
- Associations tradeshows will be “key targets” for integrated media company acquisitions or “joint working relationships”
- Tradeshows will have the opportunity to become the BRICKS of a Bricks and Clicks on-line trading universe. This means that see, touch, feel and talk will be an important reason to attend a tradeshow against a backdrop of a “systems” environment. However, there will be a lot of work in programming design to get a tradeshow to respond to its marketplace like a retail (BRICKS) shopping environment targeted for industrial, and professional, goods and services.
- Public shows will increasingly fill important role in see, feel, touch, and talk in product information, usage and purchases. While the society will be purchasing more goods and services on-line, the “in-person infomercial” of a public show will be compelling to exhibitors and visitors alike. Creativity, audience research and new forms of execution will make public shows a growing business category over the decade.
• International tradeshows will see continued growth. This will be especially true in areas of emerging economic growth such as China, Malaysia, Russia, India, Viet Nam, the Middle East, etc. The number of shows will increase and the range of subject areas will also increase.
• The entrepreneurial nature of the tradeshown organizer community will change as the independent tradeshown owners factor their estates by selling their portfolios to larger acquirers. The corporate “manager” will replace the entrepreneur and the “tone and color” of the organizer community will change.
• Tradeshows and the hotel community will continue to butt heads in the first half of the decade. In the second half of the decade they will establish new lines of “truce” and cooperation to meet their respective needs and goals.
• The new people entering this industry and working as organizers and event managers will have a different work ethic than those that preceded them.
• The withdrawal of costs from the total exhibiting industry will become an ever more important activity shared by organizers, exhibitors, labor, exhibit designers, halls, local communities etc. Cross-industry taskforces will be necessary to bring all of the parties to the table to examine the various issues involved.
• Advanced registration systems will be able to provide the attendee, the exhibitor, and the organizer with the detailed seamless information they each need for an in-person event. Attendees will get routing and appointment scheduling and instant registration, exhibitors will get attendee targeting, routing, appointment and lead follow-up systems. Organizers will have complete data on attendees, attendee hall touring patterns to better understand floor layout, and lead results.
• New forms of tradeshow layout and attendee on-floor routing will be developed.
• New forms of attendee “experiential-immersion” will be developed for exhibitor booths

**SUMMARY**

We have entered the era of “KING CUSTOMER”. Excess capacity, and the ability to produce to demand, makes the customer KING. The balance of this decade will see increasing competition between the various methods of marketing and distribution, and the demands to establish brand loyalty among increasingly “picky” customers. Success will go to those who can reduce costs, and raise their levels of value, quality and performance to meet the needs of the rapidly evolving marketplace.

The visibility of the changes presented in this paper will not be truly visible until 2005. The changes in the financial community investment capital and liquidity base, tax law treatment on capital investments, changes in dividend taxation, and the replacement cycles for legacy computer systems will have been factored into the economy by 2005. From then to the end of the decade we will see the changes become more evident with each passing year to 2010. The trick for exhibitors and organizers will be to monitor each industry and each tradeshow for the early signs of the evolution of these changes in that community.

The tradeshow industry cannot hide behind the mantra of “we are face-to-face”. Technological advancements in two-way video interaction, and increased competition from other media for disposable marketing dollars, will turn up the competitive pressures on tradeshow-available dollars over this decade. Tradeshown organizers and exhibitors
must form co-marketing partnerships to build and strengthen the results of their investments in tradeshows. Organizers must be prepared to build their business across all media and focus on community, content, programming, value creation and excellence.

We are entering an era of the evolutionary destruction of the historical tradeshow model. The historical model was a stand-alone model of commerce. The new model to be built will be a cooperative and companion model interacting within advanced close-loop, computer driven, buyer-seller “systems”.

The building of the New Tradeshow model will require experimentation and pragmatism. It will require cooperation from the exhibitors as they and the organizers work together to learn from each other and discover how tradeshows fit into a systems environment. Exhibitors cannot change their trade relations behaviors by building new marketing and sales systems and expect tradeshows to perform as they did in the days of Historical Fort Tradeshow.

Organizers cannot watch their exhibitor partners build new buyer-seller transaction systems and continue to offer these exhibiting partners the same historical tradeshow and customer interaction product. Innovation, experimentation, and risk-taking must be part of the organizing skill-set going into the future. Research, communication, and candor must guide the professional organizer.

Finally, with the increased rate of tradeshow acquisitions by large multi-media companies over the remainder of the decade, this industry could fall prey to “corporatization” of its spirit. Let’s hope that the entrepreneurial spirit and colorfulness of the personalities that built this industry are preserved. After all, it’s still (trade) show business, and creativity and spirit must guide the quality and value this industry produces for its clients and customers.

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This “break through” White Paper examines the newly emerging structural changes and threats to these in-person industries. It discusses the significant alterations that will have to be made to existing industry business practices to keep up with the changes ahead. This White Paper is a wake-up call to the new reality these industries will face, and the steps that must be taken to effectively survive this decade.

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