

More from the Center for Exhibition Industry Research

From boom to bust – and boom again

It was boom times for 15 straight years in the tradeshow industry, with annual growth and fistfuls of profits. For many exhibit organizers, sales executives and trade show suppliers it looked like the good times would never end.

And then it happened... The industry declined in 2000 and posted 2 percent losses for three consecutive years, according to the Center for Exhibition Industry Research (CEIR). Revenue fell nearly 6 percent over the period. Ducate says many tradeshow industry veterans thought the business was recession proof – until the nation's economic doldrums finally began to take their toll. No one saw it coming, but no one could deny when it arrived. It was unexpected, unpredictable and unwelcome.

Ducate says the bust was due in large part to a soft economy that led to tightening corporate budgets. Making matters worse, the exhibition industry was forced to freeze and even reduce prices in light of sagging business resources. This was a sharp blow to the industry, which regularly increased exhibit rates and sponsorship fees on an annual or biennial basis. Ducate says exhibition companies responded to the dampened market conditions by offering special deals and incentives to exhibitors on exhibition space and entry fees to exhibitions.

Still, given the impact of September 11th and the global recession during this period, the declines in exhibition activity were modest compared to other industries and other marketing media. For example, advertising spend for business-to-business magazines fell 22 percent from 2000 to 2003, according to ABM's Business Information Network reports. That sort of makes 6 percent look like a blessing.

Straight from the horse's mouth

Alas, the bleeding has finally stopped and the rebound is well underway. A recent Trade Show Exhibitor's Association (TSEA) survey clearly demonstrates that the industry is once again poised for growth. The survey reveals that 81 percent of those surveyed are confident that their trade shows' return on investment increased in 2004 versus 2003.

Sixty-nine percent report they are moderately confident, and 12 percent are highly confident. The average TSEA member's 2004 exhibition and event budget was \$1,335,200. Exhibit space is reported as the largest line item, accounting for 33 percent of the 2004 expenditures. Twenty-three percent say that their management considers non-trade show event marketing, such as private events, more important than they did two years ago. Looks like boom times are coming back again.

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