

Rimini, 16 July 2015



# The change in the worldwide situation and the new opportunities for the trade fair sector

Christian DRUART (UFI)

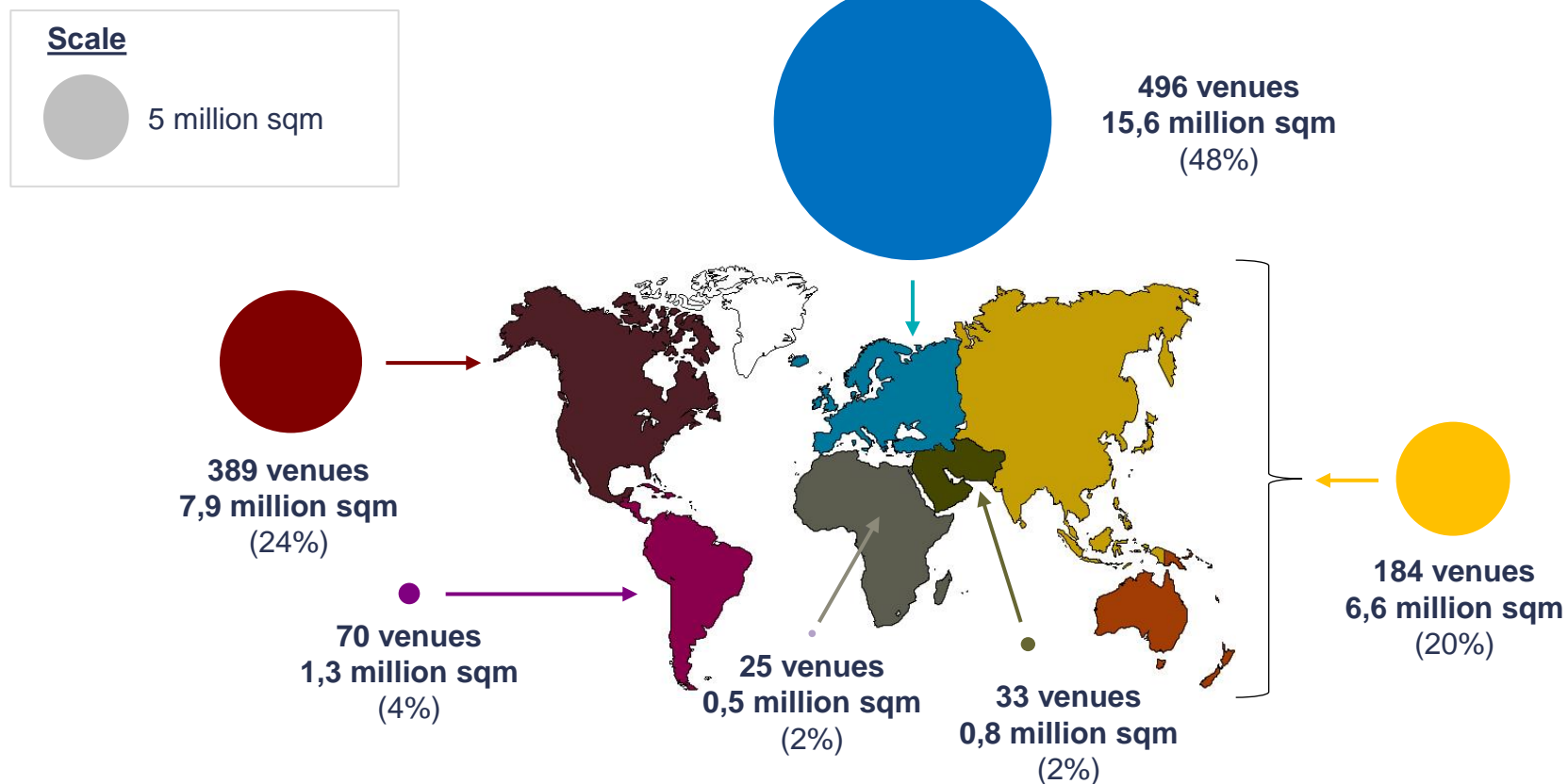


# Agenda

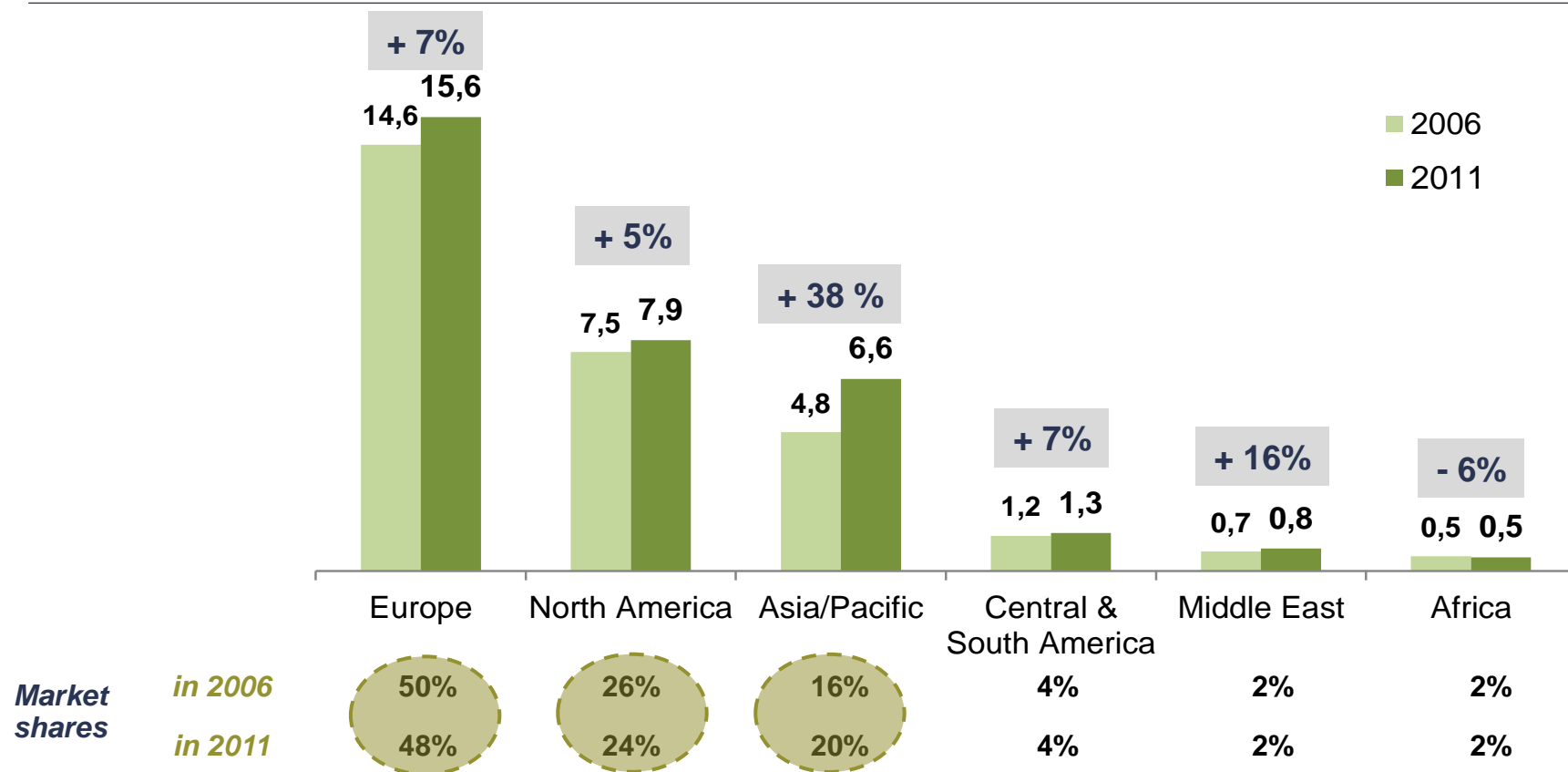
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1. Global statistics
2. Global barometer
3. Current trends shaping our industry

# Exhibition space available (2011)



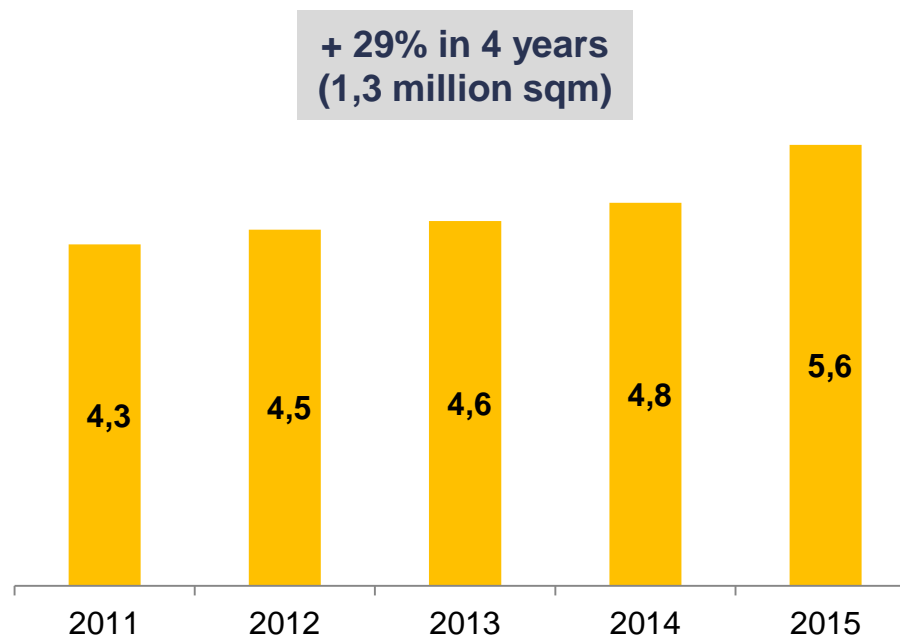
# Exhibition space available: trends



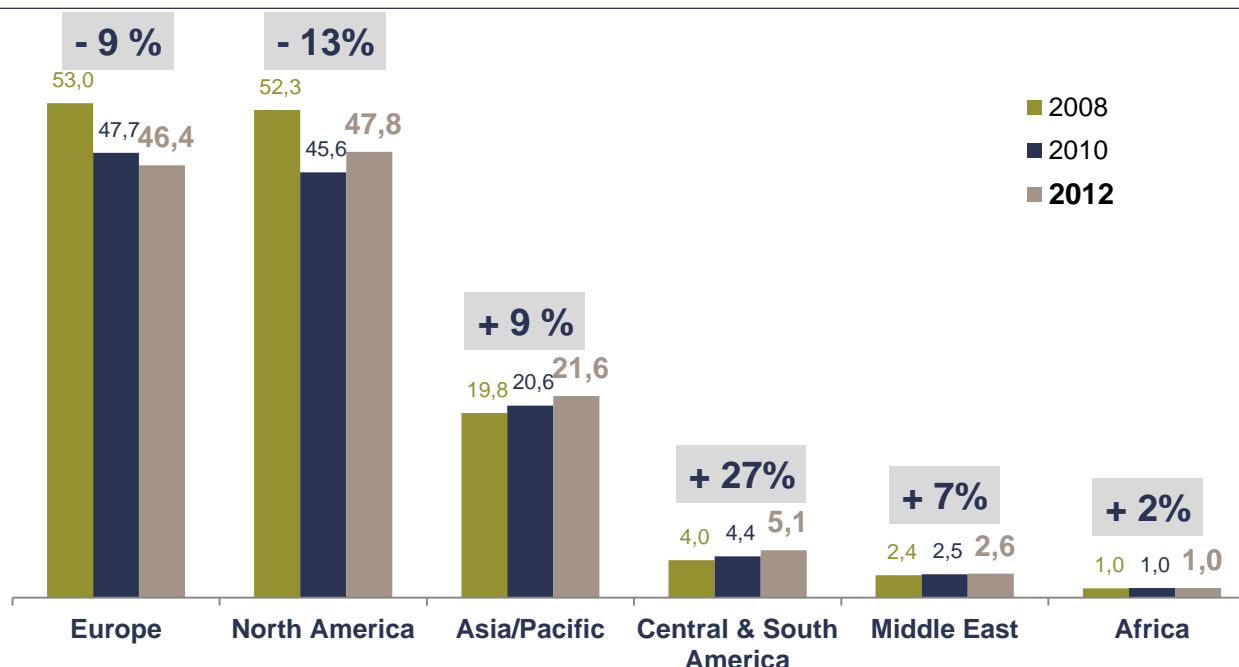
# Exhibition space available (2015)

## Mainland China: 2011-2015

(Italy 2011: 2,2 million sqm)



# Net space rented (2008-2012)

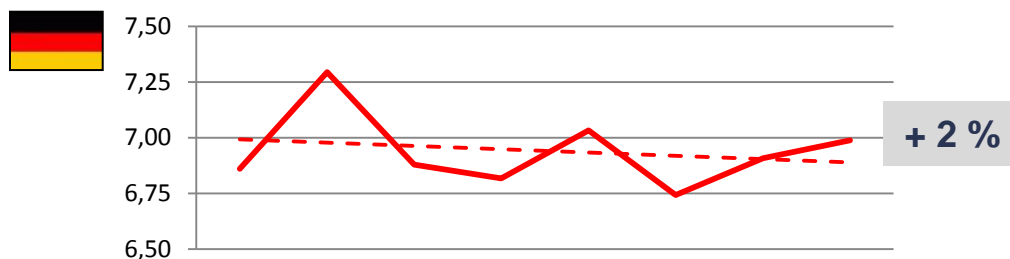


Market shares	in 2008	40,0%	39,5%	14,9%	3,0%	1,8%	0,8%
	in 2010	39,2%	37,4%	16,9%	3,6%	2,0%	0,8%
	in 2012	37,3%	38,4%	17,4%	4,1%	2,1%	0,8%

# UFI Organizers (2006/7-2013/4)

Global data from 148 companies

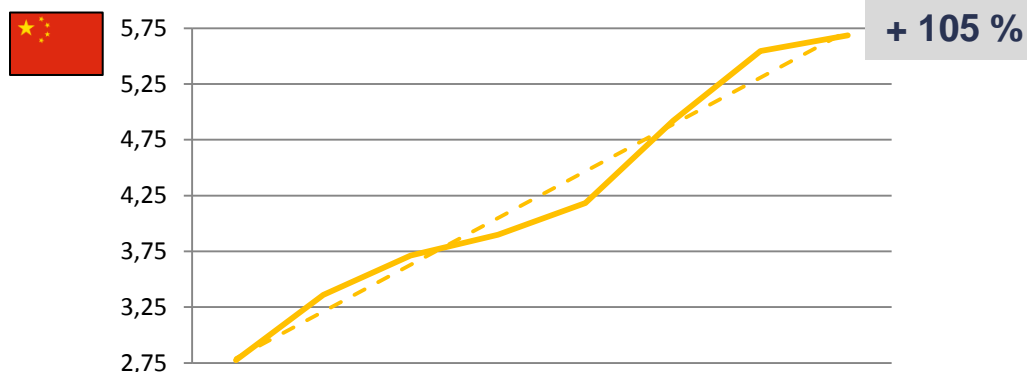
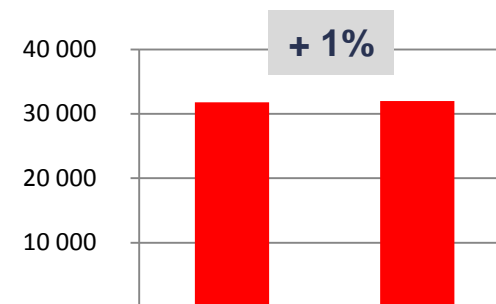
**Net space rented between 2006/7 and 2013/14**  
(in million sqm)



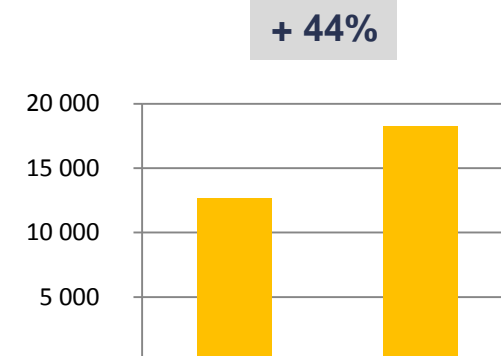
**Number of exhibitions**

+ 1 %

**Average event size (in sqm)**

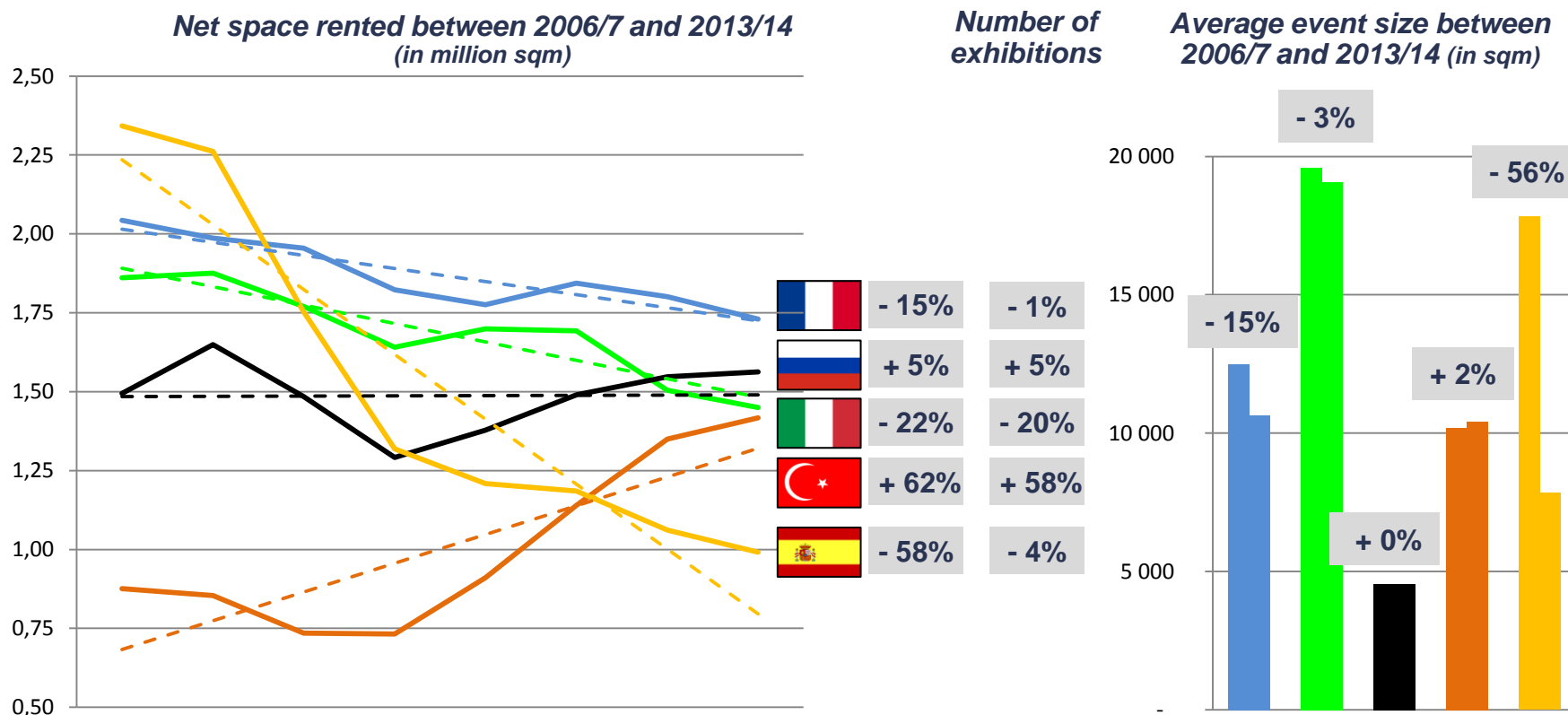


+ 42 %



# UFI Organizers (2006/7-2013/14)

Global data from 148 companies





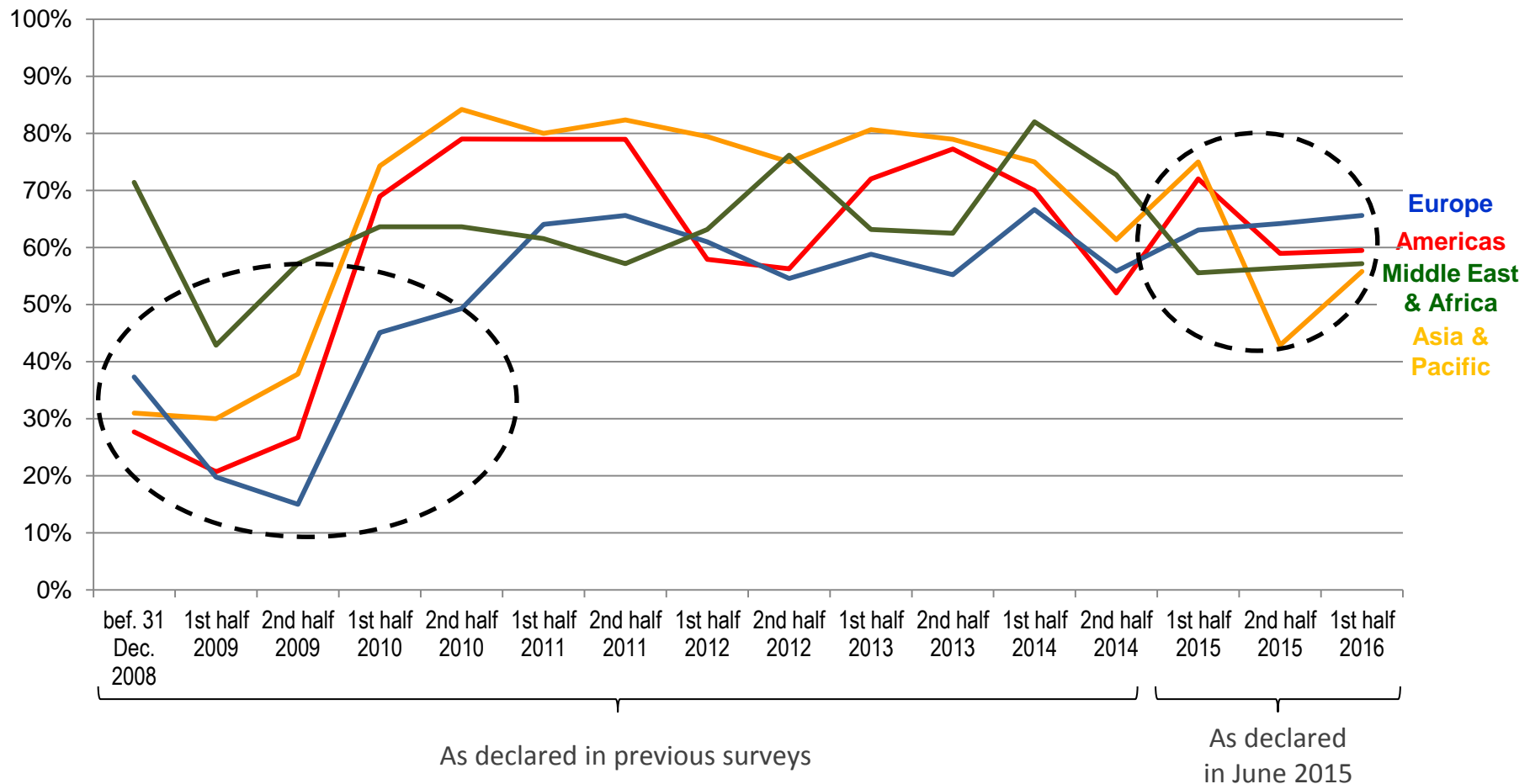
# Global Exhibition Barometer

15<sup>th</sup> edition (July 2015)

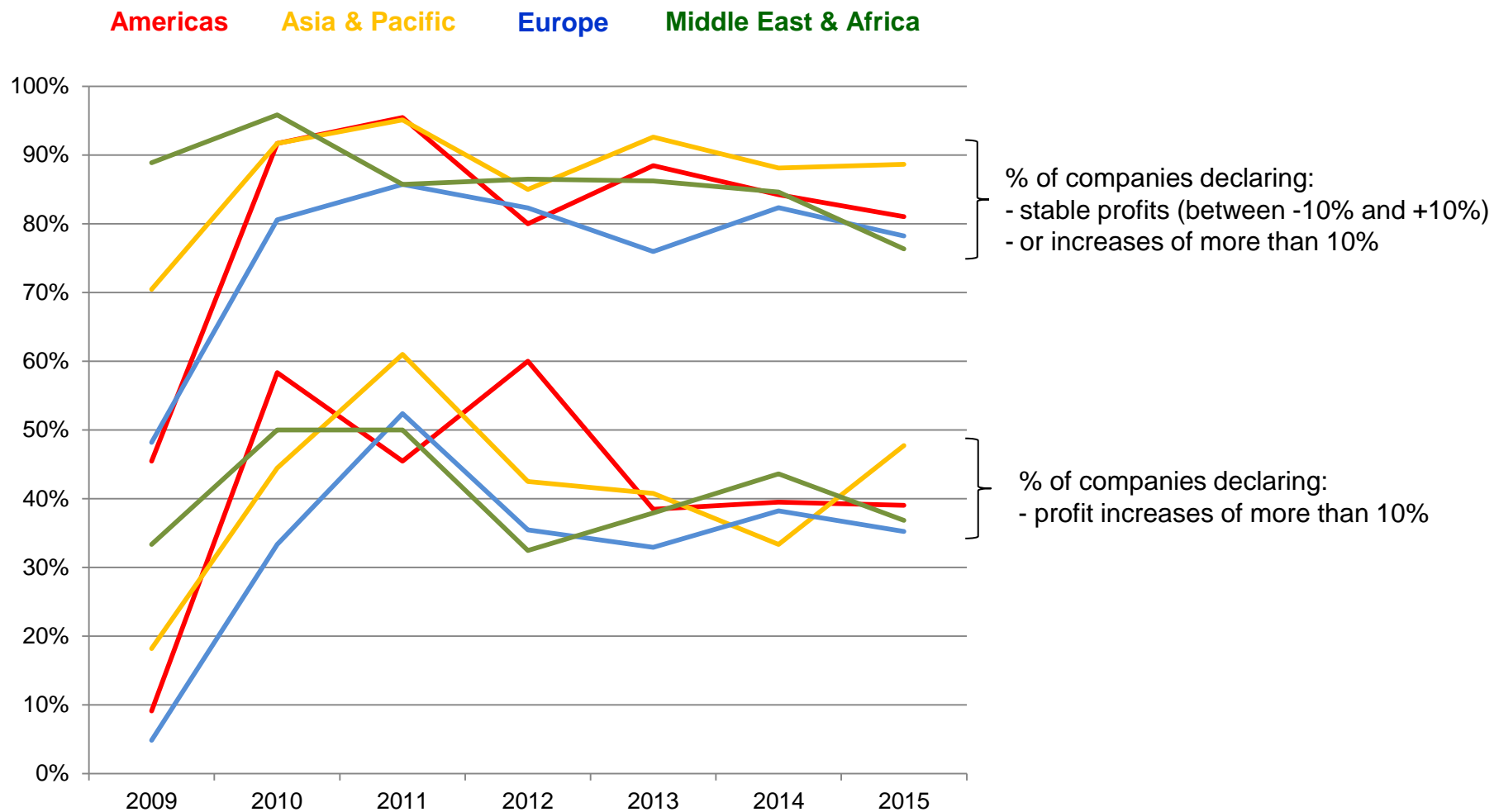
A UFI report based on the results of a survey conducted in June 2015



# % of companies declaring an increase in turnover when compared to their projections for the same period the year before (regardless of possible biennial effects)

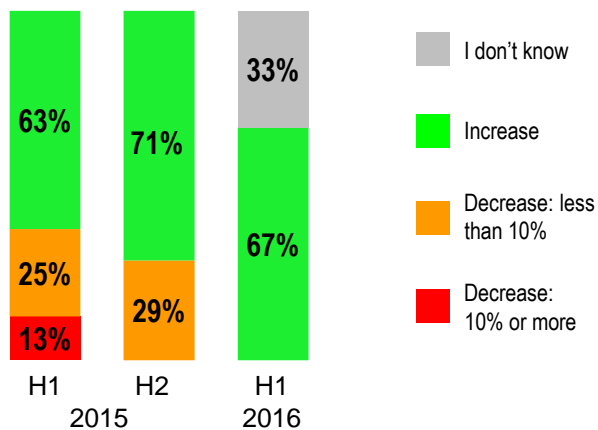


## Operating profits compared to the previous year

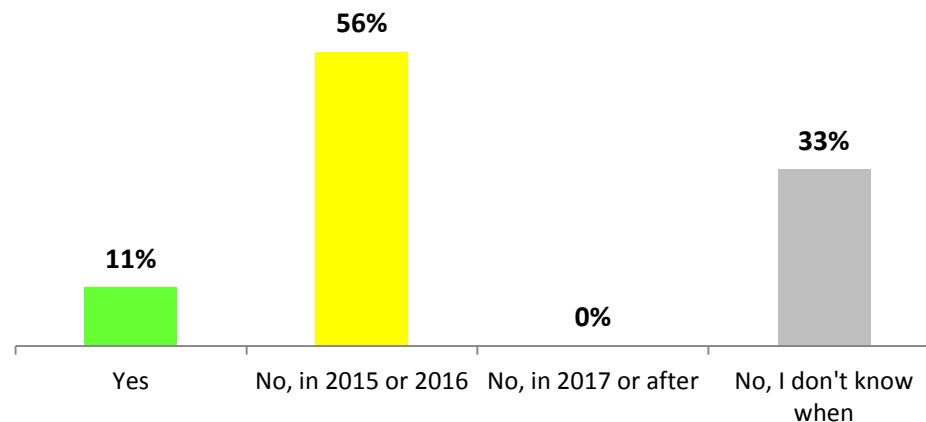


## Detailed results for ITALY (9 answers)

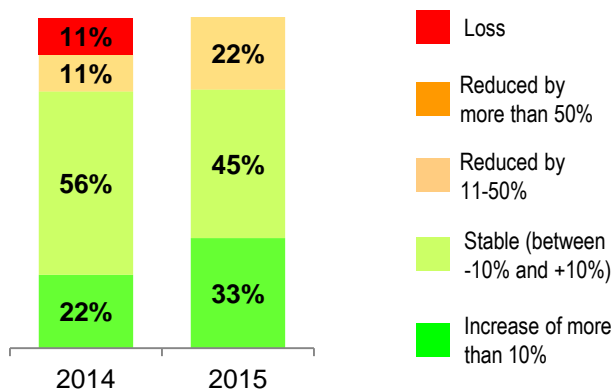
How do you expect your turnover to change when compared to the same period the year before?



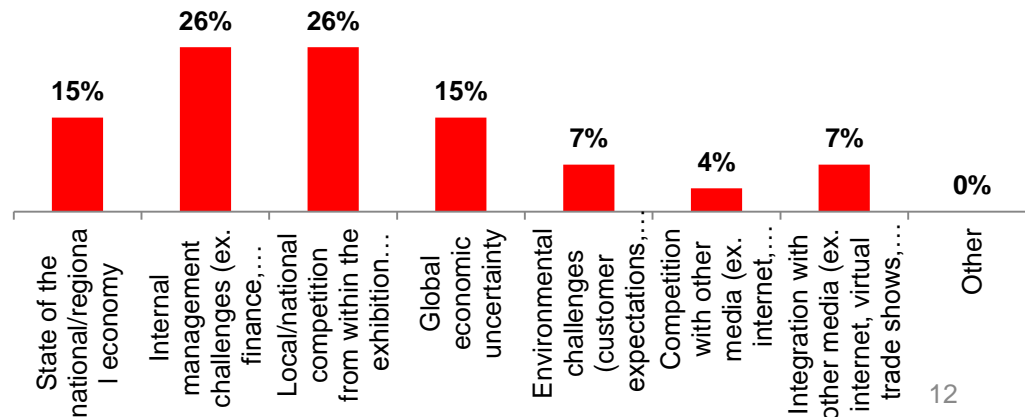
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year



Top 3 issues



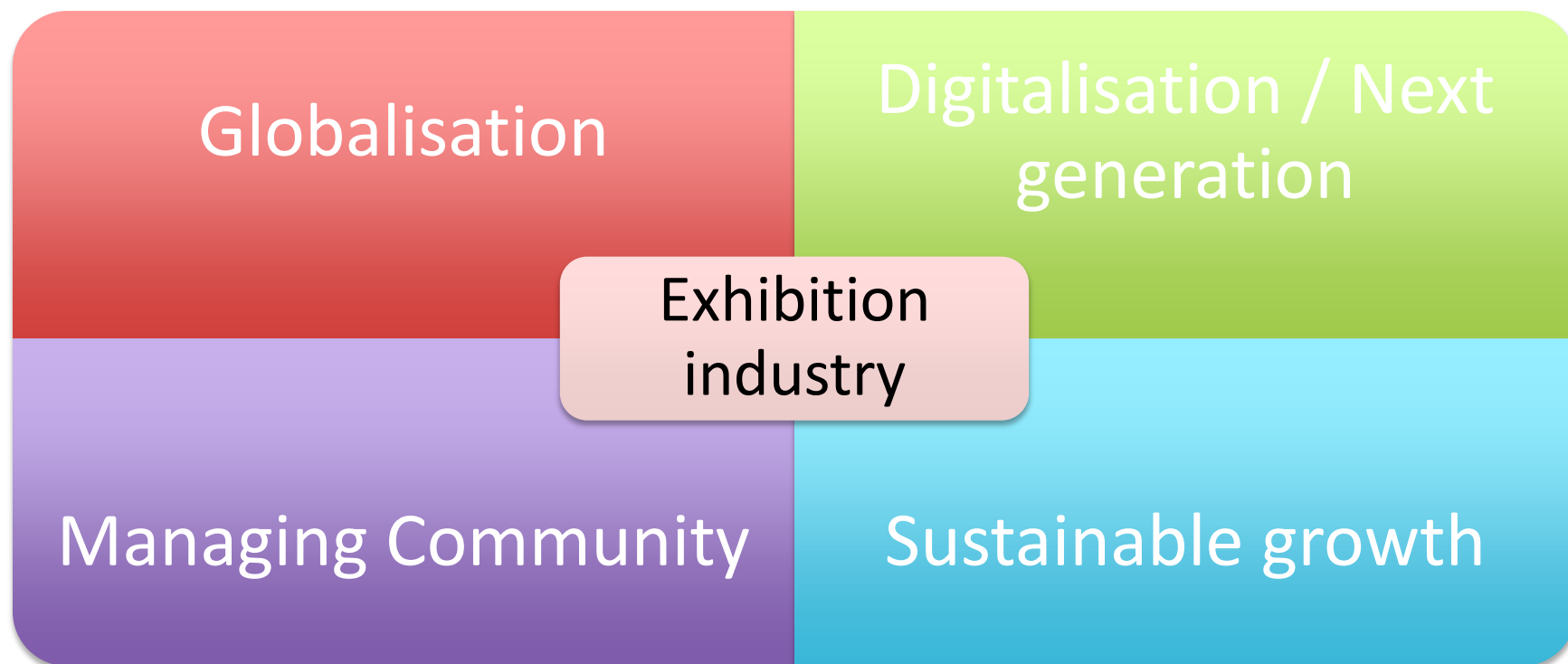
# Agenda

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## 3. Current trends shaping our industry

- 4 mega trends shaping our industry
- 4 key features of the show of tomorrow
- Thoughts on how the digital revolution has changed and will change exhibitions and events
- Status of sustainable development in the exhibition industry

# Four key trends



# The industry today

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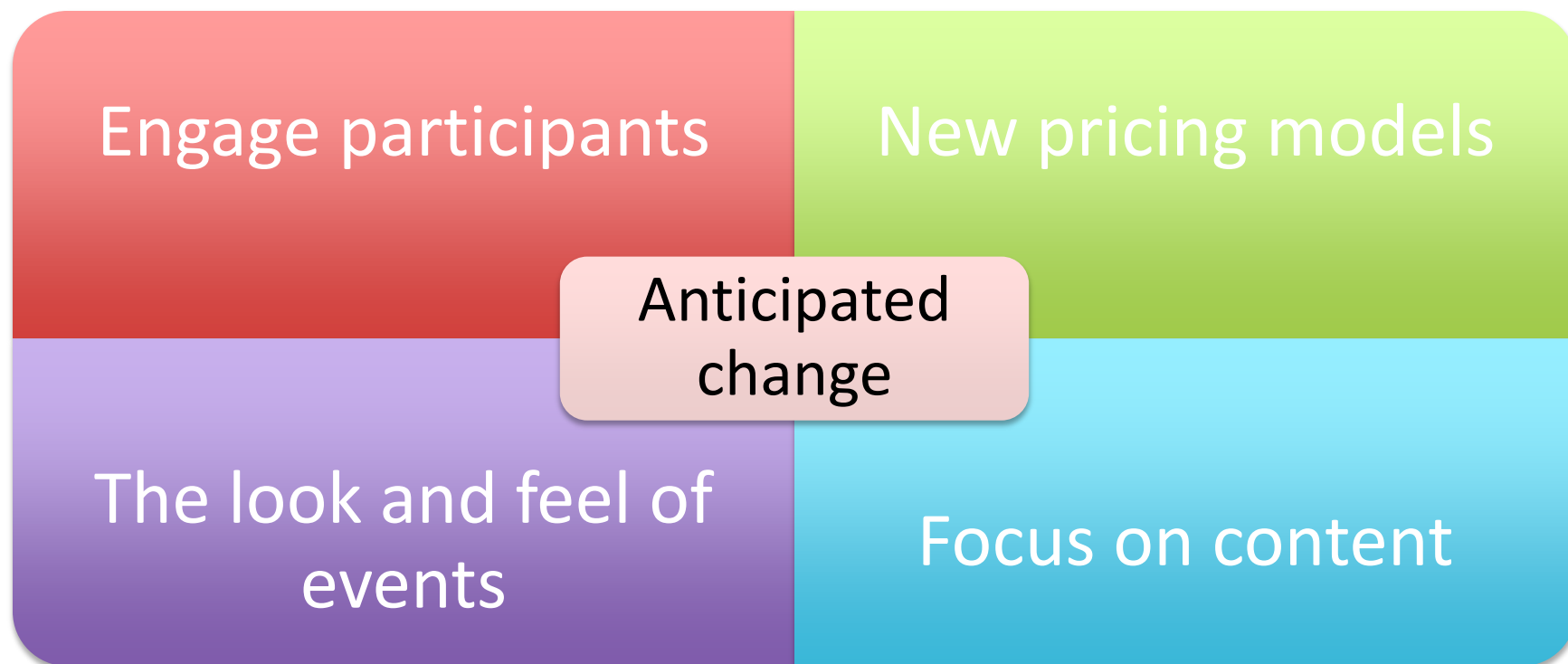
## Conservative

- Most exhibitions look much like they did 20 years ago....or more!
- Pricing structures are 'holy cows' – untouchable in many companies
- We have at best partially grasped the opportunities of technology
- Why?
  - Many exhibition companies are profitable & successful. Why change?

## Other industries

- Massively transformed by technology
- Rewriting the rule book

# Future success factors





# Engaging Participants

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Personalise events

Provide a richer experience

- Critical to attracting next generation participants
- Make event experiences more unique
- Work jointly with exhibitors, visitors and suppliers

Engage them year round

- The community you serve is key – give them the feel of ‘ownership’
- Social media is only one element of this engagement but a potentially powerful one

# The look and feel of events

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Can we move away from the conventional floor plan?

- More imaginative development of 'prime' locations
  - Use 'anchor' exhibitors in new ways
- Move away from the grid floor plan
  - IKEA options
  - Cluster attendee groups into interest areas
    - How to sell the space?

Smaller, more intimate events

- Can this be combined with the highly profitable 'blockbuster' fairs?

# Progress?




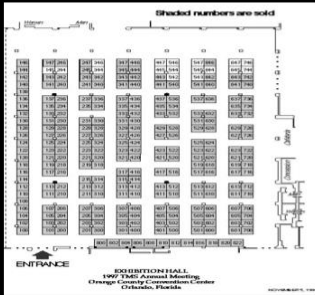
The Great Exhibition 1851




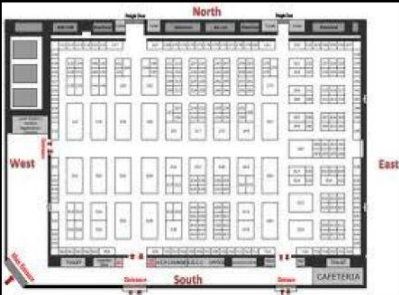
Business Design Centre 2013

## WHAT ABOUT OUR INDUSTRY?

# Progress?

Old Floor Plan . . .

New Floor Plan . . .

WHAT ABOUT OUR INDUSTRY?

# We have to the power to do more



# From





# To



# Integrating content

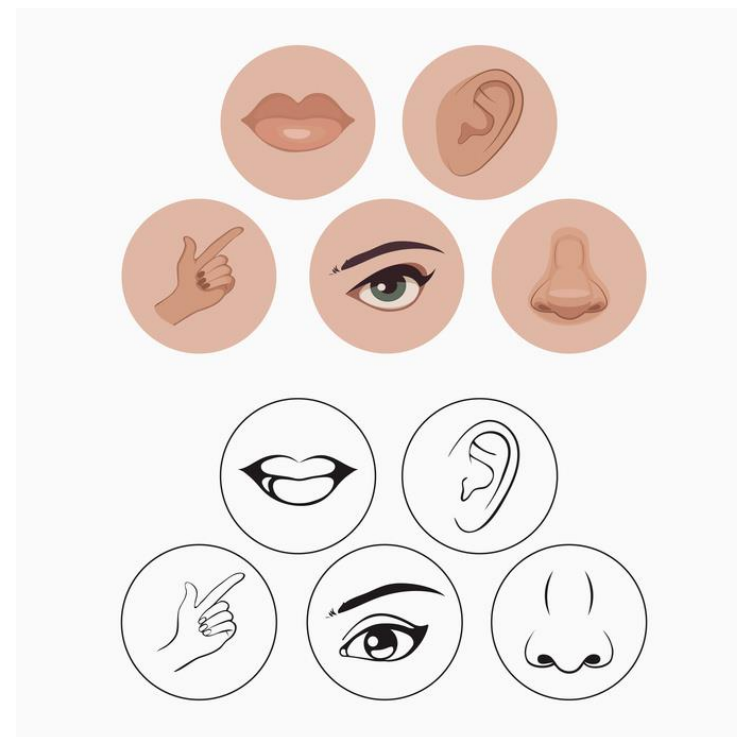
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- Use the combined brain power of the whole audience to add value.
- “Thought leadership” is easy to say but hard to do in an imaginative way.
- New options in digital content.
  - Bring in industry digitally if not in person.
  - 3D printing can transform what happens at your events



# Content

- What are visitors looking for?
  - Information
    - ...which can't be found online
  - Experiences
    - The event engages all senses
  - Entertainment
  - Contacts
    - The network at work
    - REAL social media
- Crowdsourcing

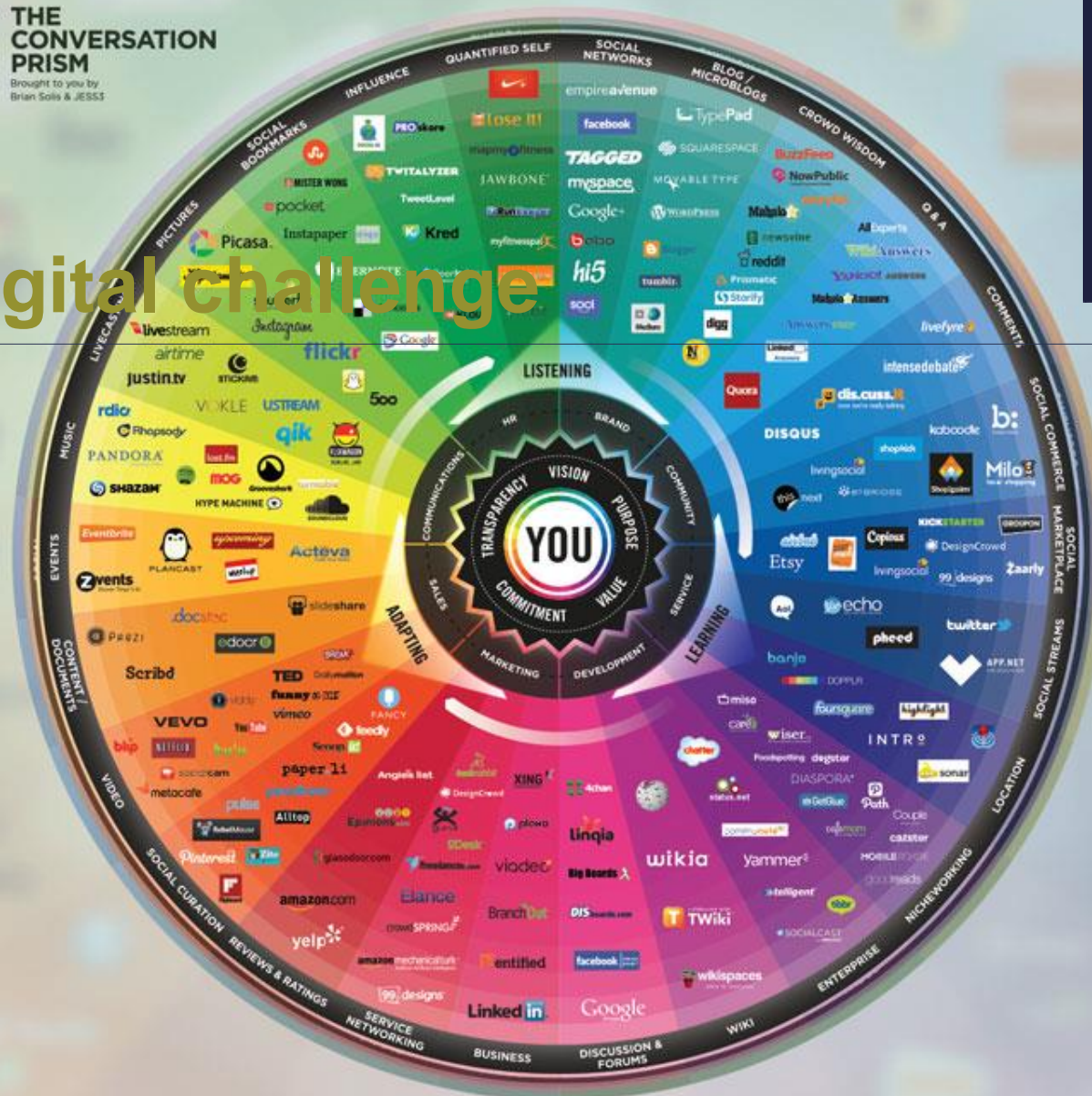


# Protect the power of serendipity

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Brought to you by  
Brian Solis & JESS!





# The digital impact

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- With thanks to Baris Onay (ITE) and Kai Hattendorf (Messe Frankfurt)
  - Digital is the new normal, “new electricity”
    - It’s just there. It underpins everything we do.
  - Any company which now has a digital strategy as something separate from its overall strategy has probably missed the point.
  - Organisations across many industries are addressing this by:
    - Digitising some parts of their business.
    - Digitising how they interact with their clients
    - Generating revenues from their digital activities.

# Digital's impact on management

1. Anything that is in the world when you're born is normal and ordinary and is just a natural part of the way the world works.
2. Anything that's invented between when you're 15 and 35 is new and exciting and revolutionary and you can probably get a career in it.
3. Anything invented after you're 35 is against the natural order of things.

Douglas Adams, Author

1. Internet born: 1991. So, you're in this group if you're 24 years old or less.
  - Up to 39, you're probably doing fine.
2. You're 39 – 59 years old – most of your bosses! Sort of get it...
3. You're over 59 years old. Sorry! You're doomed...

# Digital and exhibitions

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- We have been relatively slow
  - Quick to capitalise on operational benefits
    - Everyone now has web-based catalogues, exhibitor and visitor information, and digital marketing.
    - Many have online floor-plans and industry content.
  - Relatively slow to take this to the next step and become fully integrated with digital marketing.
- Why?
  - There is no apparent existential threat to exhibitions.

# But...that's what they said in the TV business



# Who are your competitors?





## Are you sure?

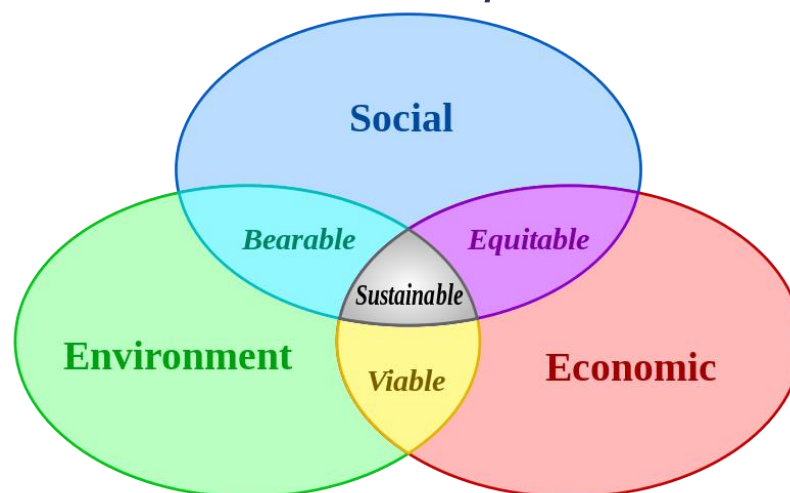
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# What is sustainable development?

*“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*  
(The Brundtland Commission of the United Nations, 1987)

*at the confluence of three constituent parts (Venn diagram - source: Wikipedia)*

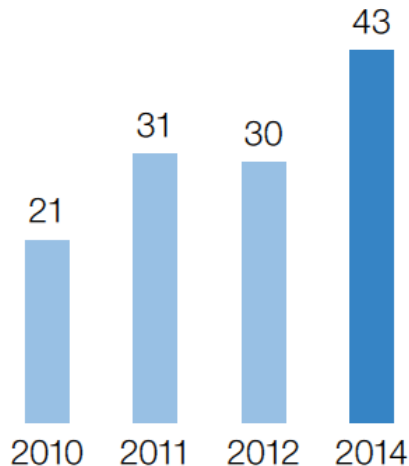


# More and more companies are addressing sustainability to align with their business goals

## *Top 3 reasons that respondents' organizations address sustainability*

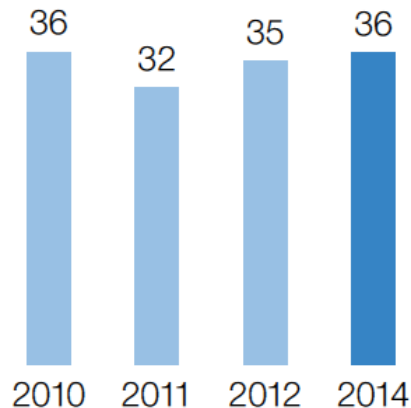
### Alignment

Align with company's business goals, mission, or values<sup>3</sup>



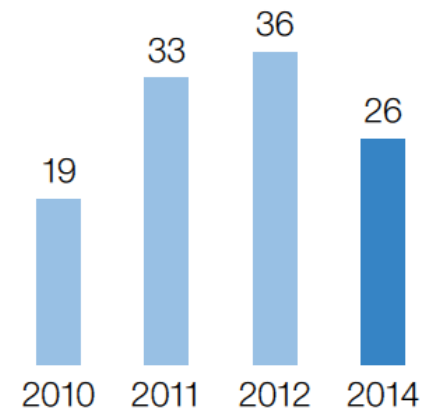
### Reputation

Build, maintain, or improve corporate reputation



### Cost cutting

Improve operational efficiency and lower costs



**Source: McKinsey Global Survey results - % of respondents**

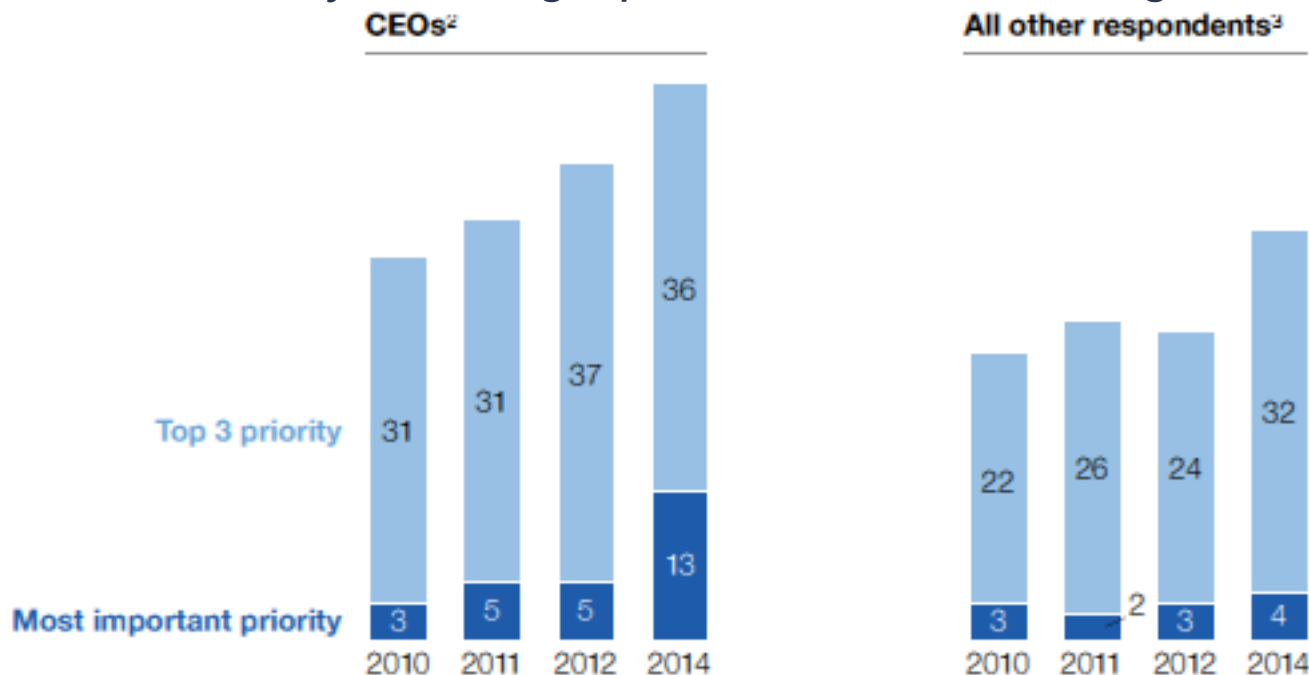
(In 2010, n=1,749; in 2011, n=2,956; in 2012, n=3,847; and in 2014, n=2,904. The survey was not run in 2013.

2. Out of 12 reasons that were presented as answer choices in the question.

3. From 2010 to 2012, the answer choice was "Align with company's business goals."

# Company leaders and all others increasingly see sustainability as a top CEO priority

## *Sustainability's strategic position on the CEO agenda*



**Source: McKinsey Global Survey results - % of respondents**

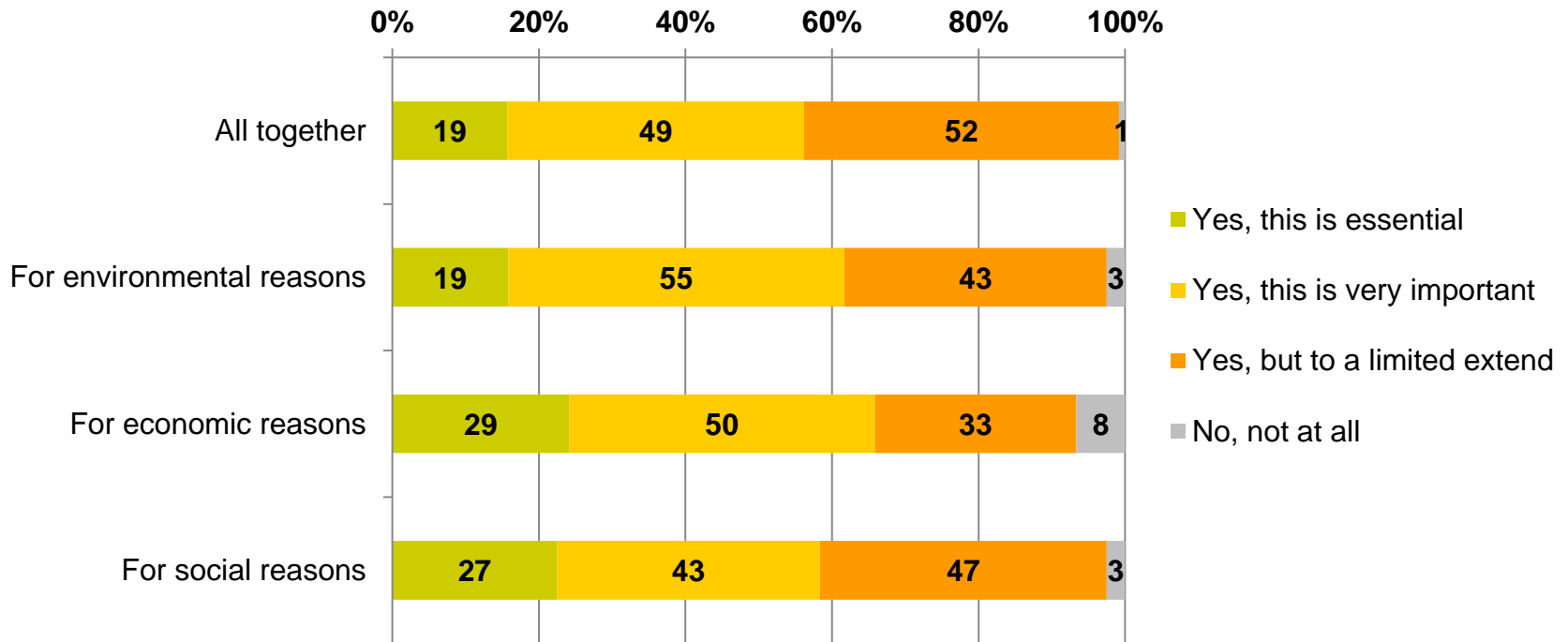
(Respondents who answered "a priority but not a top 3 agenda item," "not a significant agenda item," and "don't know" are not shown.)

<sup>2</sup> In 2010, n=175; in 2011, n=265; in 2012, n=364; and in 2014, n=281. The survey was not run in 2013.

<sup>3</sup> In 2010, n=1,574; in 2011, n=2,691; in 2012, n=3,483; and in 2014, n=2,623. The survey was not run in 2013.

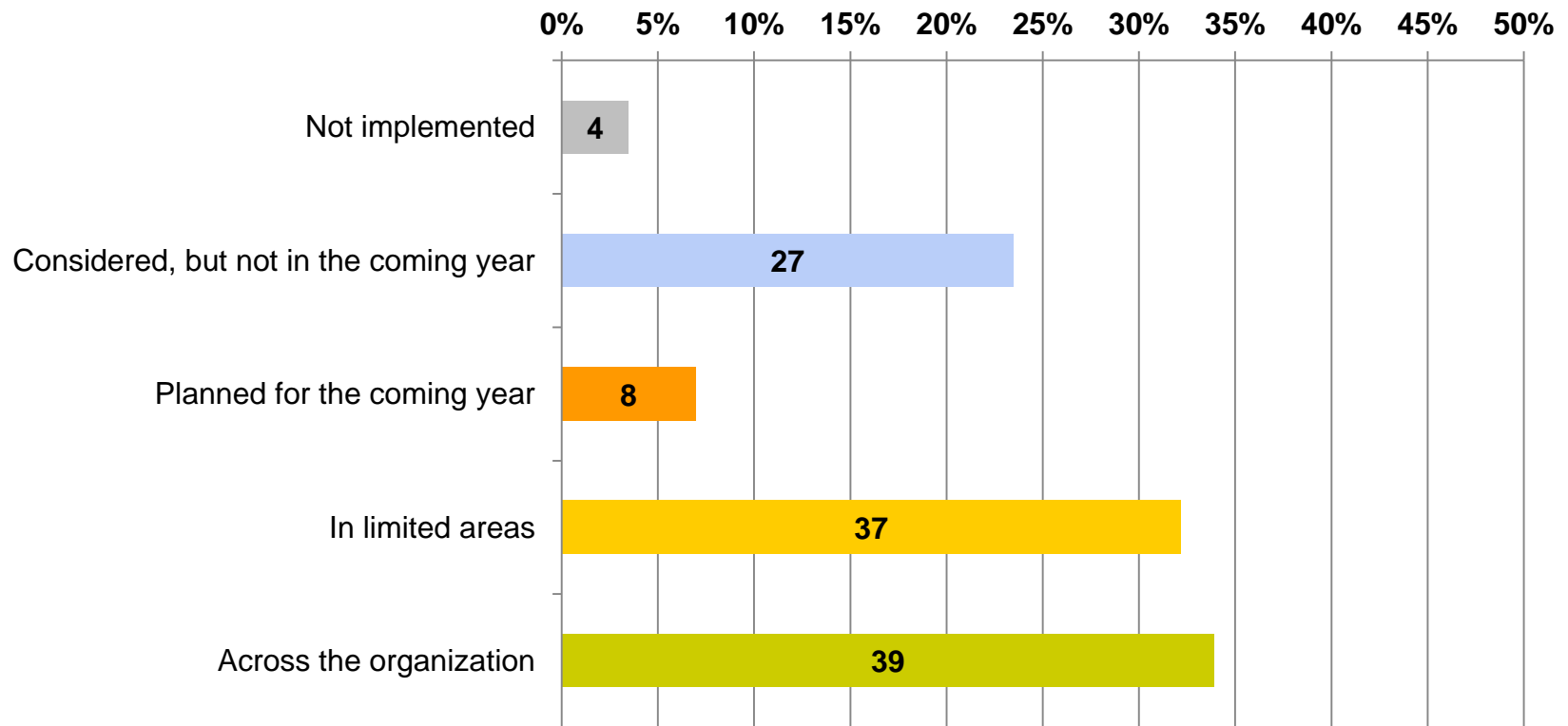
# Is the exhibition industry concerned with sustainability?

Source: UFI "Status of sustainability in the exhibition industry" report (December 2013)



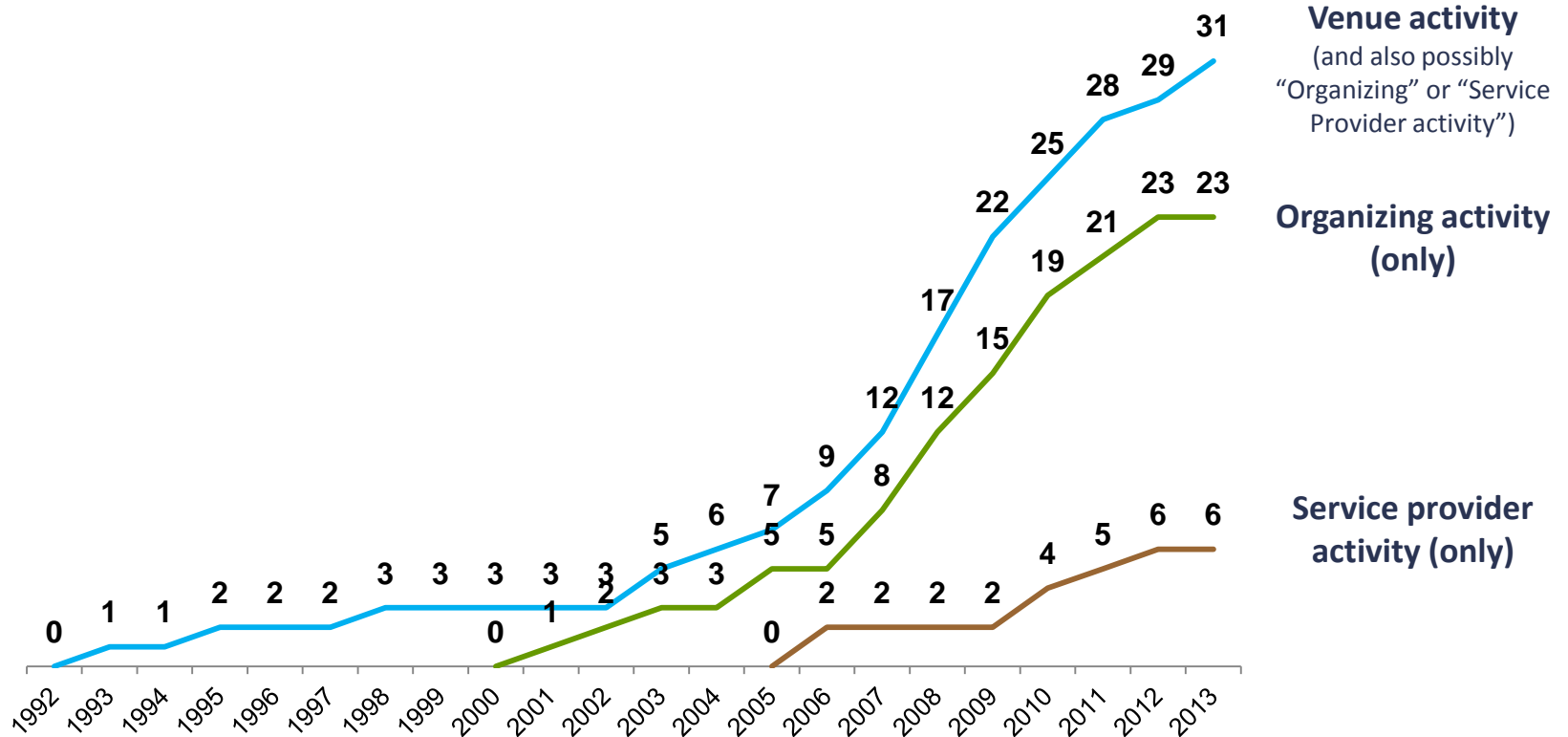
# Is sustainability implemented within your company operations?

Source: UFI "Status of sustainability in the exhibition industry" report (December 2013)



# Starting year of implementation

Source: UFI "Status of sustainability in the exhibition industry" report (December 2013)



# Background elements for communication

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## General message:

- Exhibitions have an impact on the environment
- But exhibitions are in fact a sustainable way of doing business: they contribute to economic and social developments and they reduce multiple travel
- There are also many reasons to implement sustainability: common responsibility, positive image, competitive advantage, cost reductions, response to stakeholders demand, compliance with legislation.



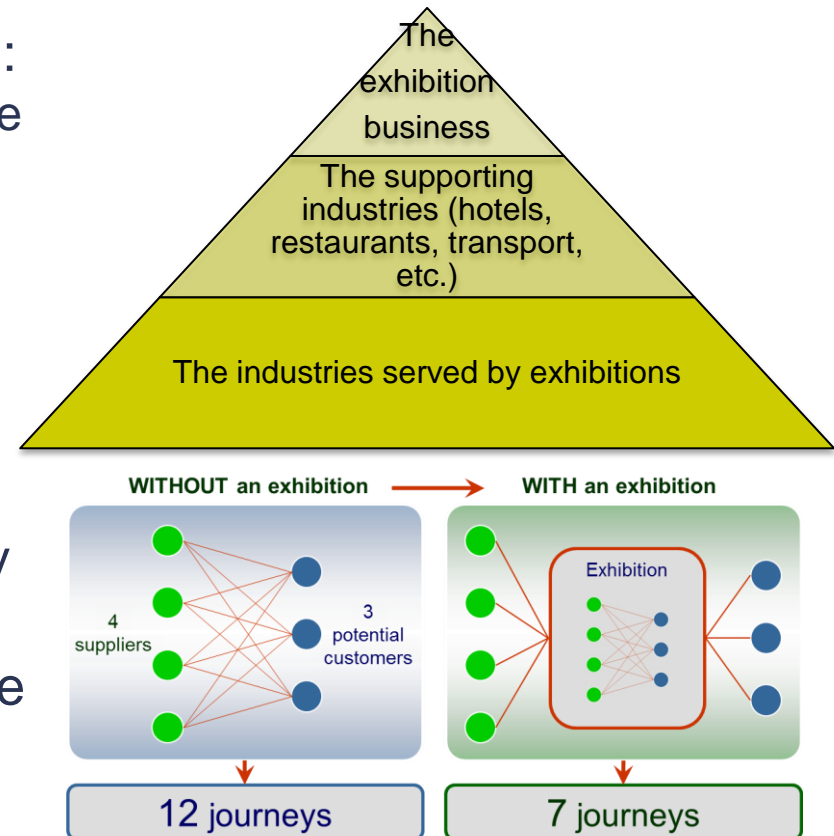
# Exhibitions have an impact on the environment

- For an international fair, approximately 85% of the total CO<sub>2</sub> footprint is due to the air travel by participants
- an “average” exhibition of 10 000 sqm generates around 40 tons of CO<sub>2</sub> (due to booths, energy, brochures, etc.).
- Current examples show that the footprint of the event itself, for those organizers & venues who have an active policy, can be reduced to as low as 17 kg of CO<sub>2</sub> per sqm of space rented (this obviously varies from one type of show to another).



# Exhibitions are a sustainable way of doing business

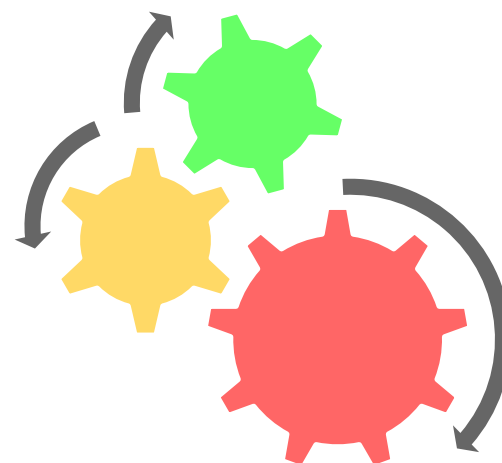
- economical & social benefits towards :
  - primarily to visitors and exhibitors: image and promotion, contacts & business, education
  - the territories where they are held: expenses of participants which convert into jobs & tax income
- “reduced travel” element in terms of impact on the environment: the unicity of location and time saves multiple travel and this overcomes the negative impact of transport and waste.



# Key principles

- Involvement from top management
- International frameworks
- Flexibility
- Learn by example
- Continuous progress
- Involve the supply chain
- Educate – share - report

*Local adaptation when necessary*

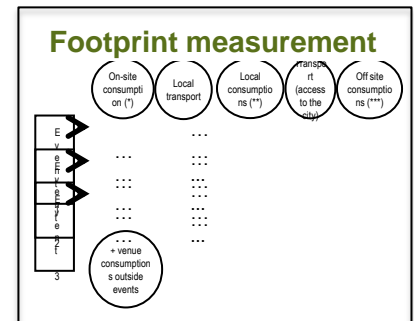
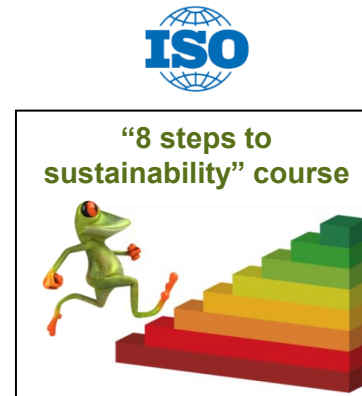


# UFI actions

[www.ufi.org/susdev](http://www.ufi.org/susdev) for more information



**ufi** Winner of the Sustainable Development Award



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