

Global Recovery Insights 2020

Part 1: The way forward for business events

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Contents

SECTION 1	Welcome	3
SECTION 2	Key areas of focus	4
SECTION 3	Key findings	6
SECTION 4	The impact of event cancellations	7
SECTION 5	Future attendance	9
SECTION 6	Visitor quality beats numbers for exhibitors	11
SECTION 7	The importance of networking	13
SECTION 8	The return of budgets	14
SECTION 9	A position of strength	18

Welcome



Dear industry colleagues,

We are happy to publish the first part of this global study of both visitors and exhibitors, the latest in a series of reports we have produced in partnership with Explori.

At the time of publishing in October we face a very uncertain picture ahead, however I am happy to see the responses which do not show a long term shift away from live events, and that this crisis is a temporary hurdle which we will overcome – like we did with many previous challenges. Our audience appreciates the unique aspects of face-to-face for building human connections which serve them both personally and professionally. These have yet to be recreated effectively in digital events.

This report is based on a quantitative survey of trade show visitors and exhibitors, with 9,000 responses in 10 languages representing trade show participation in over 30 countries. We have been able to make comparisons with our 2018 and 2019 Global Insights reports to assess the impact of the lack of events on visitors and exhibitors, and their plans to return to live events in 2021.

The absence of live events has damaged not only our industry, but all industries by reducing their access to networking, lead generation and ultimately new business. We hope this study can demonstrate to policy makers, governments to support the safe return of live business events in the coming months.

We will publish the second part of this report by the end of the year. If you have any feedback please contact us at research@ufi.org

As we all make our way through this pandemic – reading this report certainly reassured me once more of the critical role that our industry has to play, and of the fact that our customers see it the same way.

Yours sincerely,

Kai Hattendorf

UFI Managing Director / CEO

SECTION 2

Key areas of focus



Building on UFI and Explori's previous Global Visitor and Global Exhibitor Insight reports, this study investigates:

1.

The impact of trade show cancellations on both visitors and exhibitors

2.

The views of both groups on their potential return

3.

What are the most important factors that would encourage customers to return

4.

How exhibiting budgets might change and what is driving these decisions

5.

What shows might have a more secure future than others

Methodology

Fieldwork in July and August 2020

A second phase of research will be conducted in December 2020 to determine any change in sentiment and the impact of budget planning for 2021.



A quantitative survey of trade show visitors and exhibitors, gaining 9,000 responses, in 10 languages, representing trade show participation in over 30 countries.



Comparisons with the 2018 and 2019 Global Insights where available - these reports are available to UFI members at www.ufi.org/research



SECTION 3

Key Findings

Customers and industries miss live events

The negative impact of the lack of live events is being widely felt by both visitors and exhibitors. **Two thirds** of those who exhibit at business events reported their cancellation has had a notable detrimental impact on their business, reducing their ability to build brand awareness with their target markets. Half of businesses expressed this impact as being “large” or “very large”.

48%

of companies told researchers that the absence of live events was **negatively affecting their ability to generate new business.**



Future attendance

There is no evidence in this study of a fundamental shift away from live events. Although intended frequency of participation has dropped for both groups, it has done so only marginally for exhibitors. Visitors are concerned about short term issues like safety and travel, but appreciate the important business benefits live events bring.



Budgets to return

53% of exhibitors expect spend to return to pre-Covid levels within 12 months. 28% reported their spend would return as soon as trade shows started running again. Whilst spend allocated to live events has been put on hold, overall marketing budgets had yet to see severe cuts as of late summer.



Networking is key

The social aspects of events remain a critical draw for both groups, who rely on live events to create connections within their communities. This is an aspect that is notably poorly served by digital events.



Play it safe?

Both visitors and exhibitors will look to previous experience with a show when deciding whether to return. They will turn to show brands they trust to deliver robust safety measures, but more importantly high quality audiences.



Quality is king

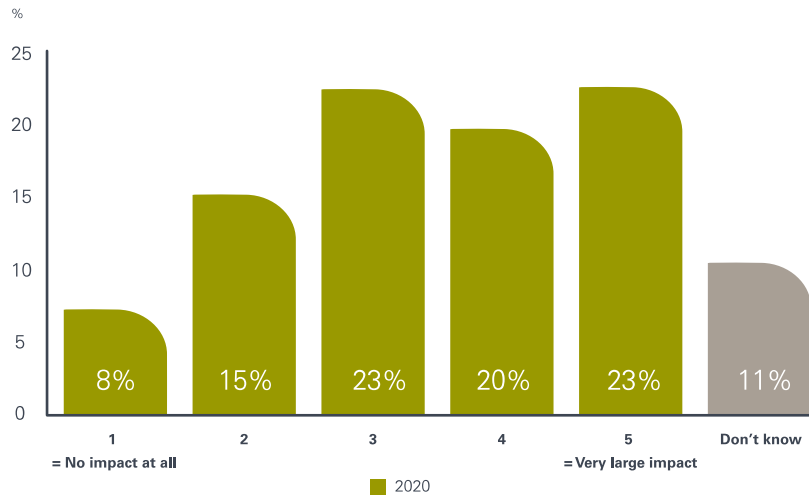
There is a clear message from visitors that quality of exhibitors is paramount, suggesting that those who plan to attend have strong buying intentions. Exhibitors plan to factor visitor quality far more highly in their decision making than visitor numbers.

SECTION 4

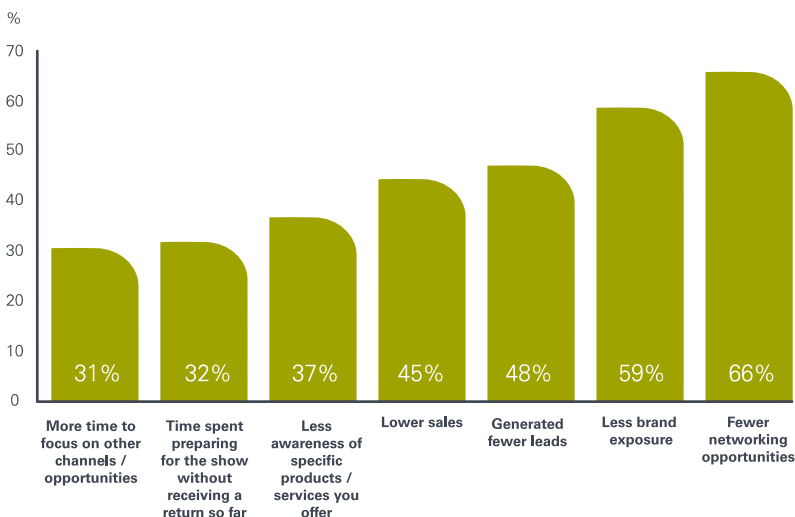
The impact of event cancellations

Exhibitors: To what extent has the cancellation of the event(s) affected your business?

Live events are being sorely missed by the businesses who rely on them to connect with their customers: Almost half of those who exhibit at trade shows reported their cancellation has had a notable detrimental impact on their business, reducing their ability to build awareness with their target markets. 43% described this impact as being large or very large.



Exhibitors: How has the cancellation and / or postponement of events at which you were due to exhibit affected your business?

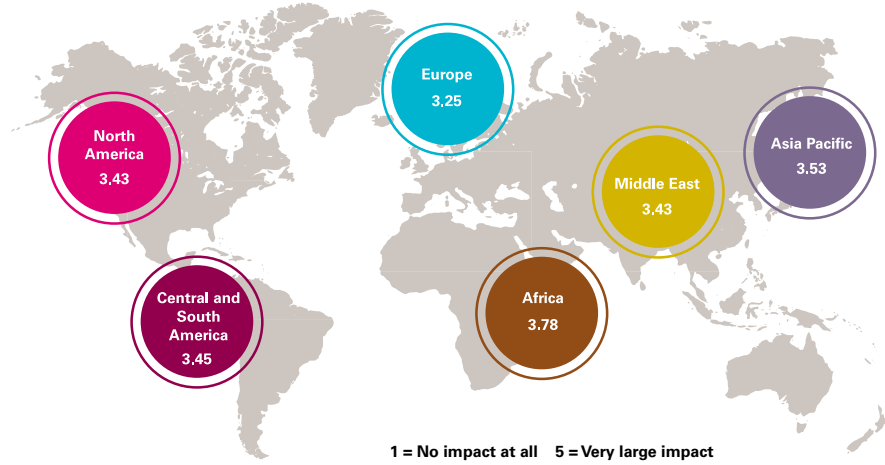


Almost half of companies reported that the absence of live events was negatively affecting their ability to generate new business. 48% have generated fewer leads and 45% have seen a negative impact on their sales, through not being able to exhibit.

How does this differ by region?

Across many aspects of this study, the attitudes of exhibitors were strikingly similar. It can be seen that on average, the impact of event cancellations is most acutely felt in regions where the trade show industry is still developing. In comparison, regions where the sector is mature, such as North America and Europe, felt a lesser, but still notable impact.

To what extent has the cancellation of event(s) affected your business (1-5 scale with 5 being greatest impact)?

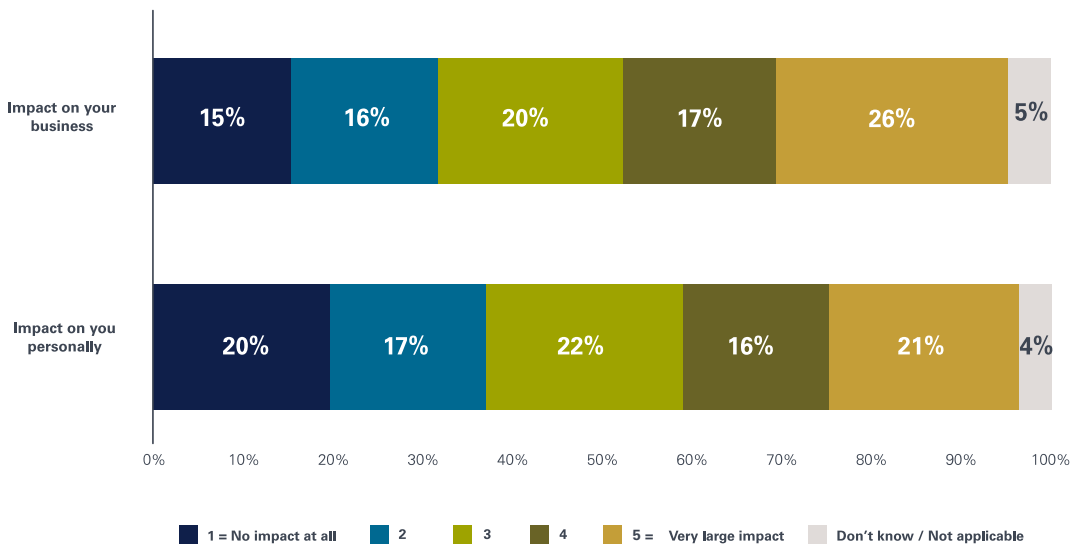


Impact on visitors

Visitors have also felt less connected to their communities without access to business events. 90% reported being impacted in some way and over a quarter felt the impact to their business had been very large.



To what extent has the cancellation / postponement of event(s) affected you and your business?



Whilst many felt this impact in their limited access to networking and educational opportunities, almost a third also reported an impact on their ability to source new suppliers, again highlighting the role events play in generating business within the sectors they serve.

SECTION 5

Future attendance

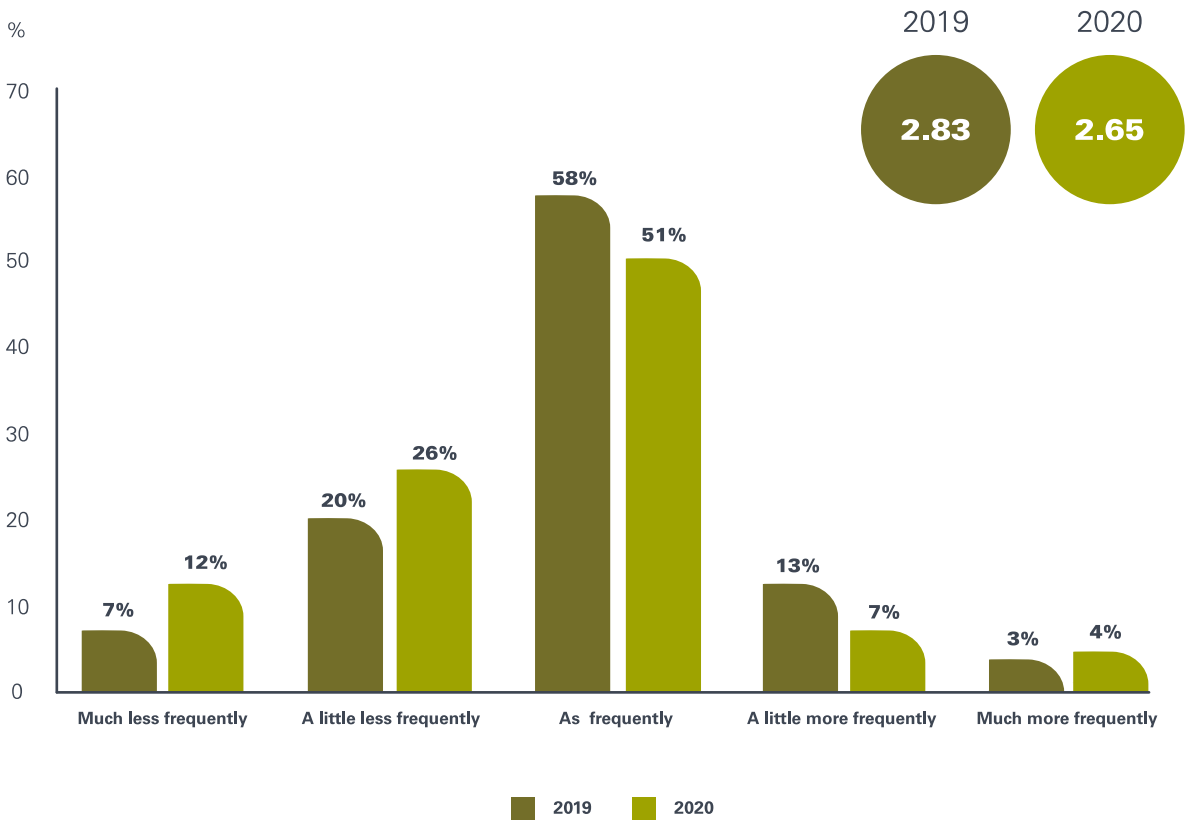


Both visitors and exhibitors reported some drop in how frequently they planned to attend live events in future compared to previous studies we have conducted. But when compared with data from 2019, the drop for exhibitors was very modest. This reduction in frequency seems to be part of a more long-term trend. In markets where the exhibition industry is more developed, exhibitors have indicated in previous studies that they are planning to level out their participation.

The more pronounced impact on visitor attendance is driven by short term concerns, primarily around safety. Visitors who are planning to reduce their attendance need to be reassured that robust safety measures are in place. They are also more drawn to the option of being able to attend an event digitally, for the time being at least.

Future exhibitor participation

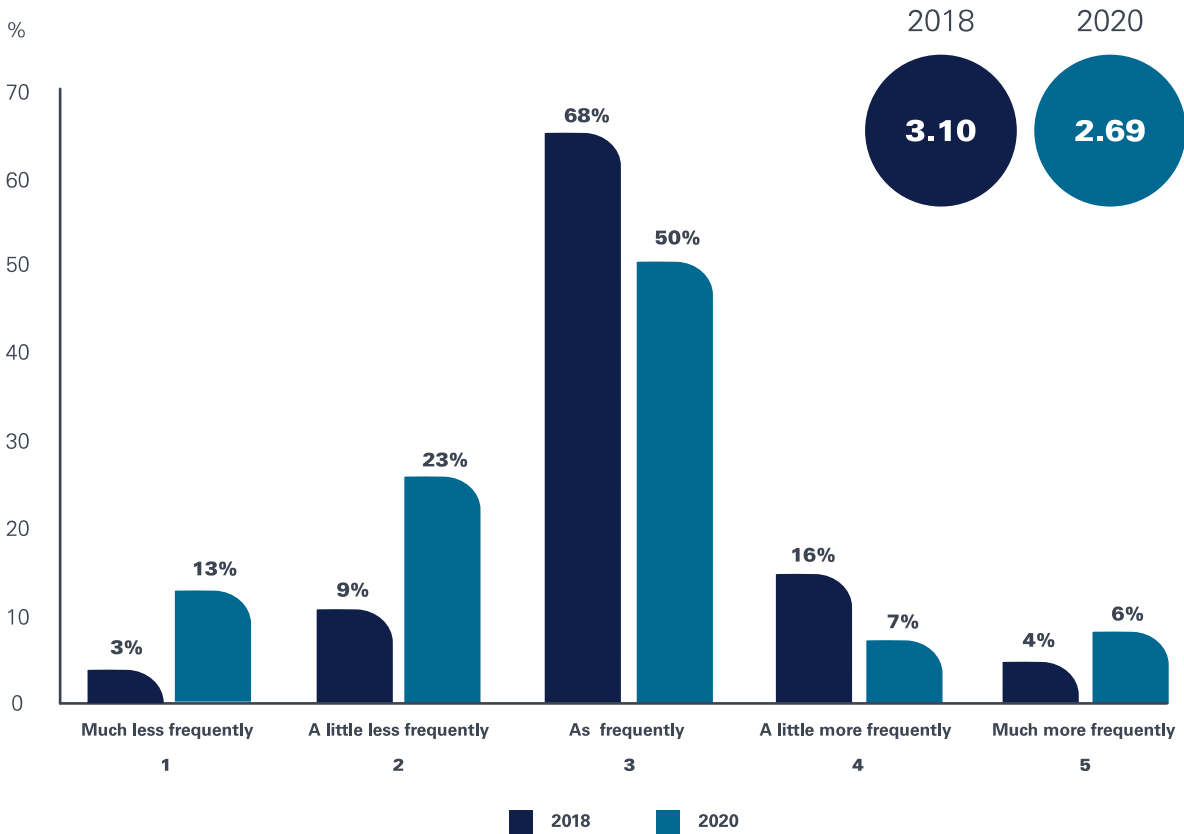
So in the future, do you expect to exhibit at trade shows...



Future visitor participation

So in the future, do you expect to attend trade shows...

The biggest three drivers of reduced future attendance for visitors are safety concerns (69%), travel restrictions (58%) and concerns about cancellations (34%). Very few (13% or less) cited more long term concerns such as lack of time or value as reasons for attending trade shows less frequently in future.



Reasons why visitors might attend less in future

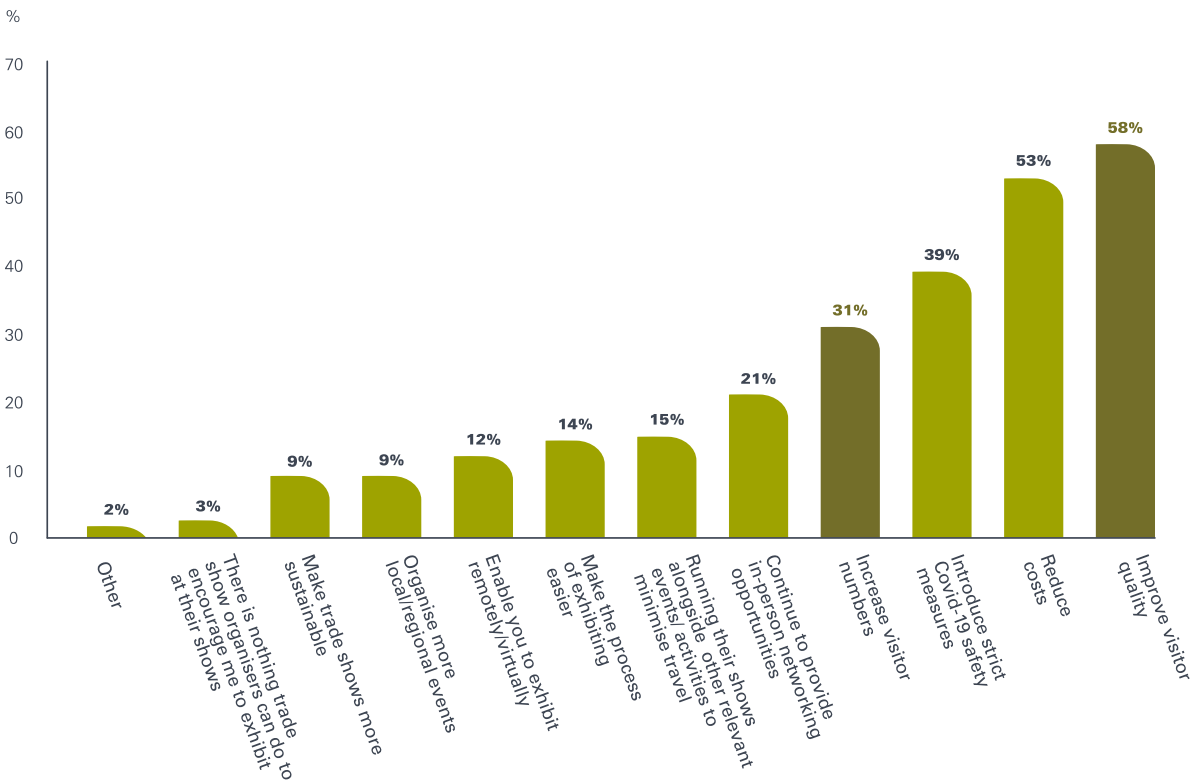


SECTION 6

Visitor quality beats numbers for exhibitors

Recommended Priorities

What are the main things trade show organisers should focus on to encourage you to exhibit at their shows?



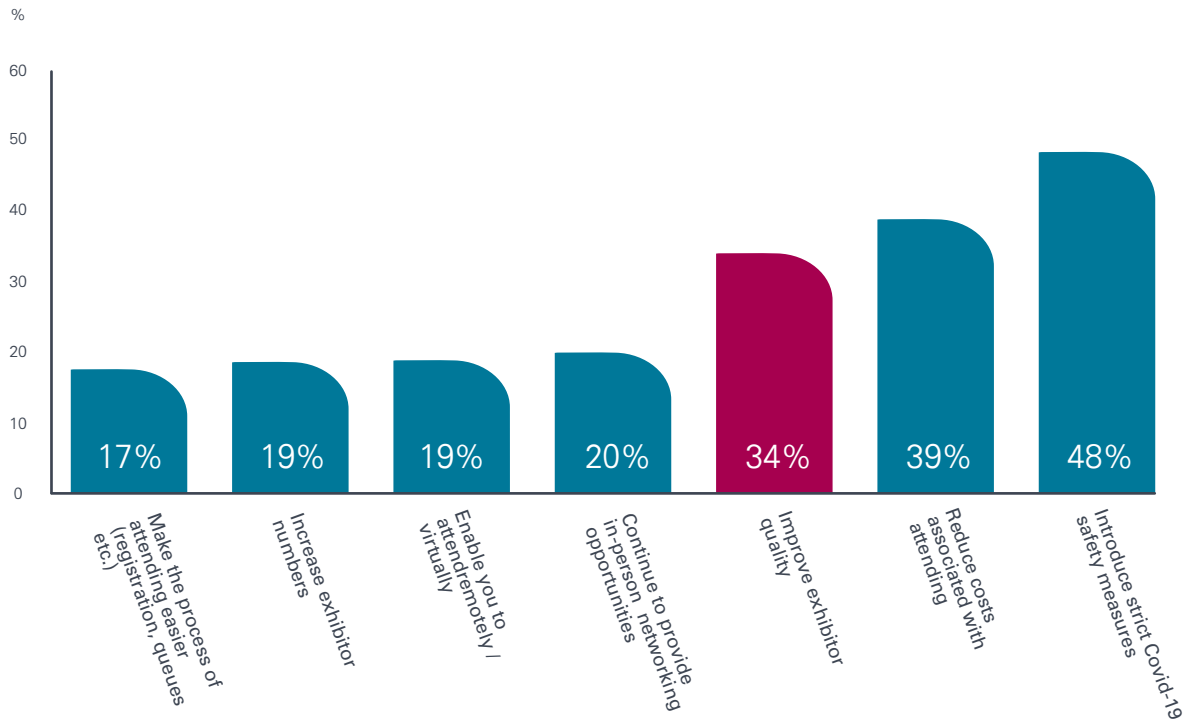
Visitor quality is the biggest factor influencing the decision of exhibitors to return to a particular show. 80% of respondents felt visitor quality had a large impact on their show selection, well ahead of price at 49%. It was also the aspect they wanted organisers to prioritise most, being selected by almost twice as many exhibitors as “visitor numbers”.

This suggests that exhibitors will overlook smaller visitor numbers in the short-term as long as organisers can create a compelling story as to how they will attract the highest quality audience.

Notably, only 3% of exhibitors felt there was nothing an organiser could do to encourage their return, suggesting that there is no sign of a fundamental shift away from live events at this stage.

Visitors Priorities for Organisers

What are the main things trade show organisers should focus on to encourage you to attend their shows?



Whilst many visitors want organisers to prioritise strict health and safety measures, interestingly exhibitor quality has surged in importance for them. 1 in 3 visitors said exhibitor quality was the area that organisers should focus on most, making it the most significant factor, once hygiene aspects have been addressed.

This suggests that visitors who are planning to attend a show are motivated buyers who need to be sure they will meet high quality suppliers who can address their business needs. The relative importance of quality educational content has dropped off vs. previous years, perhaps reflecting the strict business case needed to attend a trade show, or the emerging ability of digital events to provide high quality content.

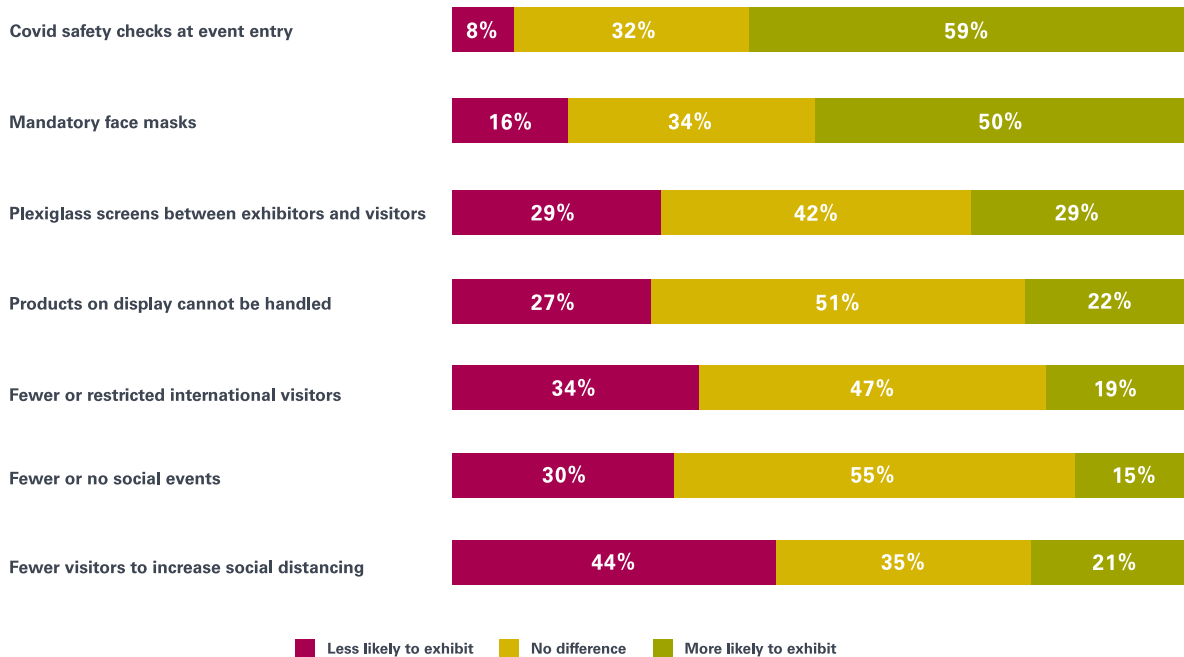
SECTION 7

The importance of networking

Through many aspects of this study, the ability to connect face-to-face has been confirmed as the defining strength of the business events industry.

Exhibitors Reject Measures That Impact Networking

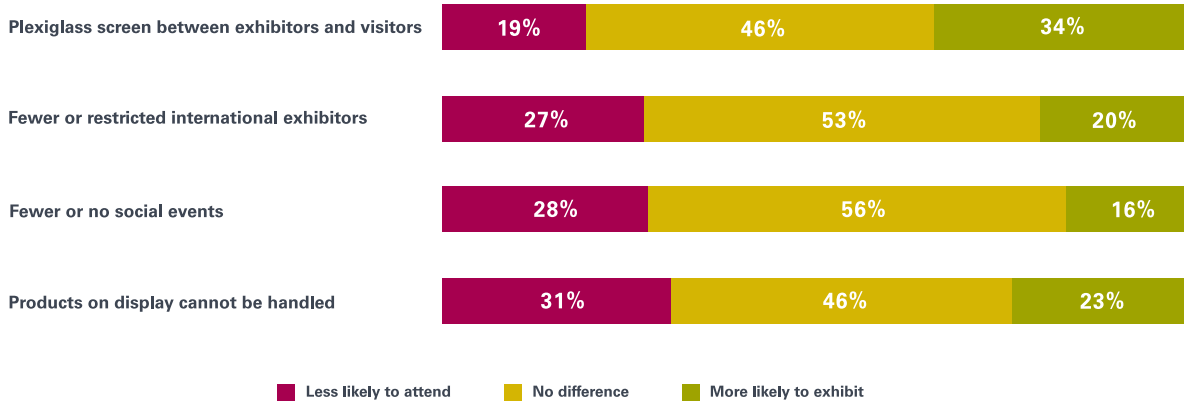
Would the following measures make you more or less likely to exhibit at trade shows?



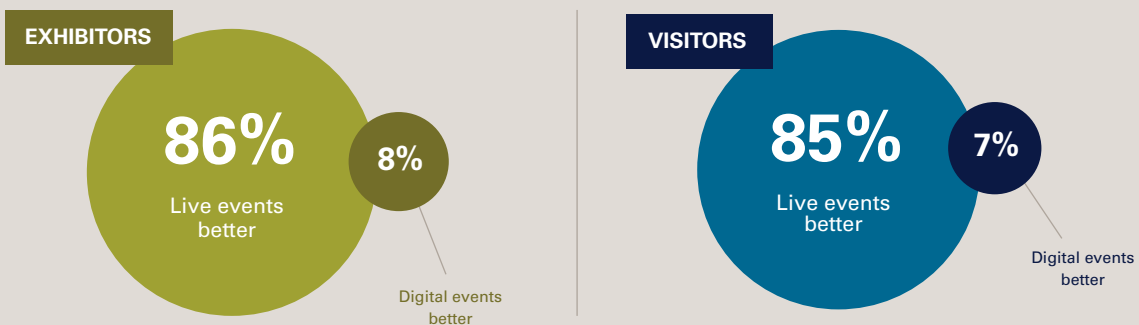
Whilst our audience is supportive of sensible health and safety measures, they are reluctant to accept any measures that impede their ability to network, telling us that any reduction on social and networking activity reduces their likelihood to attend an event. This presents a challenge for organisers and venues alike, who must balance social interaction with maintaining a Covid-secure environment.

Many Visitors Feel The Same...

Would the following measures make you more or less likely to attend at trade shows?



How do digital events compare to live events for networking?



Reduced access to networking was cited as the biggest impact caused by the cancellation of business events and a priority for organisers when they return.

Digital events are not currently filling this gap, with “quality of networking” being the area they scored most poorly in comparison to live events with only 8% of exhibitors and 7% of visitors feeling that digital could compete with live.

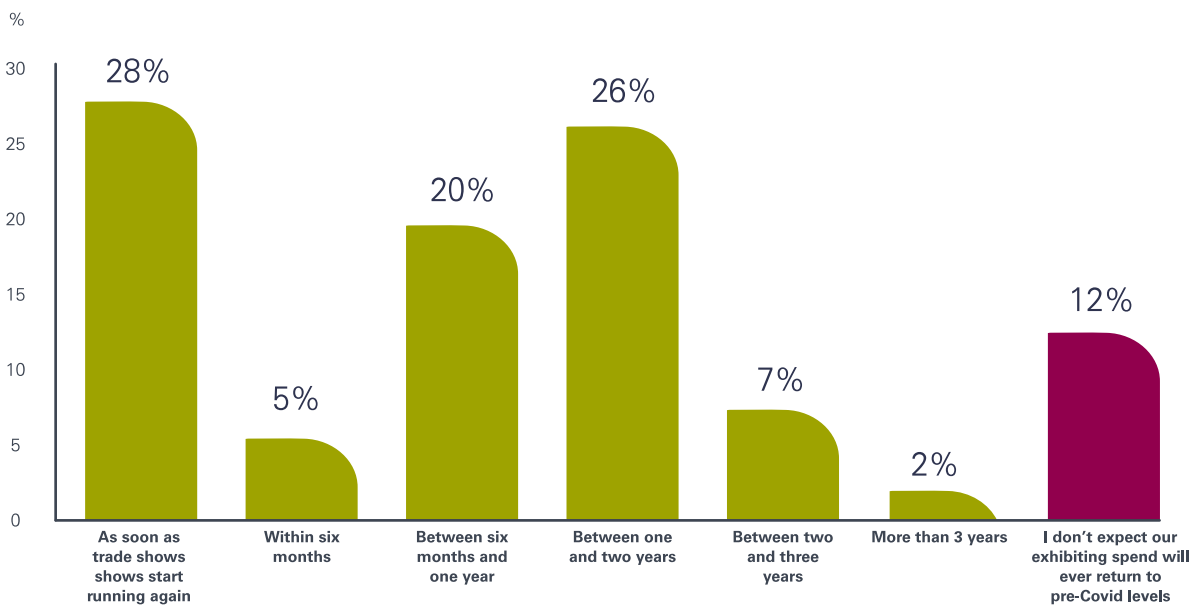
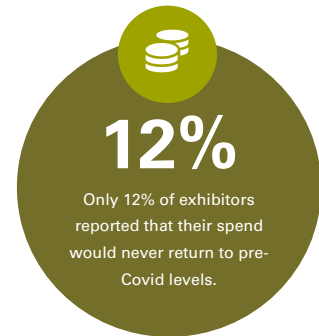
SECTION 8

The return of budgets

»» Most exhibitors expect their spend to return to pre-Covid levels in the short to medium term, with 28% stating that they were ready to spend immediately. The average expected return date was around 11 months after respondents took the survey in July / August 2020, which remained remarkably consistent across both sectors and geographies, regardless of how much they had been disrupted by the pandemic.

Most Spend to Return in 1-2 Show Cycles

When, if at all, do you expect your trade show exhibiting spend to return to pre-Covid levels?



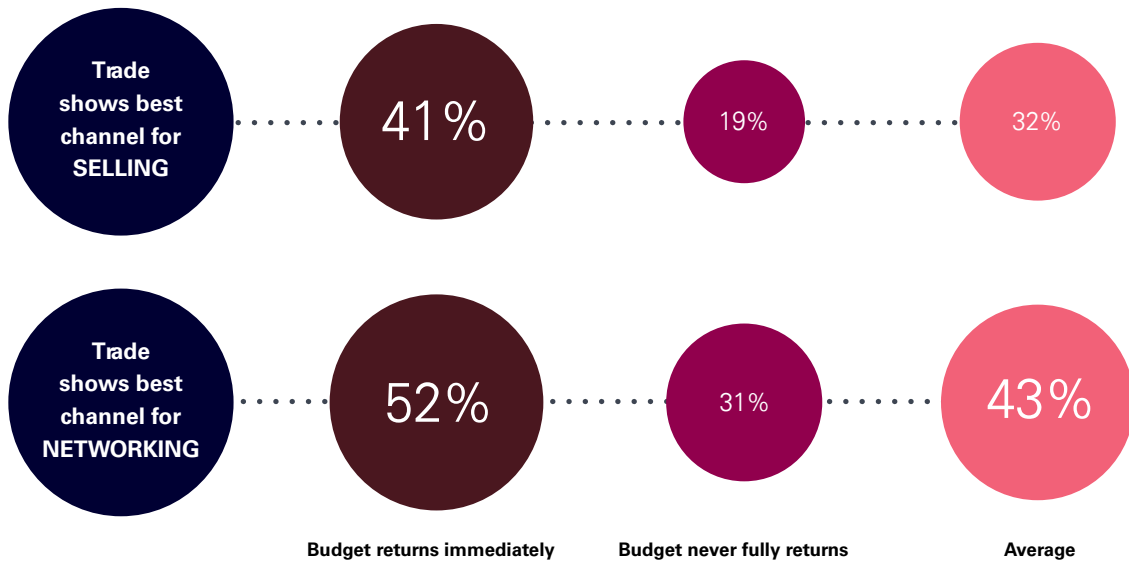
Where will reductions come from?

There was little difference by company size or sector between exhibitors whose budget would return immediately and those who felt the budget reduction was permanent. But what could be seen was how strongly each of these groups favoured trade shows as a channel to achieve particular objectives.

Again, the ability to network is a strong driver here. Those who indicated trade shows were their preferred channel for networking or selling, were much more likely to make budget available than those who preferred other channels. This held true regardless of the extent to which those exhibitors were facing budgetary constraints, suggesting that those that value live events will continue to prioritise them in their spending.

Budgets will be found by those who believe in live events as a channel

When, if at all, do you expect your trade show exhibiting spend to return to pre-Covid levels?

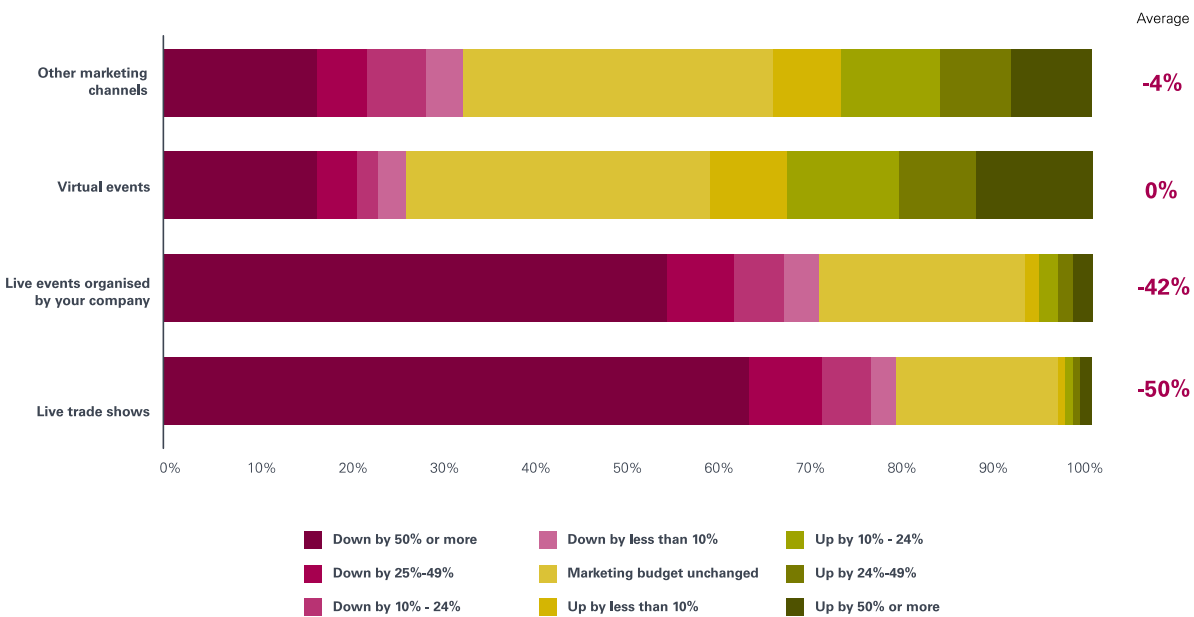


The impact on marketing budgets

Whilst as of late summer, budgets for other marketing channels remained relatively unaffected, unsurprisingly there has been a big impact on spend for live events. Both trade show spend and in-house event spend have effectively halved at this time. This will require further investigation in the second wave of research to understand how budgets are affected by 2021 business planning.

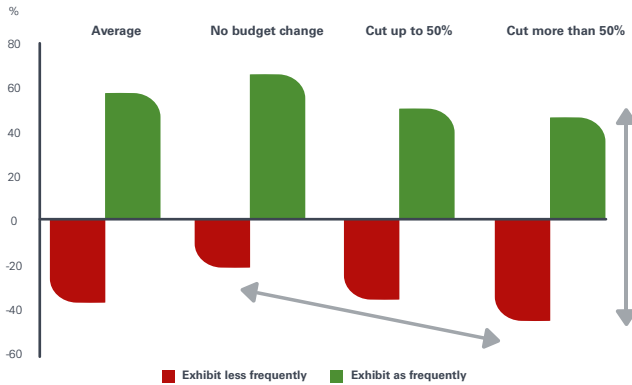
There was notably little difference in budget impact between sectors. Jewelry and Aviation reported some of the biggest reductions in their planned live event spend (58 and 54%). Whereas the comparatively less affected sectors of Agriculture and Utilities still reported cut-backs of 45%.

Since the start of the Covid-19 crisis, to what extent have your marketing budgets for the following channels changed? Don't know responses excluded from the analysis



Spread your budget or drop a show?

Are exhibitors more likely to drop shows from their plans as budget pressure increases?



Will these budget cuts manifest themselves in shows being dropped from a trade show marketer’s plans, or an overall belt-tightening? The picture is complex. Whilst we can definitely see that the more severe the budget cut, the more likely an exhibitor is to reduce the number of shows they support, it is also true that, even for companies experiencing the largest cuts to their trade show budgets (in excess of 50%) they are still equally likely to continue to exhibit as frequently as to start dropping shows.

How will exhibitors decide where to spend?

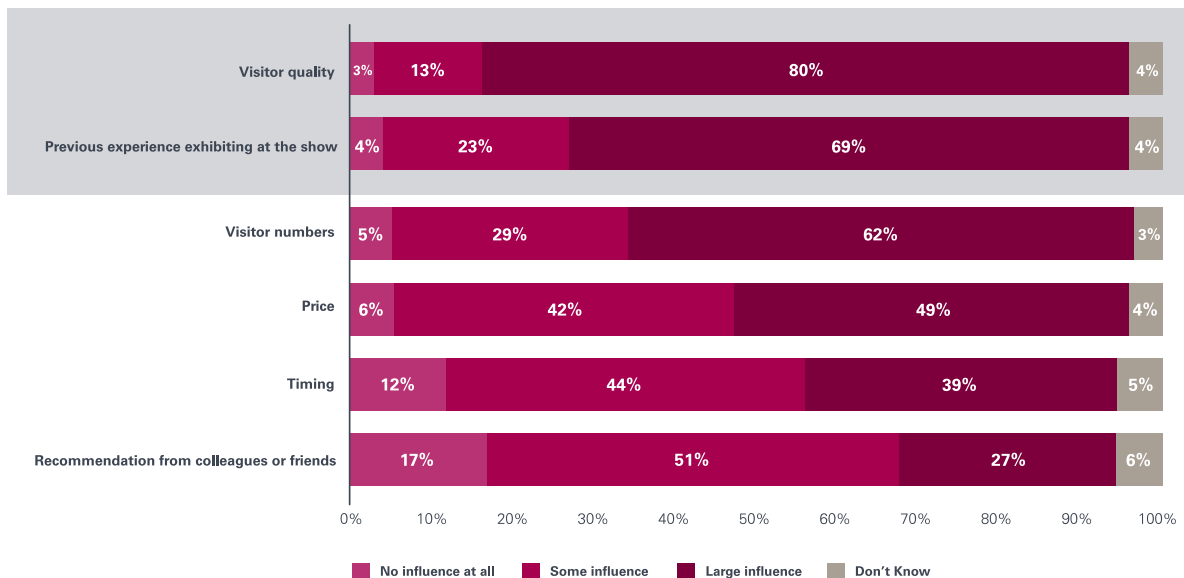
As we have seen in previous sections, exhibitors will prioritise events that can deliver a high quality visitor and meaningful opportunities to network. They are likely to accept reduced visitor numbers where they are confident that they will be able to get face-to-face with key buyers.

Exhibitors will be looking to the show brands they already trust to deliver the quality audience they need. Conversely they may be less likely to experiment with emerging shows, or those they have not had personal experience of before.

But how will they make this judgement? Previous experience at an event will be a powerful decision making factor, more than twice as important as a recommendation from a colleague or peer.

Encouragingly, it seems that trusted shows who can create a compelling quality proposition may experience less price sensitivity from their exhibitors.

To what extent do the following factors influence your decision to exhibit at or sponsor a show?



SECTION 9

A position of strength



If sector and geography appear to make relatively little difference to attitudes of visitors and exhibitors, what are the factors that would suggest that a show is in a relatively robust position as live events return?

It seems that the most important factors are inherent to the show itself - how well it has previously performed in the eyes of its customers and how well the show team can align with the changing needs of the market they serve.



Trusted Brand

We can see that previous (positive) experience is a critically important factor for both visitors and exhibitors in deciding whether to participate in a show. Shows with high Net Promoter Scores™ and high loyalty scores in their customer satisfaction studies are strongly placed here.

Visitors are also prioritising shows that can attract the highest quality exhibitors, perhaps favouring those holding a market leading position. Shows that have historically rated highly for "importance" are likely to be trusted by customers in this aspect.

However shows that have previously focused more on content, education and branding objectives may need to re-visit their proposition to remain relevant and to compete with digital offerings.



Flexible approach to total cost of exhibiting

Many exhibitors will be looking to reduce their total cost of exhibiting. Whilst they may be looking to organisers for discounts, they will also be looking to suppliers and accommodation providers.

Shows that can manage this in a collaborative way and offer flexible solutions that benefit the long-term relationship with the exhibitor are likely to be viewed more favourably than those who take a more rigid approach.

confidence than their peers who would normally travel into North America and into / within Europe.

A compelling proposition for those who wish to attend digitally may also be an important factor in retaining international visitors (and domestic visitors) who have heightened concerns about travel safety.



Makes the business case for visitors

In addition to seeing the sector's leading brands, visitors are likely to be seeking out the most innovative suppliers to meet their business needs, which could have changed dramatically since the last edition of the show.

Show teams that have a clear understanding of the changing needs of the sectors they serve, combined with a robust process for identifying and attracting the most innovative players in the market (including start-ups and new entrants), will be able to create the most compelling visitor propositions.

With many sectors seeing unprecedented change, an agile approach with clear focus on solutions on a new way of working could be an important factor in helping less established shows compete against market leaders.



Oriented towards networking and deal-making

Both visitors and exhibitors value the face-to-face networking opportunities of business events. In addition visitors are looking to build a strong business case for attending as budgets receive more scrutiny. Therefore shows that have previously seen networking and commercial objectives given high importance by visitors and exhibitors and have a track record of meeting these objectives, will be very strongly placed to welcome back their audience.



Low dependence on international travel

Whilst not generally prohibited by company policy, many visitors and exhibitors have concerns about travel disruption when participating in overseas events. Therefore measures such as travel corridors and priority status for business travellers are important protective factors. However, international travellers within and to Asia are already showing greater

About Explori

The official research partner of UFI

Explori provides scalable research solutions for exhibition organisers all over the world. With a global client base including Hyve, Clarion Events, Informa, Comexposium, Messe Frankfurt, Emerald, Diversified Communications and many others contributing to their global data set of industry benchmarks.

Explori's research platform is designed to support organisers in gathering meaningful customer experience insight across multiple territories and languages. Over 3,000 events worldwide now work with Explori including trade shows, digital events and conferences. As part of their partnership with UFI, Explori produces annual reports giving insight into the customer experience of visitors and exhibitors across the industry.

Explori is independently owned by its founders, directors and employees and is headquartered in London.



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Thank you to all research participants



UFI and Explori would like to thank the trade show organisers and UFI members and partners who supported the wide collection of data that made this research possible. The authors also wish to thank the research teams at Explori, GRS and GRS Explori, and in particular Charlotte Penn and Mitch Deeming for the significant work that has gone in to producing this report.

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About UFI

The Global Association of the Exhibition Industry

UFI is the leading global association of the world's tradeshow organisers and exhibition centre operators, as well as the major national and international exhibition associations, and selected partners of the exhibition industry.

UFI's main goal is to represent, promote and support the business interests of its members and the exhibition industry. UFI directly represents around 50,000 exhibition industry employees globally, and also works closely with its 54 national and regional associations members.

Around 800 member organisations in 87 countries and regions around the world are presently signed up as members.

Around 1,000 international trade fairs proudly bear the UFI approved label, a quality guarantee for visitors and exhibitors alike. UFI members continue to provide the international business community with a unique marketing media aimed at developing outstanding face -to-face business opportunities.

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