

March 2021



FTI Insight: Trade Show Industry Post-Pandemic Outlook

Telecom, Media & Technology Practice

The Trade Show Industry in a Post-Pandemic World

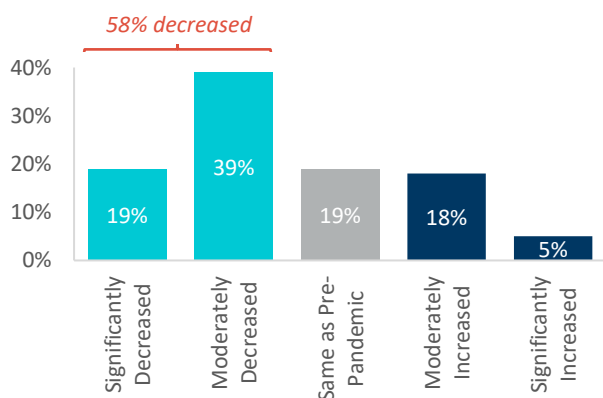
This INSIGHT summarizes key findings from a more detailed report on the outlook of the trade show industry in a post-pandemic world. In December 2020, FTI's Media & Entertainment practice surveyed nearly 500 company decision-makers, in the US and UK, with direct authority to allocate budget and/or sponsorship dollars towards trade show events. The goal of the survey is to understand the state of in-person trade show events, as the world resets to a new normal.

Rebound in Trade Show Spend

Undoubtedly, the COVID-19 pandemic has significantly impacted participants in the trade show industry given its reliance on in-person interaction. The Center for Exhibition Industry Research estimates the pandemic is likely to result in an economic loss of \$14bn to \$22bn in FY2020.¹

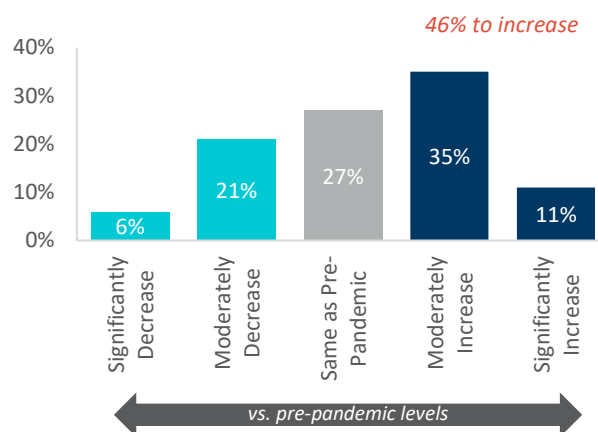
The cancellation of in-person events has caused trade show participants to rethink their trade show budgets. 58% of survey respondents indicated their current trade show budget had decreased when compared to pre-COVID levels.

Trade Show Budget Compared to Pre-Pandemic²



The pandemic is likely to have long-term effects on total industry spend. However, our survey results provide reason for optimism. When we asked trade show decision-makers how their trade show budgets will shift in a post-pandemic, post-lockdown world, 46% of respondents indicated an intent to increase their trade show budgets to above pre-pandemic levels.

Anticipated Post-Pandemic Trade Show Budget Size Compared to Pre-Pandemic³



Respondent sentiment indicates an eagerness to resume trade show participation to increase awareness of their companies' products and services, following an unprecedented FY2020. Trade shows remain critical platforms for networking, lead generation, branding, and knowledge development.

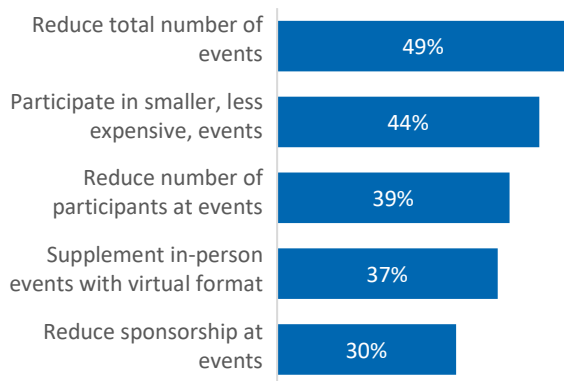


We need to get ourselves back out there and remind the world that our brand is still alive

Large scale consumer company executive

Of the 27% of respondents who anticipate future budgets to remain below pre-pandemic levels, 49% indicated they will do so by reducing the number of events they attend.

Actions to Reduce Trade Show Budget Post-Pandemic⁴

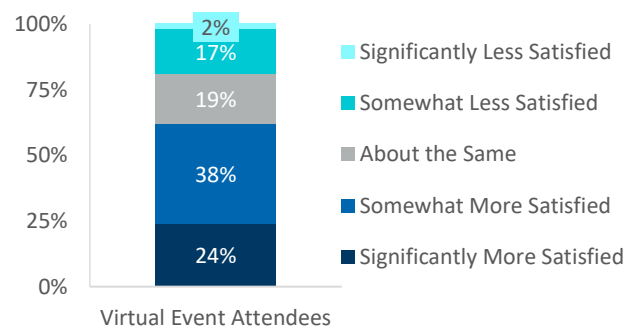


Virtual Events Are Here to Stay and Grow

Given the cancellation of in-person events, trade show operators were forced to pivot and provide virtual experiences as a temporary substitute to participants. As we look forward to the restart of in-person events, these virtual experiences may not be as temporary as intended.

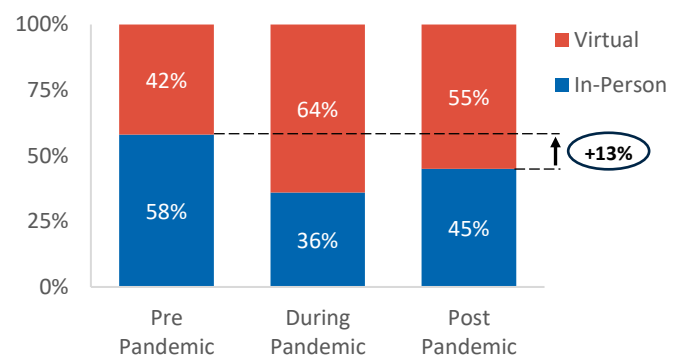
Nearly 70% of respondents indicated they had attended a virtual event in the past year, and 62% of those attendees were more satisfied with the virtual experience when compared to in-person events.

Virtual Trade Show Satisfaction vs. In-Person Event⁵



Not surprisingly, respondent's trade show budgets leaned heavily towards virtual events during the pandemic – holding 64% of the overall budget on average. However, when looking ahead, virtual events are anticipated to continue to hold a large share of the overall trade show budget (55%) post-pandemic.

Trade Show Budget Allocation by Time Period⁶



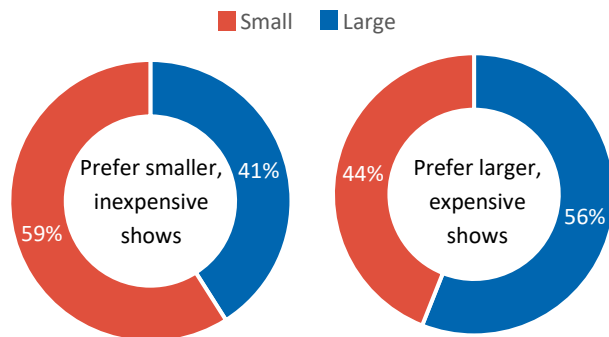
Virtual events enable a more seamless process of channeling attendees towards specific sales funnels

Small scale communications company executive

Post-Pandemic Priorities Will Vary by Company Size

When looking at respondent data on various trade show preferences and priorities in a post-pandemic world, there was a demarcation between smaller sized companies (annual revenues of <\$50m) and larger sized companies (annual revenues of \$50m+).

When asked which type of in-person events they are looking to target post-pandemic, respondents indicated a distinct preference between small and large events.

Target In-Person Event Types Post-Pandemic by Company Size⁷

The preference for smaller, inexpensive shows is driven by smaller companies, while the preference for larger, expensive shows is driven by larger companies.



*Cost for travel will be unnecessary...
the company needs to save as much
money as possible to survive*

Small scale health care company executive

Regardless of event type, trade show operators will need to deliver an experience catered to customers' specific needs in a post-pandemic world that offers more choice via virtual events.

To understand what trade show participants will value when attending a trade show post-pandemic, respondents were asked to rank their top trade show objectives and indicate the relative importance of each objective in a post-pandemic world.

Once again, our survey indicated different results between smaller and larger-sized companies.

Top Trade Show Objectives for Smaller Companies and Importance Post-Pandemic⁸

Rank	Objective	Post-Pandemic Importance
1 st	Networking	↑
2 nd	Selling products / services	↑
3 rd	Showcasing products / services	↓
4 th	Building brand awareness	↑
5 th	Staying on top of industry trends	↓

For smaller companies, networking and selling products & services are the top two objectives when attending a trade show and both will become more important post-pandemic.

On the other hand, larger companies indicated increasing brand awareness as their top trade show objective, which will also become more important post-pandemic.

Top Trade Show Objectives for Larger Companies and Importance Post-Pandemic⁹

Rank	Objective	Post-Pandemic Importance
1 st	Building brand awareness	↑
2 nd	Networking	↑
3 rd	Showcasing products / services	↓
4 th	Staying on top of industry trends	↓
5 th	Selling products / services	↑

Although selling products & services is the lowest ranked objective for larger companies, it will become more important post-pandemic.

Conclusion

After an unprecedented year in 2020, trade show participants are eager to return to in-person events. While virtual trade shows have impactfully filled the void amid the pandemic, they will likely remain and grow in a post-pandemic world.

Each trade show participant will shift their budget and priorities differently in a post-pandemic world, and it will be important for trade show operators to understand and be aligned to these changes.

Delivering customer value in a new normal will require trade show operators to:

- Reassess their current event portfolio to determine which events should be transformed vs. maintained
- Reassess customer segmentation to address shifting priorities
- Address any capability gaps in serving a new portfolio of hybrid and virtual events
- Transform to a lean cost and efficient capital structure

We would be happy to explore the data set with you based on your geographic and customer needs. To continue the discussion and receive our full report, please reach out to any FTI contact below.

Sources

1. Center for Exhibition Industry Research, March 2020
2. FTI Survey Question: *Compared to pre-COVID, how has your current trade show budgeting changed?*
3. FTI Survey Question: *Compared to pre-COVID, how do you anticipate your trade show budget will change in a post-COVID world?*
4. FTI Survey Question: *How do you anticipate reducing your budget going forward?*
5. FTI Survey Question: *How would you rate your virtual event satisfaction compared to a physical, in-person event?*
6. FTI Survey Question: *For each of the following time periods, what percent of your total trade show budget has been/is dedicated to in-person events vs. virtual events?*
7. FTI Survey Question: *Which type of in-person trade shows do you expect to target in a post-COVID world?*
8. FTI Survey Analysis
9. Ibid

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