Since 1925
Promoting, Serving and Representing the Global Exhibition Industry

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Changing global scenario & new opportunities for the trade fair industry
AEFI Conference, Nov. 2013

By Sonia Thomas,
UFI Director of Operations

What is UFI?

UFI is the Global Association of the Exhibition Industry, uniting the industry's organizers, venues, associations and partners of the industry

UFI Impact

- **4,500 Exhibitions organised or hosted by UFI members**
- **Presence of UFI members in 85 countries including the 40 largest countries in terms of GDP**

3 UFI Offices

Headquarters in Paris,

Regional Office Asia/Pacific in Hong Kong

Regional Office in Middle East/Africa in Sharjah

UFI membership today

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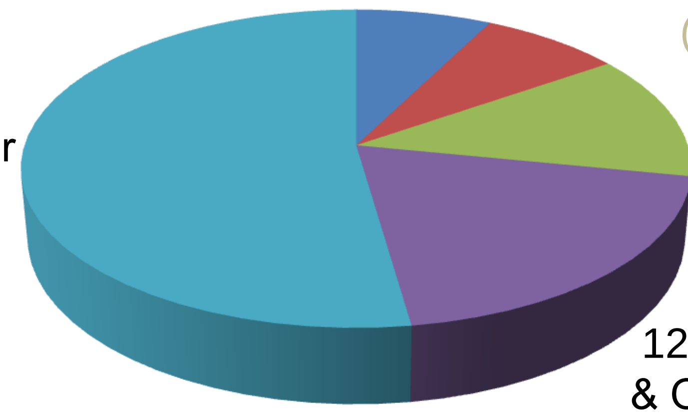
637 members in 85 countries

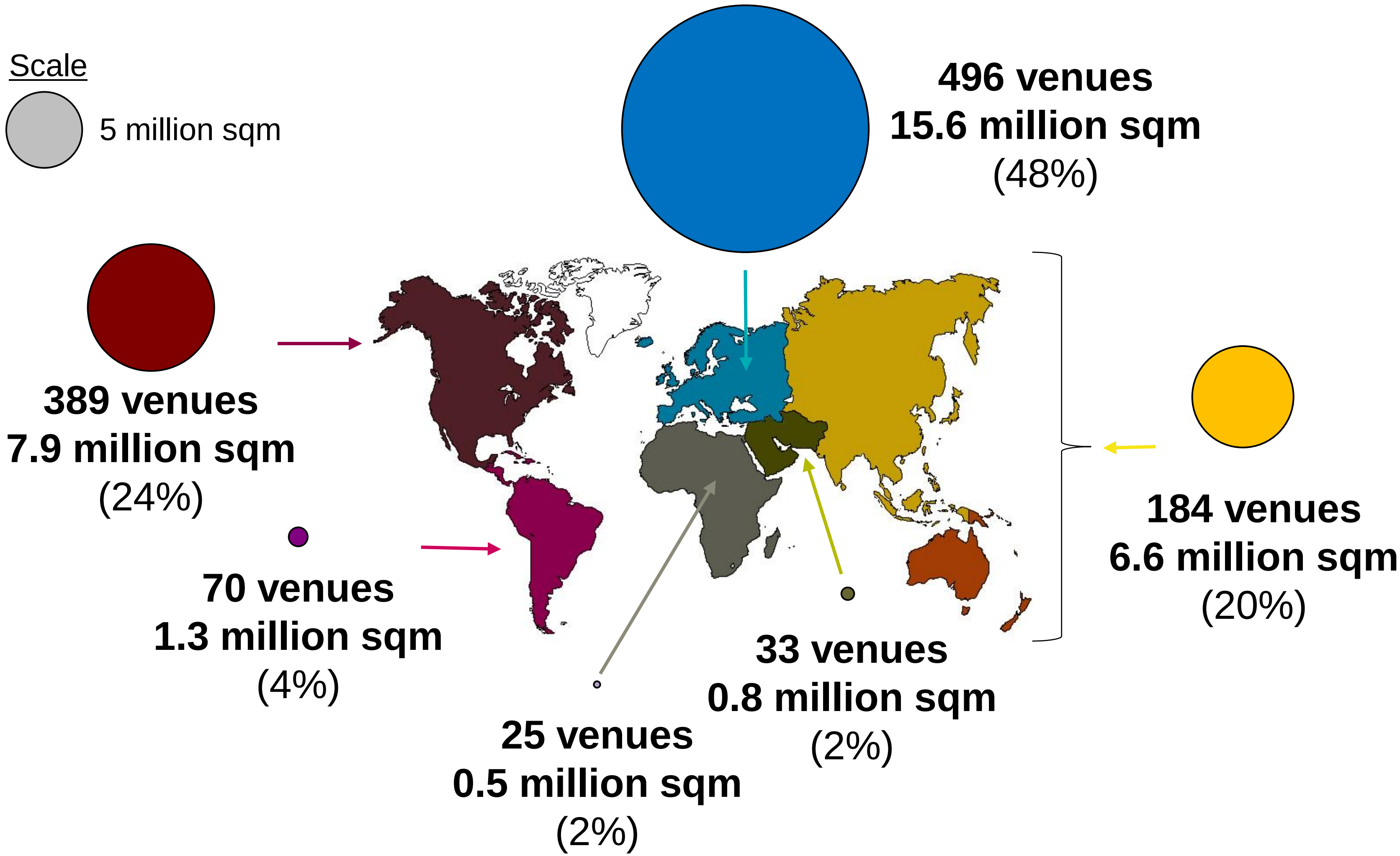
936 approved events



Changing global scenario

Venues and Indoor Exhibition Space in 2011

The Global Association of the Exhibition Industry



UFI World Map of Exhibition Venues

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National indoor exhibition space available in 2011

(Venues with a minimum of 5,000 sqm indoor exhibition space)

15 countries account for 80% of the global indoor exhibition space

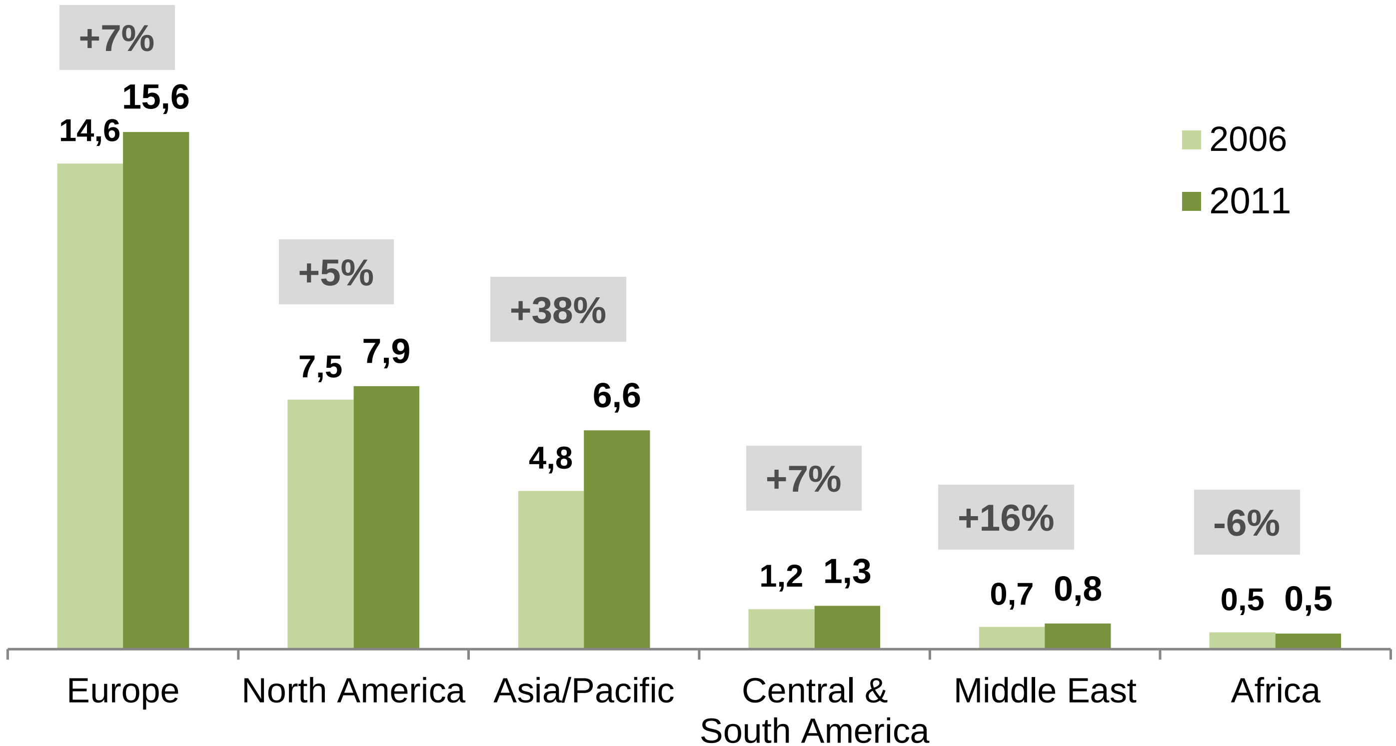
	TOTAL (in sqm)	**WORLD %**
USA	6 712 342	21%
China	4 755 102	15%
Germany	3 377 821	10%
Italy	2 227 304	7%
France	2 094 554	6%
Spain	1 548 057	5%
The Netherlands	960 530	3%
Brazil	701 882	2%
United Kingdom	701 857	2%
Canada	684 175	2%
Russia	566 777	2%
Switzerland	500 570	2%
Belgium	448 265	1%
Turkey	433 904	1%
Mexico	431 761	1%

UFI World Map of Exhibition Venues

The Global Association of the Exhibition Industry

Regional trends between 2006 and 2011

(Venues with a minimum of 5,000 sqm indoor exhibition space)



Market shares		Europe	North America	Asia/Pacific	Central & South America	Middle East	Africa
	in 2006	50%	26%	16%	4%	2%	2%
	in 2011	48%	24%	20%	4%	2%	2%

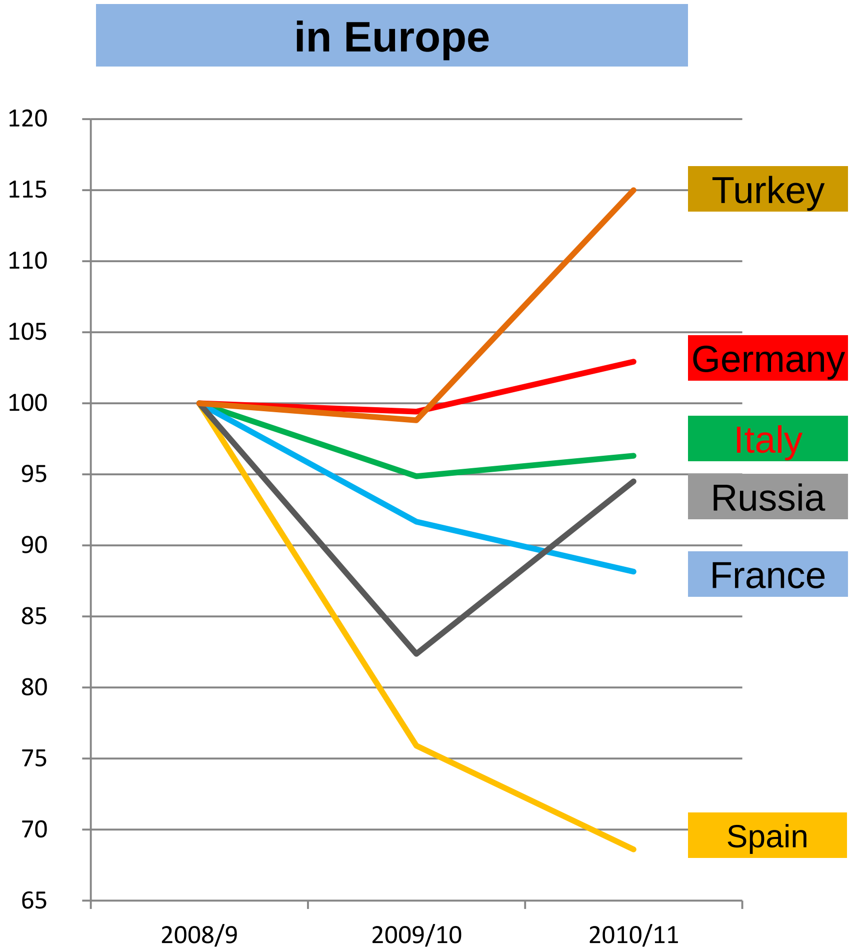
Change in net space rented between 2008 and 2011

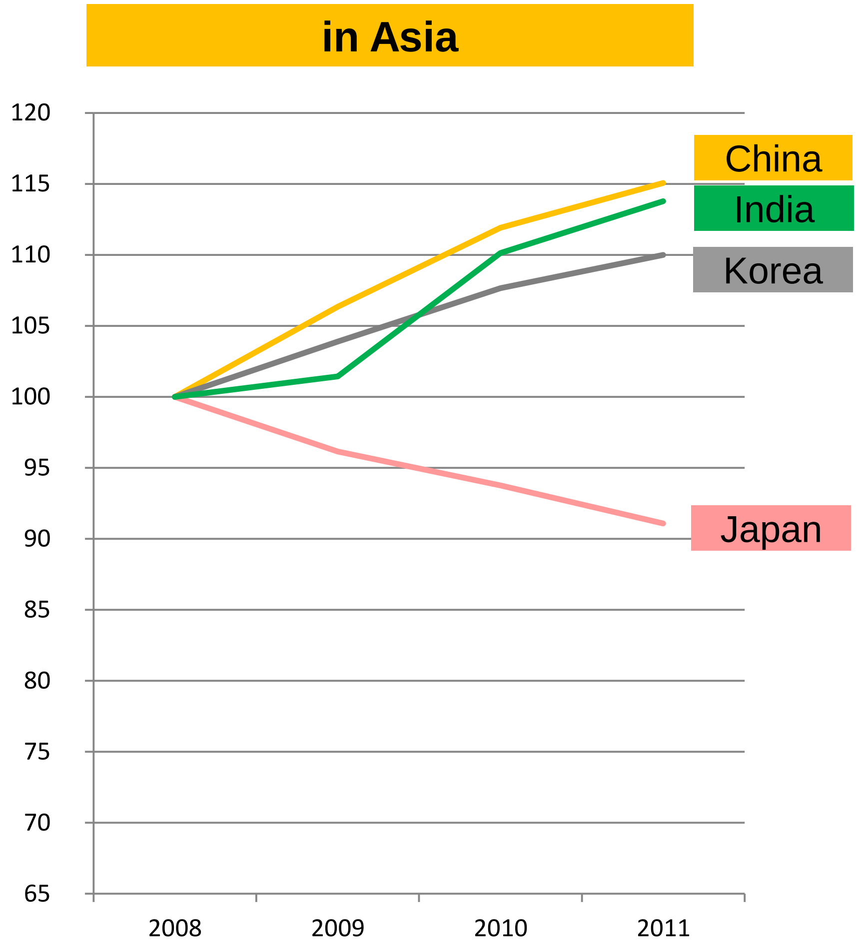
The Global Top 10

	(in million net sqm)	Trend since 2008
1. USA	23,3 (*)	- 7%
2. China	13,0	+ 13%
3. Germany	8,8	- 5%
4. Italy	6,2	- 5%
5. France	5,4	- 8%
6. Spain	3,5	- 24%
7. Japan	3,2	- 3%
8. UK	2,8	- 6%
9. Russia	2,6	- 13%
10. Brazil	2,6	+ 4%

Utilized Space

Trends in the net space rented in several major national markets (in sqm, UFI estimations).

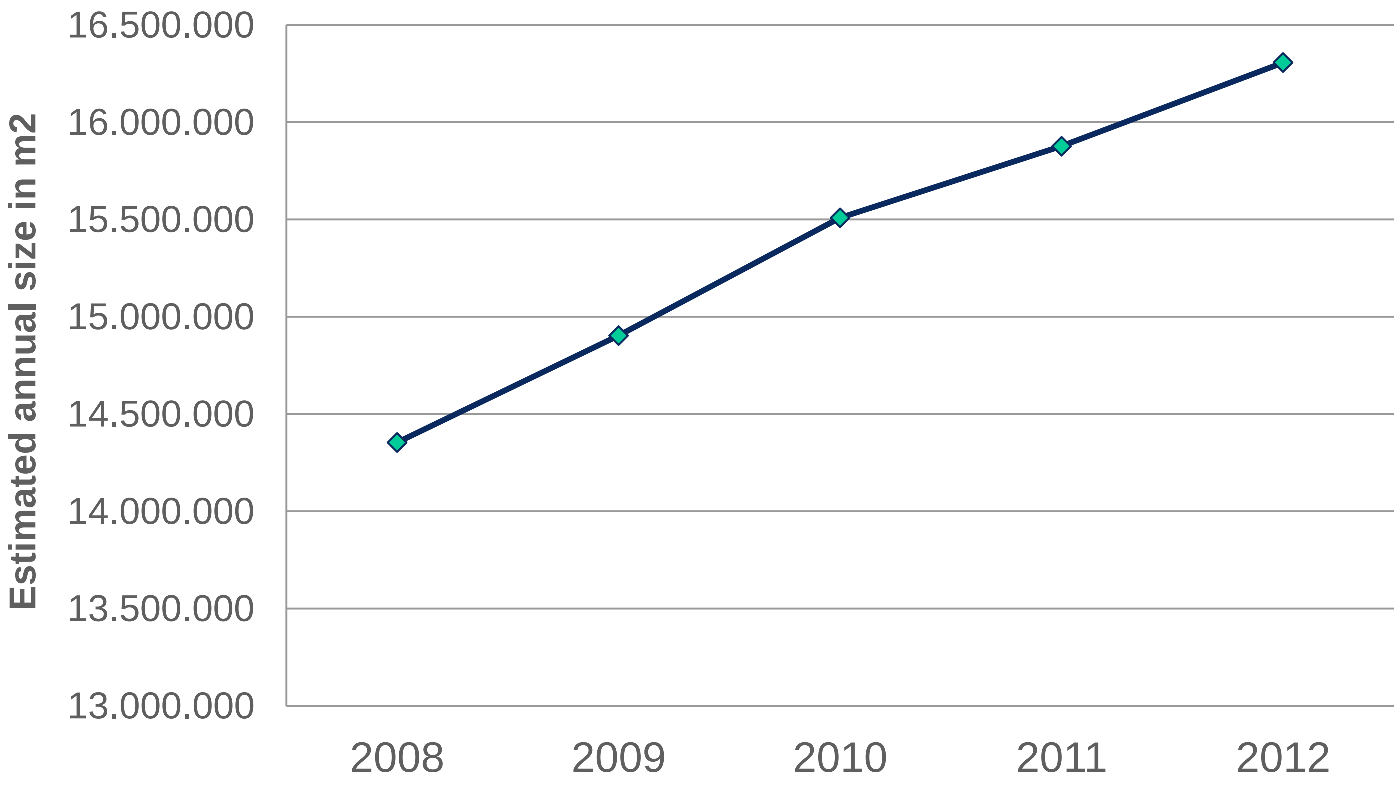




What about Asia?

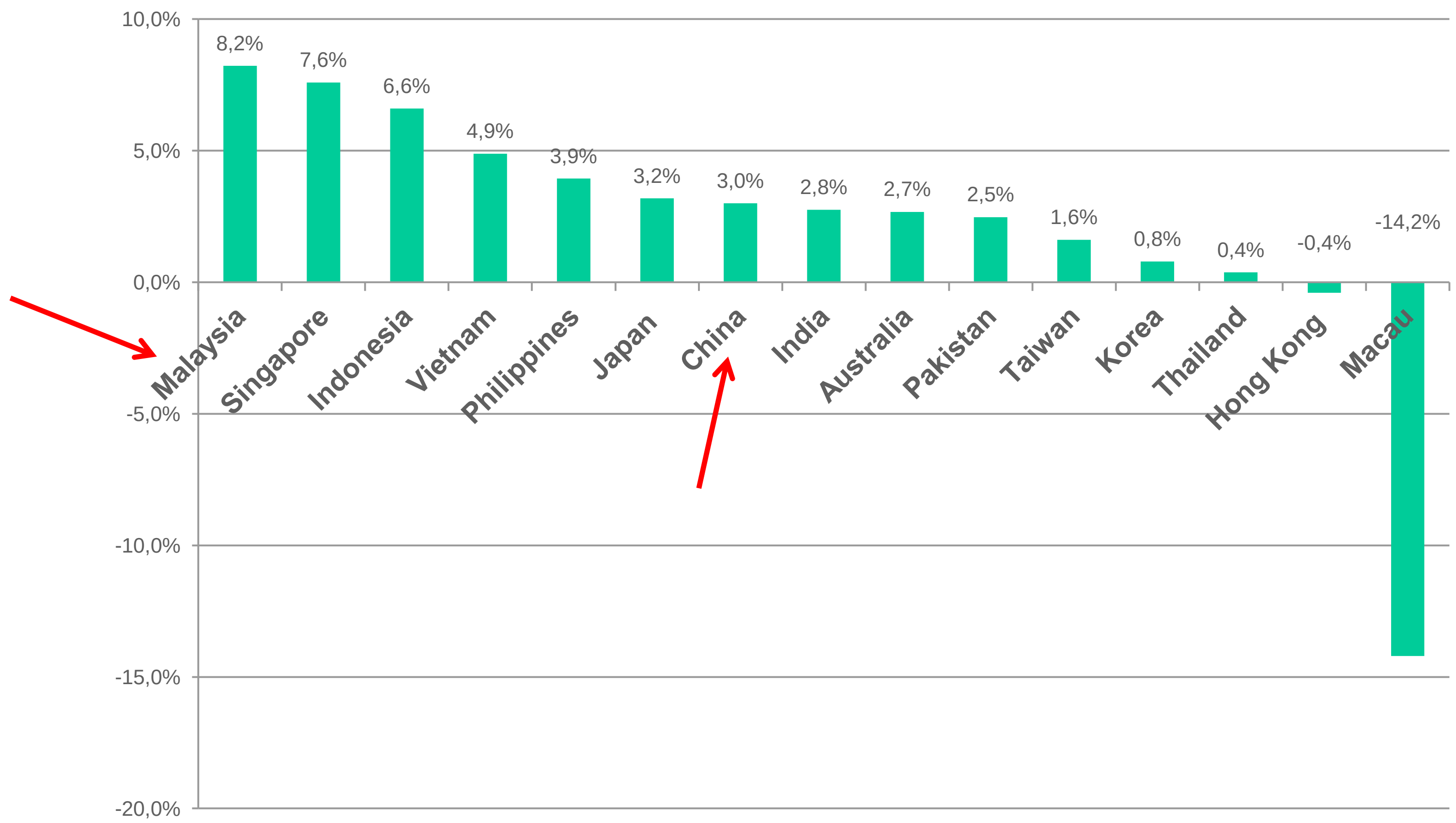
What about Asia?

Growth in Asia continues



What About Asia?

Change in net m² sold 2012 vs. 2011



What about Asia?

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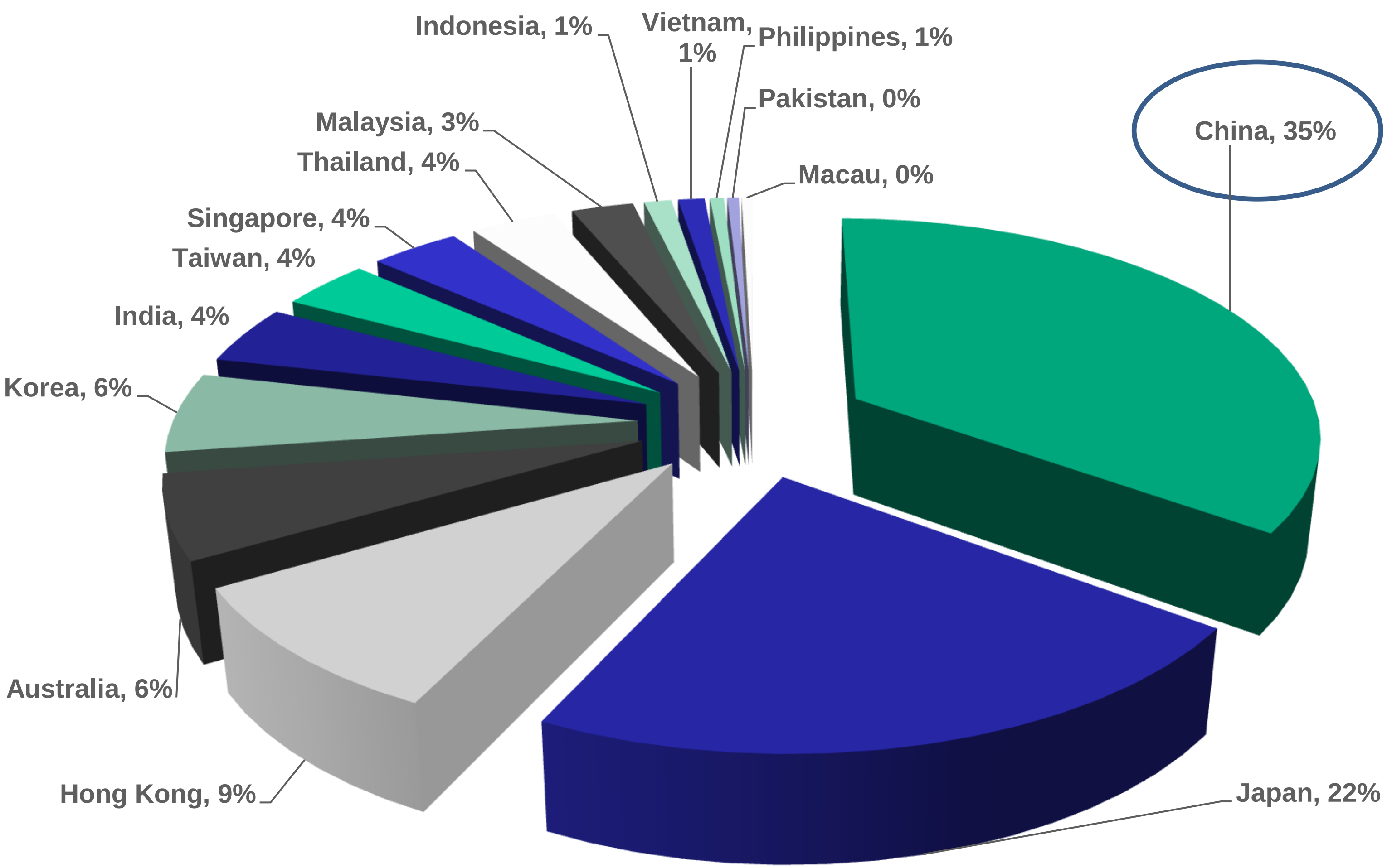
Share of revenues, 2012

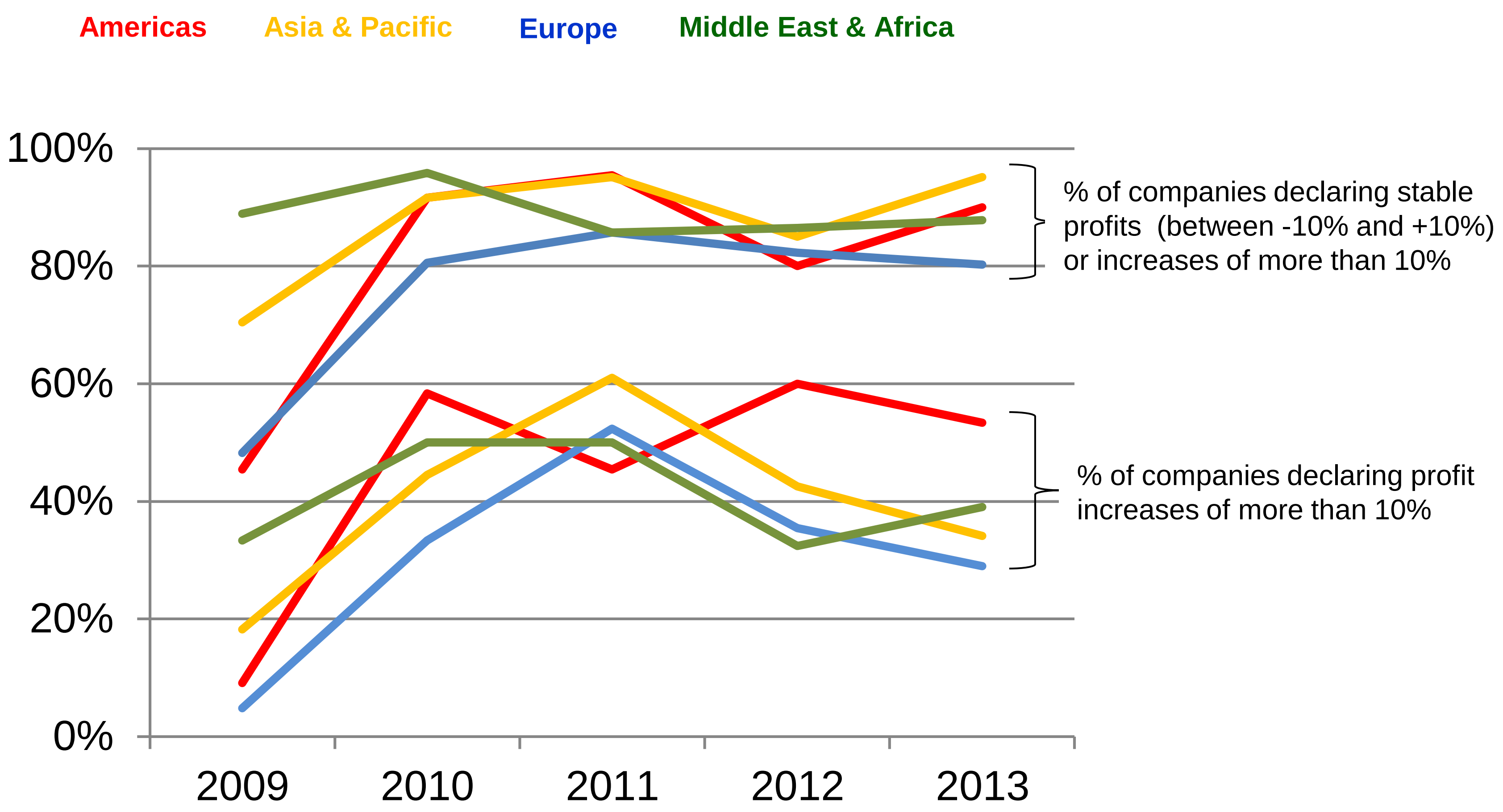


Effects of the economic crisis

Highlights from the UFI Global barometer

Effects of the economic crisis

Operating profits compared to the previous year



Effects of the economic crisis

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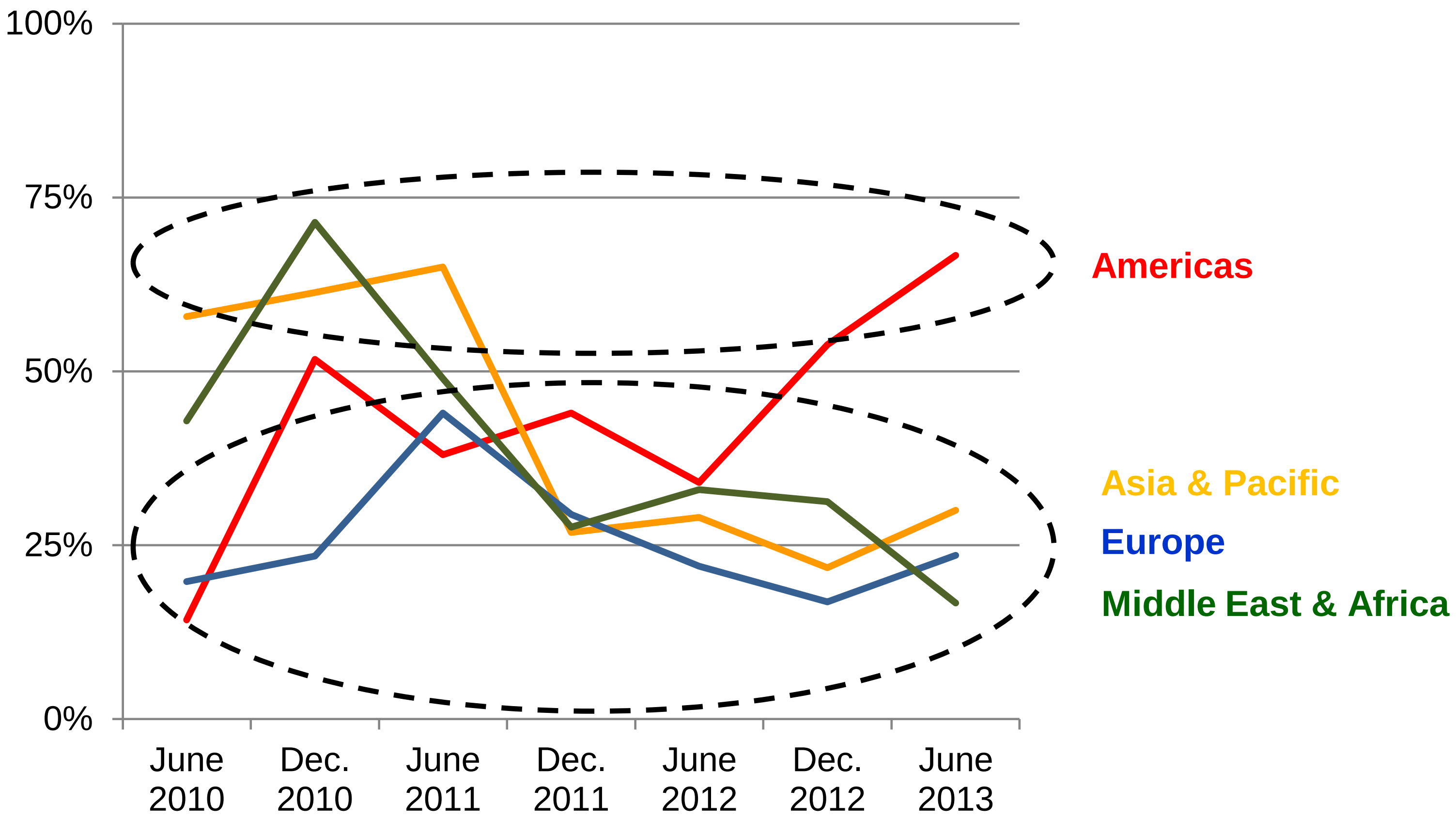
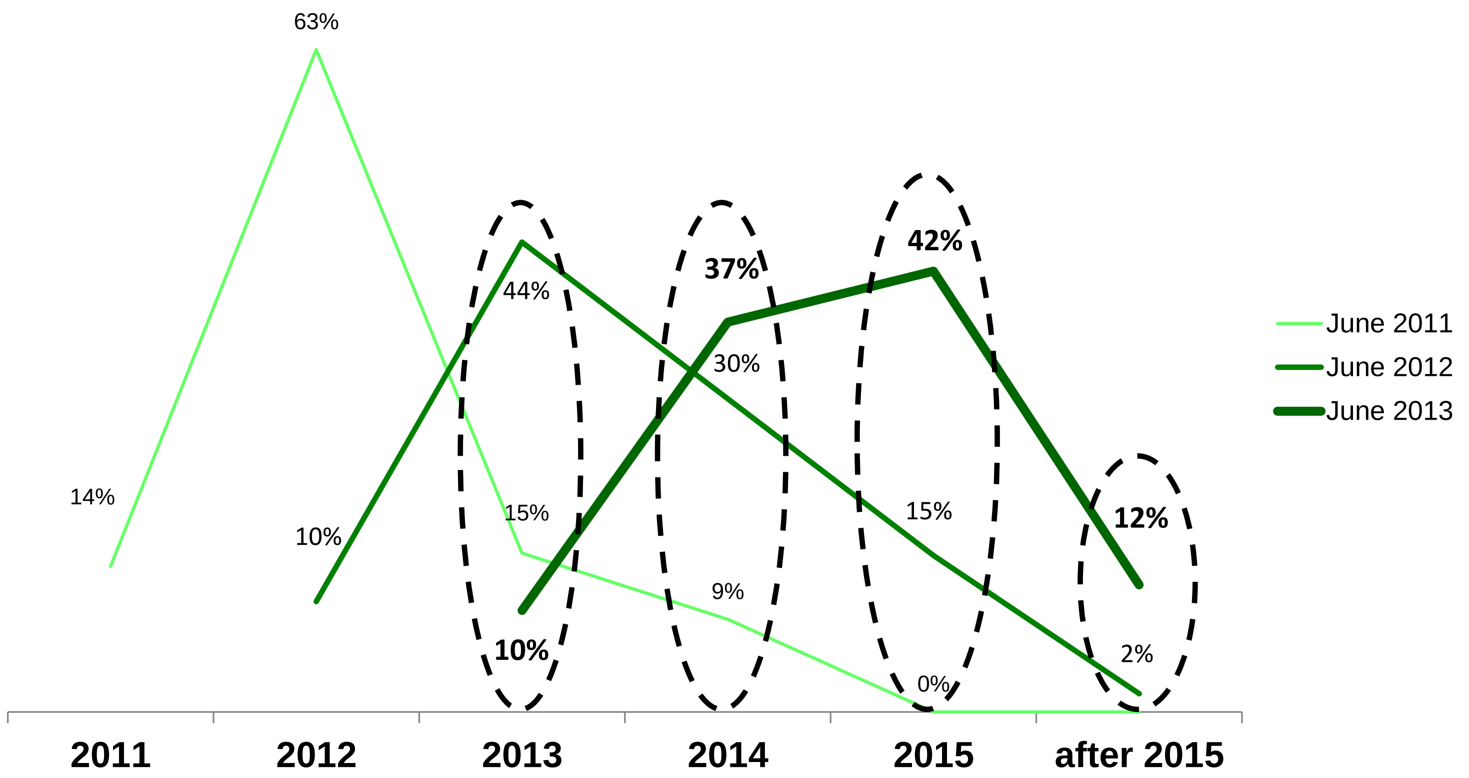
% of companies declaring – over the last 7 Barometer surveys – that **the impact of the "economic crisis" on their exhibition business is now over**



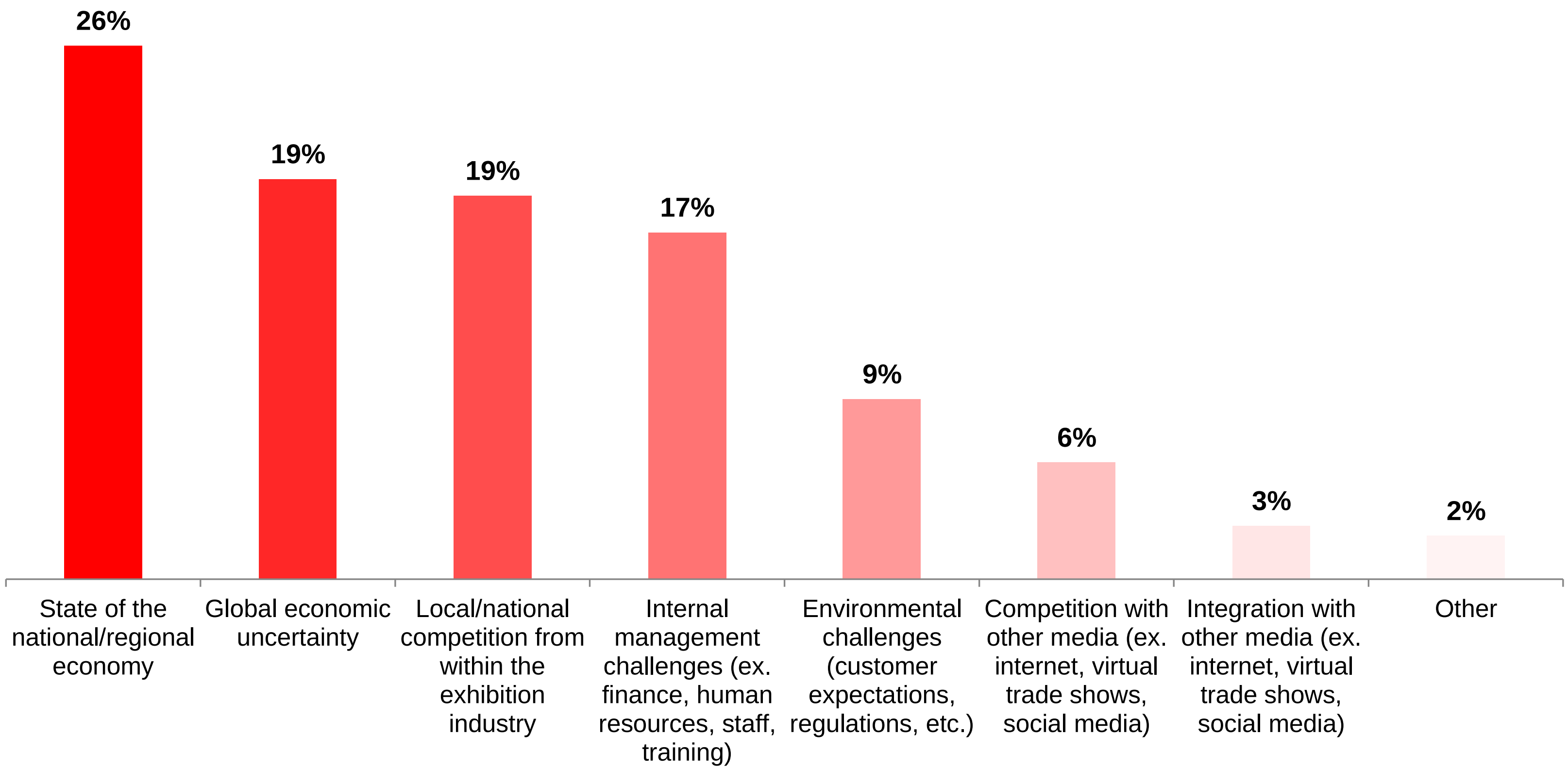
Effects of the economic crisis

Anticipated end of the "economic crisis" as declared in the last 3 years by those who consider that it is not yet over

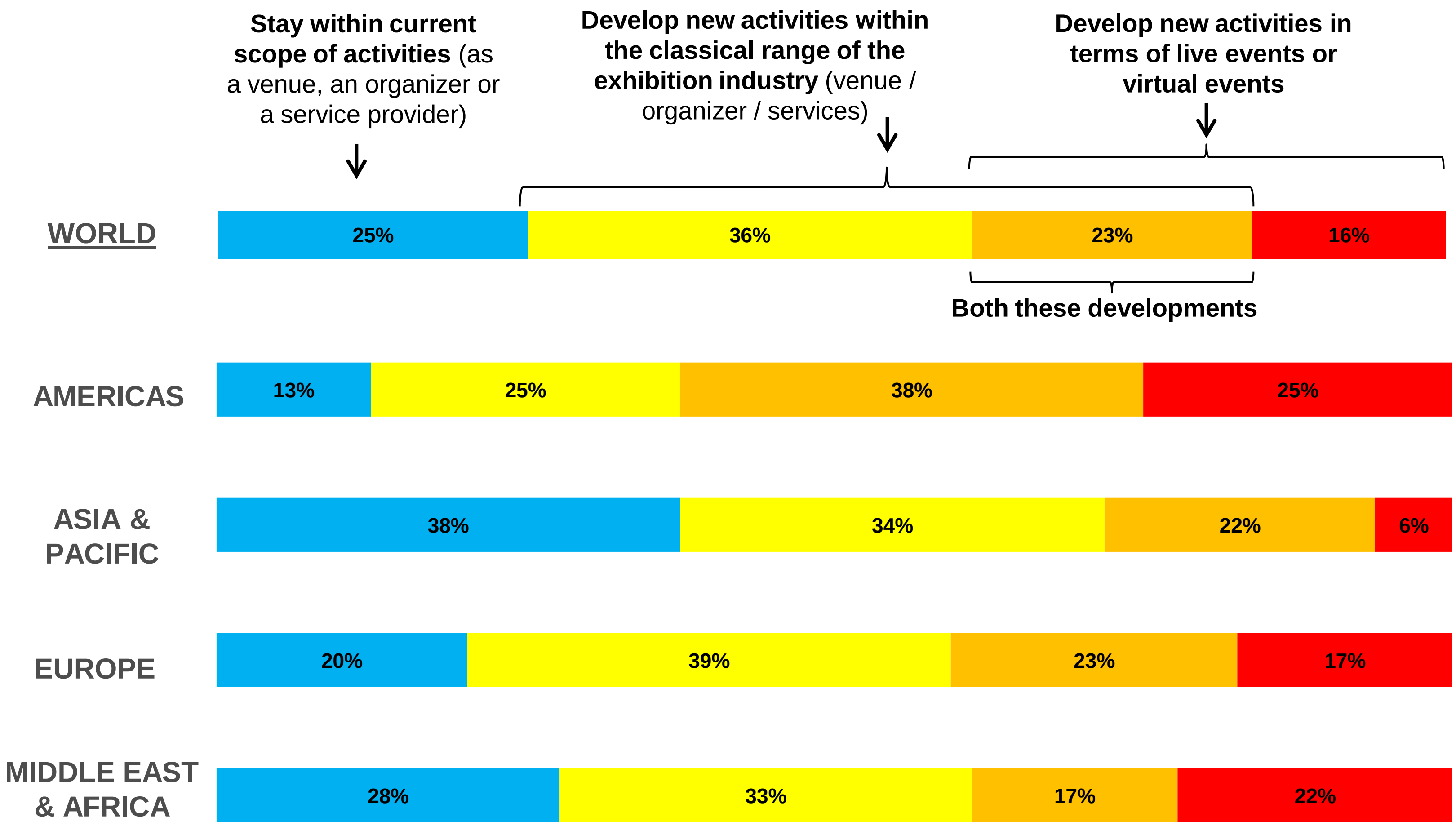


Effects of the economic crisis

Top 3 issues

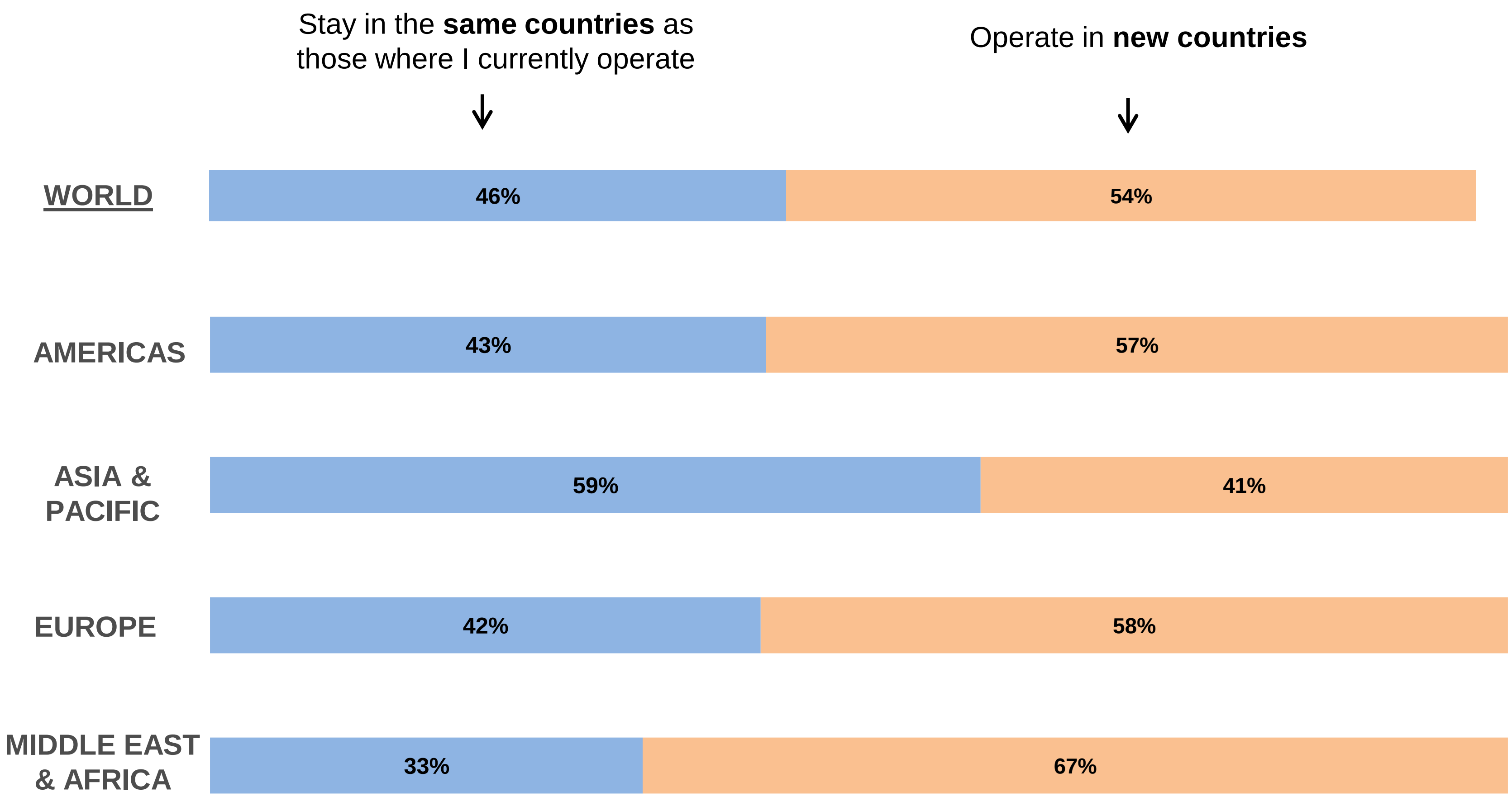


Current strategic priorities related to activities



Effects of the economic crisis

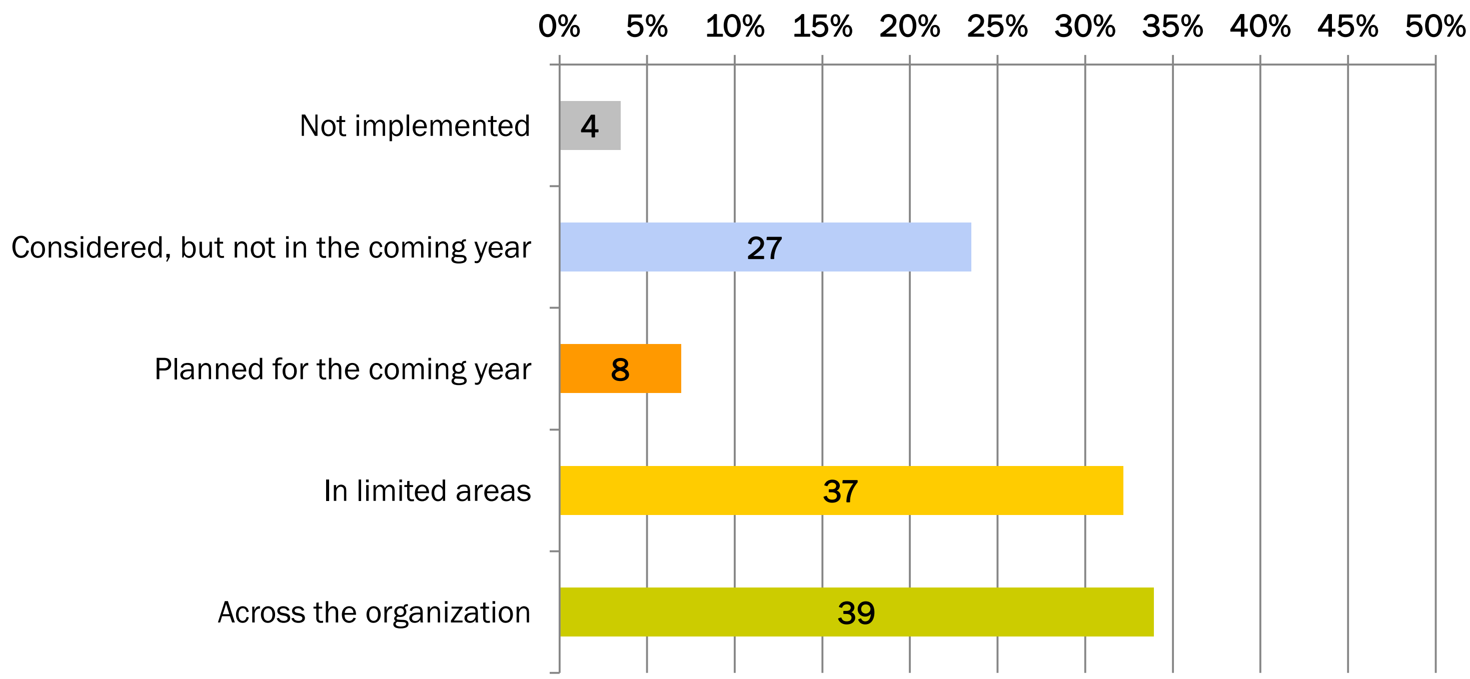
Current strategic priorities related to geographic exposure…..



- “Geo-cloning”: fairs that work well in certain countries are being exported to other destinations, usually with local partners.
- Easier as the brands etc. already exist.
- In general terms, new shows have an estimated 8 – 10% survival rate.
- This rises significantly in geo-cloned exhibitions
- Also contributes to the increase in themed exhibitions
- Risks must be shared among the different entities

What about Sustainable Development?

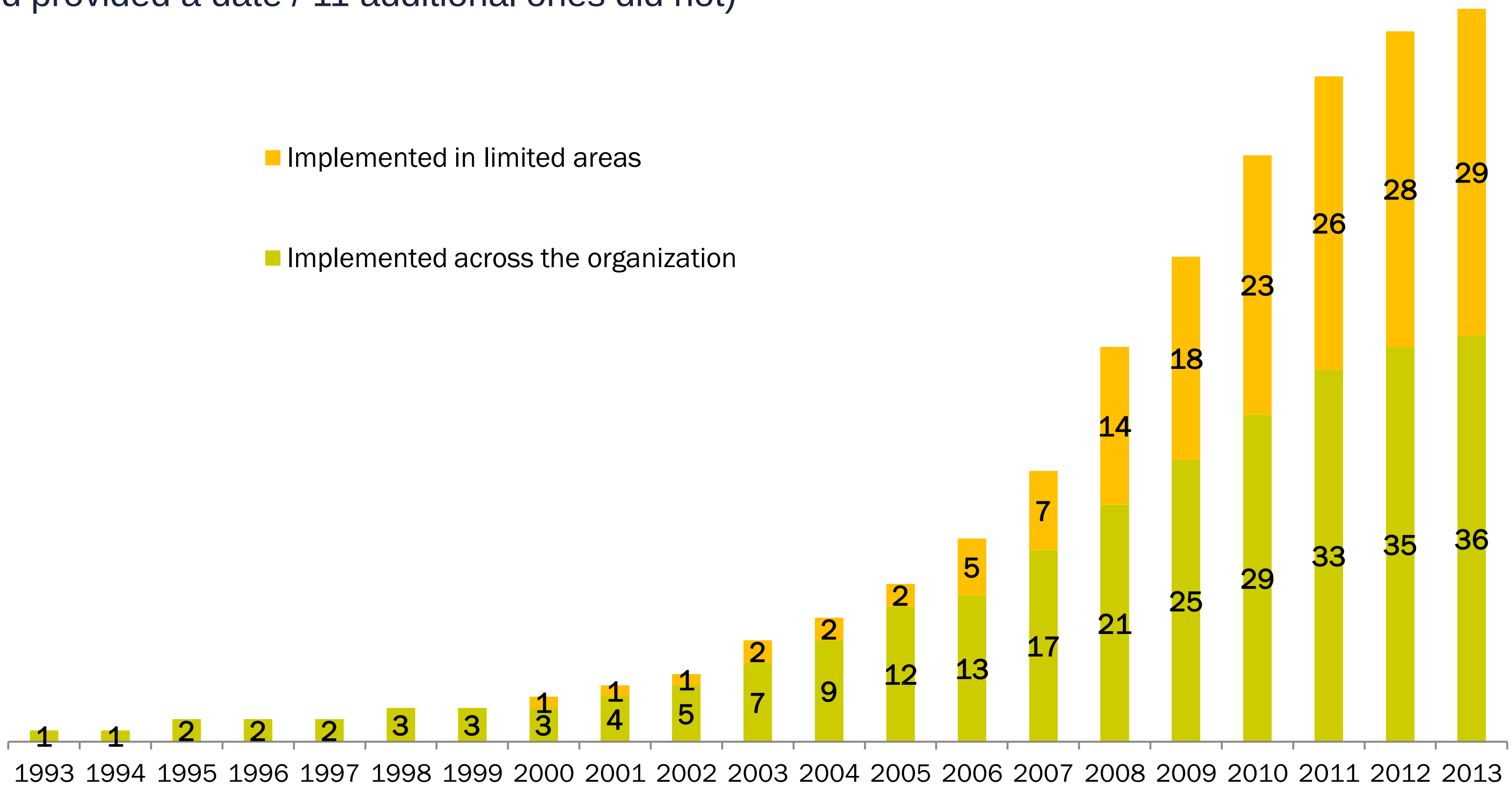
Is sustainability implemented within your company operations?



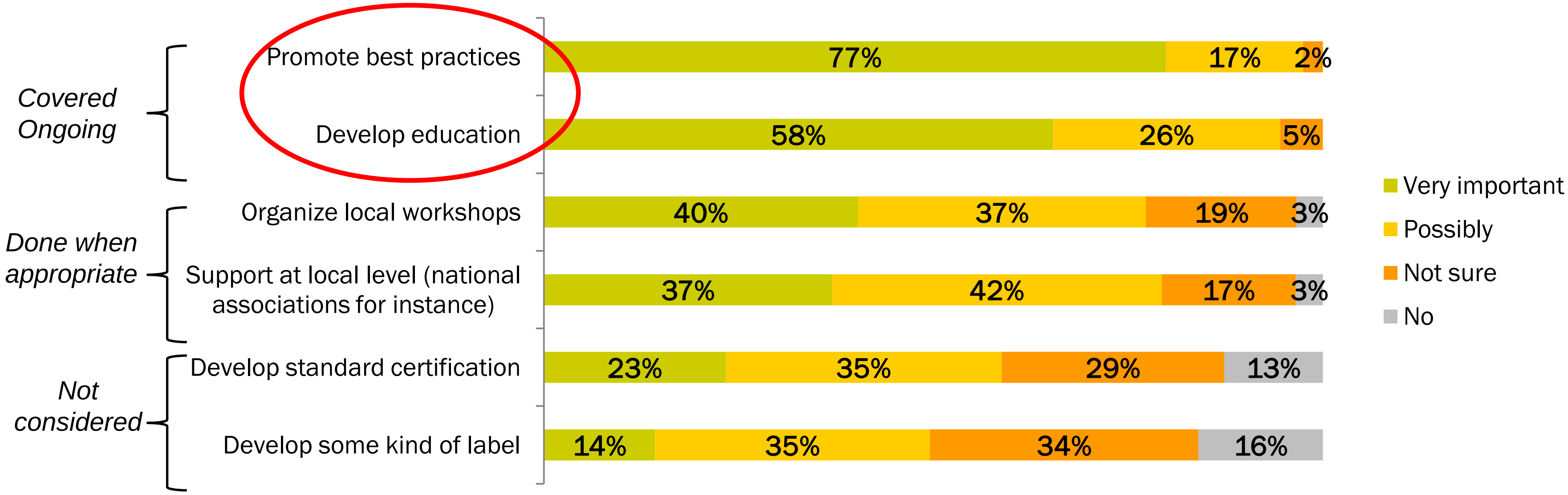
When did you start implementing sustainability?

UFI's SD survey results

Starting year indicated by the 65 companies who have declared either partial or across implementation of sustainability
(and provided a date / 11 additional ones did not)



What are your recommendations for possible actions by UFI in the future?



WHAT DOES THE FUTURE HOLD?

Exhibitions remain powerful

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- SMEs still find exhibitions the most effective way to promote their products and services, find new clients and open up new markets
  - have a strong need for new business.
  - have a strong need to identify and commercialize innovations.

- Blockbuster major events continue to thrive
  - Companies want to 'wave the flag' even in tough times.
  - They become more conservative with marketing budgets.
  - Safe choices are the top shows.

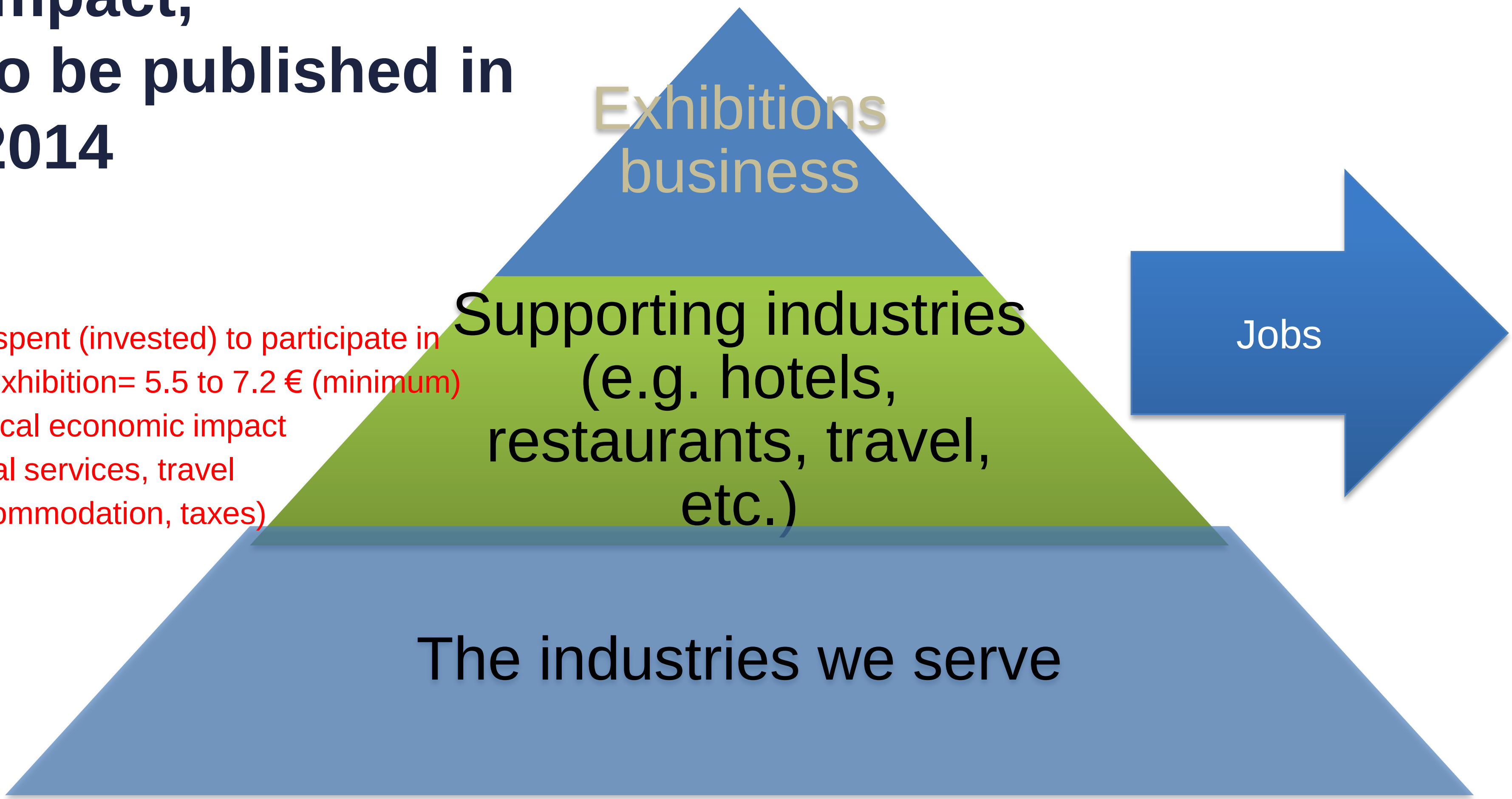
SMEs are the backbone of the Italian economy (account for 80% of the GDP) but have suffered in recent years. Many economists believe that the way out of the crisis is through SMEs…

Source: European Investment Bank/FT

Economic impact

UFI is conducting a study on economic impact, to be published in 2014

1 € spent (invested) to participate in an exhibition= 5.5 to 7.2 € (minimum) of local economic impact (local services, travel accommodation, taxes)



Progress?

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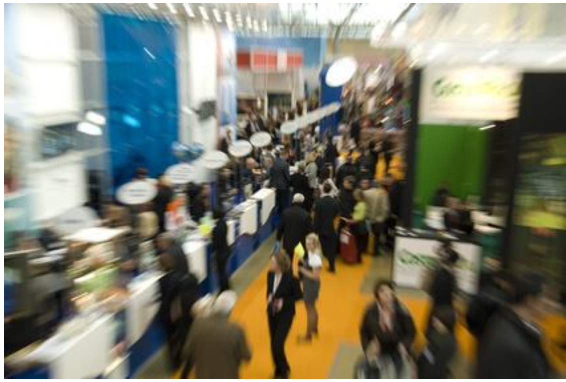
The look and feel of trade fairs are changing….

Multi-dimensional events



Engaging Participants

- Personalize 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

Integrating content

- Develop “thought leadership”:
  - Use the combined brain power of the whole audience to add value by inviting customers to participate
  - Educate and entertain
  - Easy to say but difficult to do
- Explore new options in digital content
  - Bring in industry digitally if not in person
  - 3D printing can transform what happens at your events

Progress?

ANSWERS TRAINING INTERNATIONAL LIMITED

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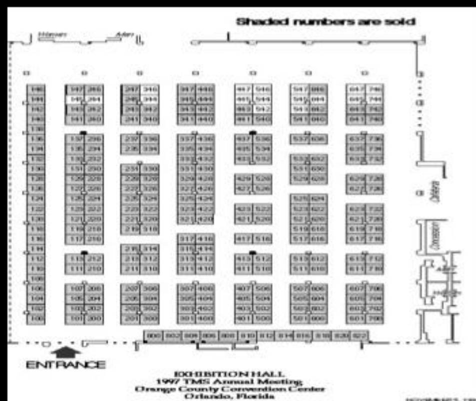
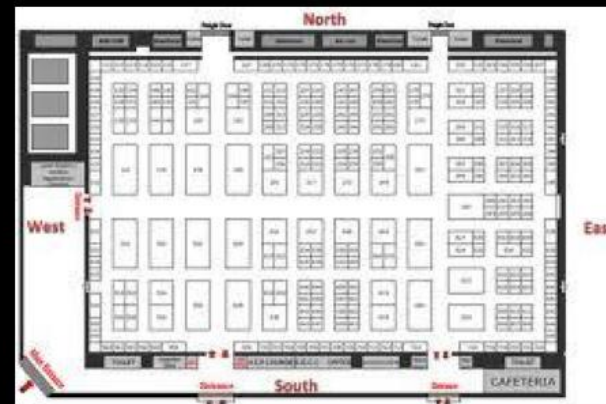


Old Floor Plan. . .



New Floor Plan . . .

WHAT ABOUT OUR INDUSTRY?

Can we move away from the conventional floor plan?

- More imaginative development of ‘prime’ locations (and value-based pricing incorporating psychological pricing)
  - Use ‘anchor’ exhibitors in new ways
- Move away from the grid floor plan
  - IKEA options
- Cluster attendee groups into interest areas
- What alternatives?
- Freemium models for attendees:
  - How to attract customers with free content without going broke in the process?
  - Everyone gets some value, but those who pay get a lot more (LinkedIn, SurveyMonkey etc.)

New pricing models

- Others?
  - How to sell the space?
  - Yield management models?
  - Exhibition industry equivalent of “pay per click”?
  - Look at how other industries have been transformed

- Smaller, more intimate events
  - Can these be combined with the highly profitable ‘blockbuster’ fairs?

Smarter databases are key

- They are our key assets
  - How do we move beyond them being a simple, functional tool to being the heart of the communities we serve
- CRM: knowing our customers is the key to:
  – successful thought leadership,
  – business retention,
  – Predictive marketing and hence improved sales, etc. etc. etc.
- Matchmaking facilitator
  - "The random contact model is over"
  - High on the agenda for 5 – 10 years
    - But what real progress outside travel industry events?

Matchmaking

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airBaltic SeatBuddy

powered by SATISFLY YOUR IDEAL SEAT BUDDY

Email | •••••••• | Log in | Keep me logged in | Forgot your password?

What is it?

SeatBuddy chooses the most compatible seat neighbours on your flights.

Sign up to SeatBuddy

1 Register 2 3 4

First name *

Last name *

Living in *

Example: type "London" and pick one city from list.

Email *

Re-enter Email *

New password *

I agree to abide by the terms and conditions, and possible future changes and additions.

Sign up

Do you want your seat neighbour to be like-minded, share hobbies with you or speak a specific language?
Do you want to chat, or to rest while flying? Join SeatBuddy to make the best of your flight time.

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The social media challenge/opportunity

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- May be key to managing communications with the communities we serve
- Speed of change represents significant management challenge
  - How to staff?
  - How to fund?
  - Which channels to follow?
  - Which media, if any, can this replace?

Mobile

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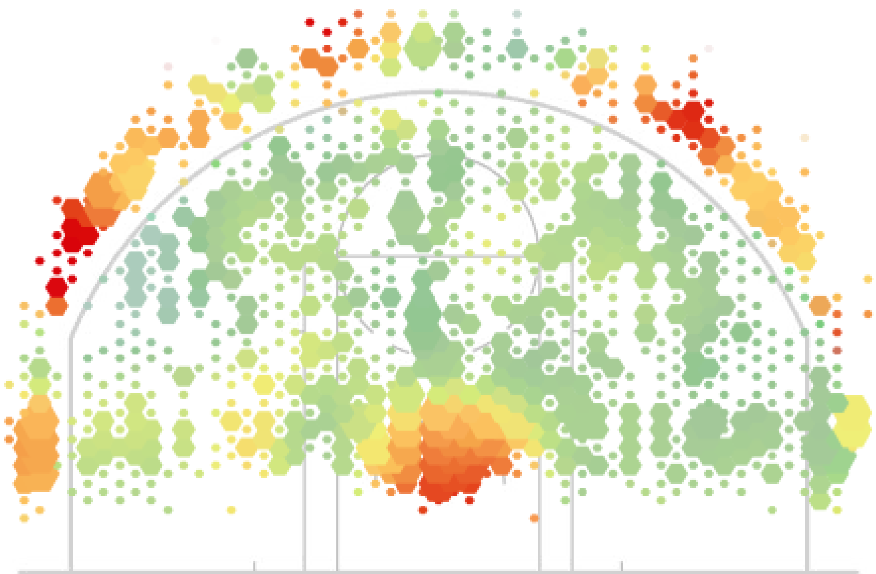
- Apps at the heart of the communication mix
- Augmented reality an interesting tool but not a game changer
- Significant bandwidth, privacy and commercial concerns due to switch from PCs towards tablets and smart phones

- Google glasses??

Tracking

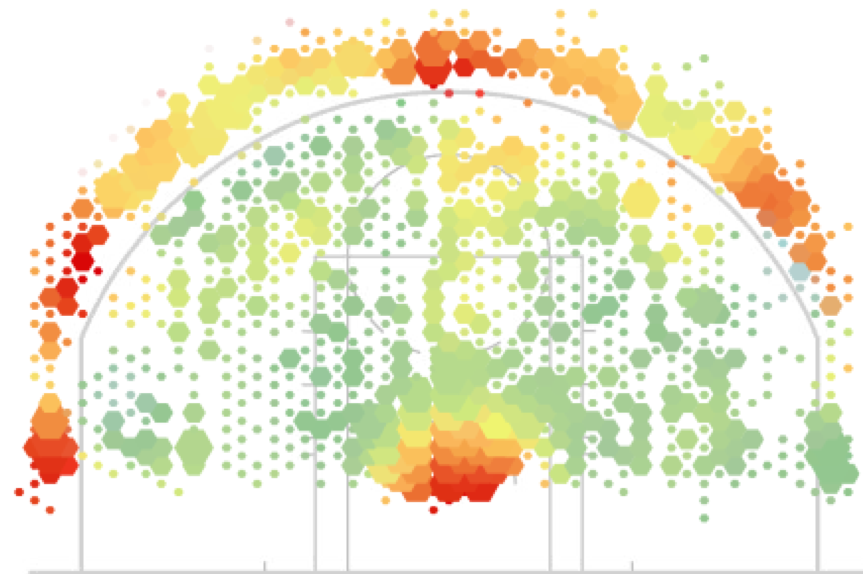
Miami Heat

TOTAL SHOTS **5,209** | POINTS PER SHOT **1.01** | F.G. PERCENT **47%**



Oklahoma City Thunder

TOTAL SHOTS **5,228** | POINTS PER SHOT **1.03** | F.G. PERCENT **47.1%**



Source: *New York Times*

Changing visitor & exhibitor behaviour

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- Understand how their demands are changing

If you are doing the same thing year on year your customers may be someplace else by the time you take a step back…

Evolution of Trade Fairs

Selling space

- Square metres
- Complimentary services
- Catalogue entry
- Basic technical services

Service orientation

- Integrated services
- Stand building
- Catering

CRM

- Database marketing
- Target group orientation
- Bundling
- Exhibitor debit card
- Online reorder system
- Individual placement of stands

Thought leadership

- New business ideas for clients
- Inter event activities
- Information brokering
- Matchmaking

What about venues?

- What are the options for venues?
  - Need to increase revenues, decrease expenses and increase services
- How?
  - Attendance and exhibit space growth
  - Sales and marketing
  - HR changes
  - Technology
  - Space repurposing
  - Changing traditional service models
  - Revisit policies
  - Advertising and sponsorship.
  - Naming rights?
  - Sustainability initiatives, green buildings….

Key challenges for exhibitions

- Competition (in some markets) from over-capacity in venues
- Online marketing and product news release
  - Continued uncertainties over balance of internet and face-to-face marketing
  - Media integration versus media competition…
  - The industry needs better to communicate how a combination of these is the key to marketing effectiveness.
  - In-house activities and product launches have eaten into traditional events spend.
  - Will this be the source of tomorrow’s competition?
- Targeting the Facebook generation with real world events.
- Pressures on business travel
  - Cost controls
  - Environmental constraints

In Summary:

- The industry is healthy and reflecting better condition of world economy
- We face many challenges from changes in the way people are doing business as well as growing internal competition
- A lot of thought is going into how the industry will change:
  - **Our fairs will look and feel different**
  - **We will be finding ways to 'engage' new and existing customers**
  - **We will be changing long-established pricing models**
  - **We will leverage the full range of knowledge among our audiences to become the knowledge centres for our industry**

Thank you for your attention