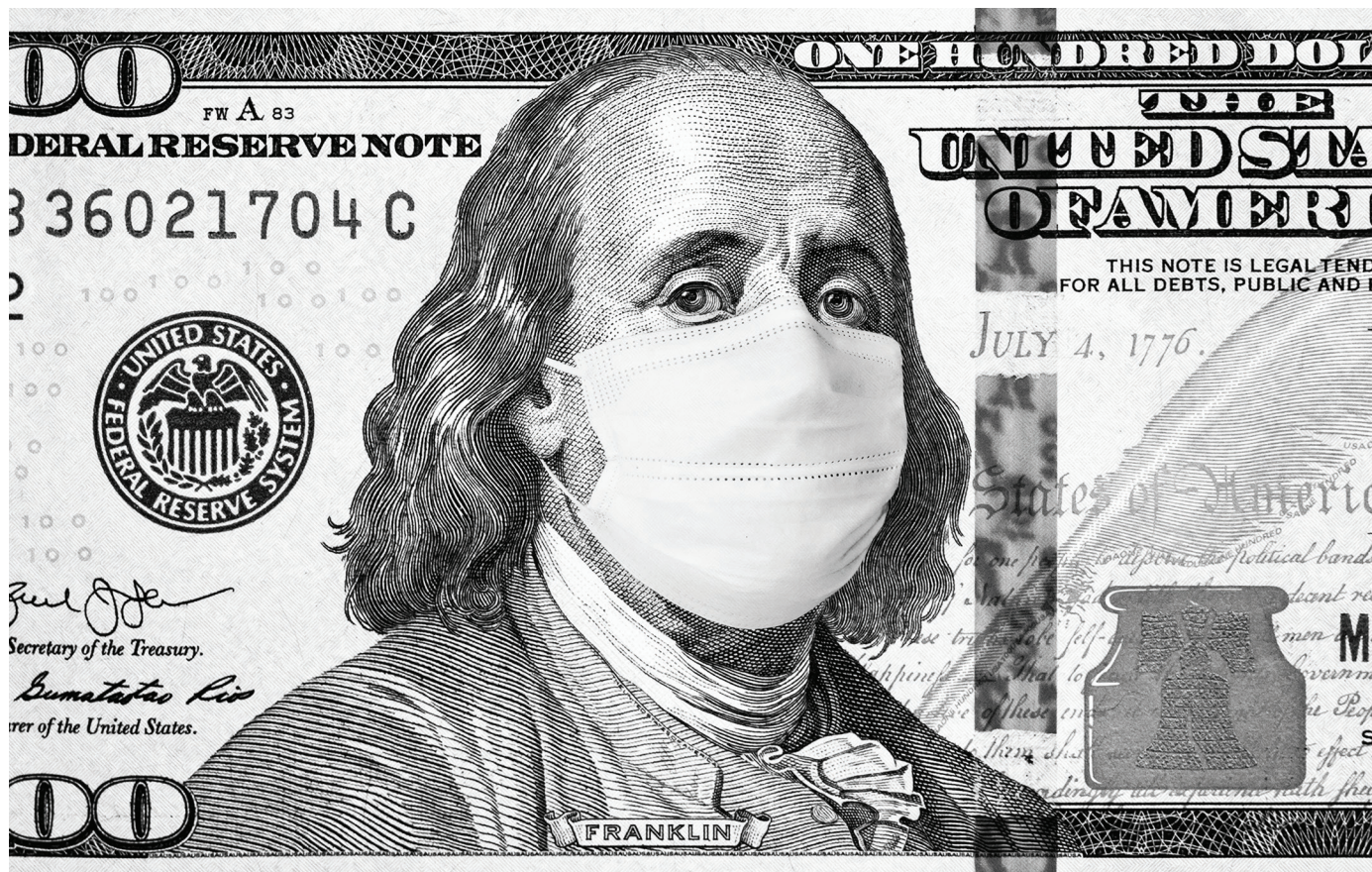


EXHIBITOR INSIGHT REPORT

COVID-19'S IMPACT ON THE TRADE SHOW INDUSTRY



November 25, 2020

PRODUCED BY EXHIBITOR MEDIA GROUP

I. Introduction

Roughly nine months after COVID-19 began impacting trade shows and events worldwide, the live-events industry remains at a standstill. And perhaps the most troubling reality is that nobody knows exactly when the stagnation will subside

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and live trade shows and corporate events will be allowed to resume en masse. While a handful of events have taken place in recent months, they are the exception to a rule of cancellations, postponements, and transitions to online/digital alternatives. In fact, since our last white paper, a number of events slated for late 2020 — and even the first and second quarters of 2021 — have altered course, rescheduling or reshaping their events into online iterations. And each week, as more trade shows announce similar decisions, the question remains: When can members of the trade show and events industry expect to return to business as usual?

To ascertain the magnitude of COVID-19's impact on our industry and begin to identify when and how trade shows and events will resume, EXHIBITOR completed a two-part research initiative in May that

surveyed both corporate exhibit managers and suppliers to the trade show and events industry. The more than 1,000 responses to our initial survey (including 613 corporate marketers and 446 vendors/suppliers of trade show-related products and services) helped us peer inside the COVID-19 crystal ball and formed the basis for our first white paper on how the pandemic has impacted the industry. We surveyed respondents again in June and September to identify any trendlines and determine how pandemic-related developments had affected exhibit managers' and trade show vendors/suppliers' experiences, opinions, and projections.

This report provides the results of a fourth survey conducted in mid-November, again seeking to obtain both exhibit marketers' and trade show suppliers' points of view. We hope this white paper affords you exclusive insight about where the industry is at right now, as well as where it will likely go in the foreseeable future. In addition, EXHIBITOR will continue to conduct routine pulse surveys to identify subsequent trends and update readers on how the data has been impacted by this continuously evolving global crisis. ■



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Reach a highly engaged audience of exhibit- and event-marketing professionals by being an EXHIBITOR Insight Series sponsor. Contact the EXHIBITOR sales team at adinfo@exhibitor magazine.com for more information.

II. Executive Summary

Practically all stakeholders in the trade show and live-events industries have been significantly impacted by the cancellation and postponement of trade shows due to COVID-19. Below is a handful of key takeaways culled from the quantitative and qualitative data within the more than 700 pages of survey respondents' opinions, current plans, and future predictions.

- ▶ Sixty-eight percent of exhibitors have reported budget cuts, the majority of which represent at least 50-percent budget reductions. And the percentage of companies that have experienced exhibit-marketing budget reductions of more than 80 percent rose from 14 percent in September to 20 percent today.
- ▶ Today, 39 percent of survey respondents indicate this downturn has made the value of trade shows and face-to-face marketing more obvious to members of the C-suite. That's an increase of 14 percentage points since May, but only 2 percentage points since June.
- ▶ Many exhibitors have truncated more traditional timelines of committing to events a year in advance. Today, roughly one-third (32 percent) are holding out and not committing to participate in live events until four months out or less.
- ▶ The percentage of companies who have implemented virtual events has increased from 59 percent in September to 69 percent today. And the percentage who have participated in virtual trade shows (or plan to) has ticked up by 13 percentage points, from 54 percent in September to 67 percent today.
- ▶ Twelve percent of respondents who have hosted or participated in virtual events say they generated no value whatsoever, and 87 percent reported fewer sales leads than comparable live activations.
- ▶ Most exhibiting companies expect to return to live trade shows and events (at least in some capacity) by the end of next year, anticipating participation in an average of 21 events.
- ▶ While 43 percent of vendors/suppliers are still seeing declines in quarterly revenue, a handful are on track to finish this quarter ahead of third-quarter figures.
- ▶ When asked how long it would take their companies to return to business as usual if the COVID-19 pandemic ended today, the majority of vendors/suppliers (65 percent) predicted it would be at least three months before they would be wholly operational again.
- ▶ The percentage of vendor/supplier companies anticipating additional furloughs and/or layoffs is at its lowest level since June.
- ▶ Roughly one-third of vendor/supplier companies are unsure whether their organizations will be capable of surviving the cancellation and postponement of trade shows caused by COVID-19 — and 6 percent believe it is probable they will go out of business before the industry rebounds.
- ▶ Sixty-two percent of vendors/suppliers are now offering virtual/digital exhibit and event services to their clients (up from 52 percent in June).
- ▶ Our current prediction is that live trade shows and events will continue to pop up throughout the first half of 2021. Having said that, it's unlikely we'll see what anyone might call a return to normal until the first or second quarter of 2022.

Fig. 15: Estimate your company's monthly decrease in revenue, as well as your projected annual revenue decline due to COVID-19.

Fig. 16: What percentage of your workforce has been furloughed or laid off?

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ADDITIONAL DETAILS

For more information on the **EXHIBITOR***Insight* Report: COVID-19's Impact on the Trade Show Industry, download our first three white papers from May, June, and September at www.ExhibitorOnline.com/CovidImpactWhitePapers. You can also follow our COVID-19 coverage at www.ExhibitorOnline.com/COVID. And register for live webinars or view on-demand educational videos on this ongoing research initiative and other topics relevant to the unique challenges facing exhibit and event professionals at www.ExhibitorOnline.com/Insight.

III. Corporate Exhibit Managers

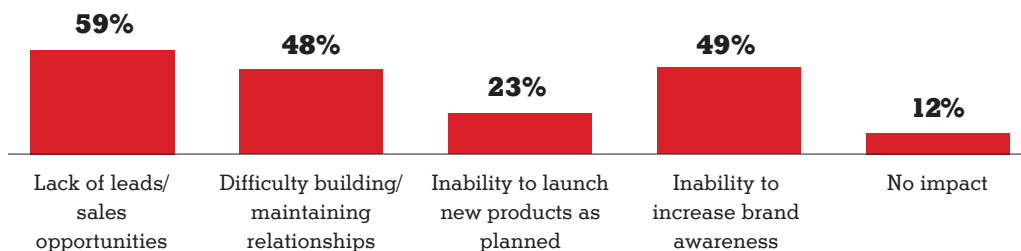
To date, EXHIBITOR has recorded nearly 1,500 survey responses from corporate exhibit and event managers, marketing managers/directors, sales managers, and executives who are responsible for their organizations' trade show exhibit and event programs. The majority of our sample pool represents the manufacturing/distribution sector, with top industries including technology, manufacturing, and wholesale trade. Common job titles include exhibit manager (28 percent), event manager (27 percent), marketing manager (18 percent), and marketing director (9 percent). The objective was to identify how recent COVID-19 developments have impacted their impressions and projections compared to benchmark data obtained in past surveys and to expand upon previous research into virtual/digital marketing channels and possible long-term implications of the pandemic. Where appropriate, some comparisons have been drawn to results from EXHIBITOR magazine's 2020 Economic Outlook survey, which was fielded in January of this year.

A. IMPACTS

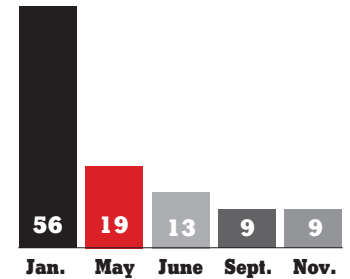
As was already evident in May, virtually all exhibit managers (97 percent) have had shows on their marketing calendars cancelled and/or postponed due to COVID-19. Respondents originally planned to exhibit at an average of 56 in-person trade shows in 2020 (including regional, national, and international events). However, when asked how many shows they currently expect to exhibit at this year — given what they know right now — respondents anticipate that by the end of 2020, they will have participated in an average of just nine events (including shows that occurred during the first quarter of 2020). That number is identical to data from September, indicating that recent cancellations were anticipated (or that events in the fourth quarter of this year were already on the chopping block).

The absence of live trade shows and events has obviously had an impact on many corporate exhibit managers' organizations. A majority report struggling with a lack of business leads and sales opportunities while additional organizations note difficulty building/maintaining relationships with clients and prospects and an inability to increase brand awareness. Additionally, nearly one-quarter have been forced to reconsider new-product launches that were previously expected to take place in conjunction with live events in 2020. Interestingly, not all companies have abstained from live events. Nine percent of corporate exhibit managers report their organizations took part in live trade shows and events between April and August of 2020.

FIGURE 1:
How has the cancellation and/or postponement of live trade shows impacted your company?



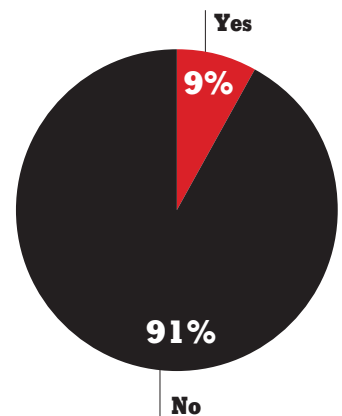
How many in-person shows does your organization plan to exhibit at in all of 2020?



“Our convention year was essentially over in March. Since then, we’ve been sourcing sales leads through social media and emarketing only.”

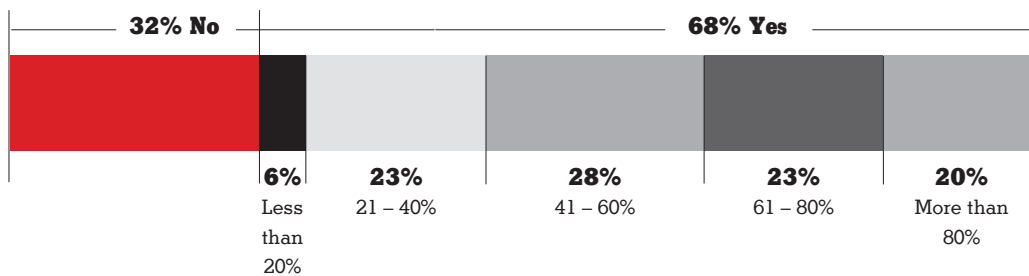
— Exhibit Marketing Manager

Has your company participated in any live trade shows or events between April and August?



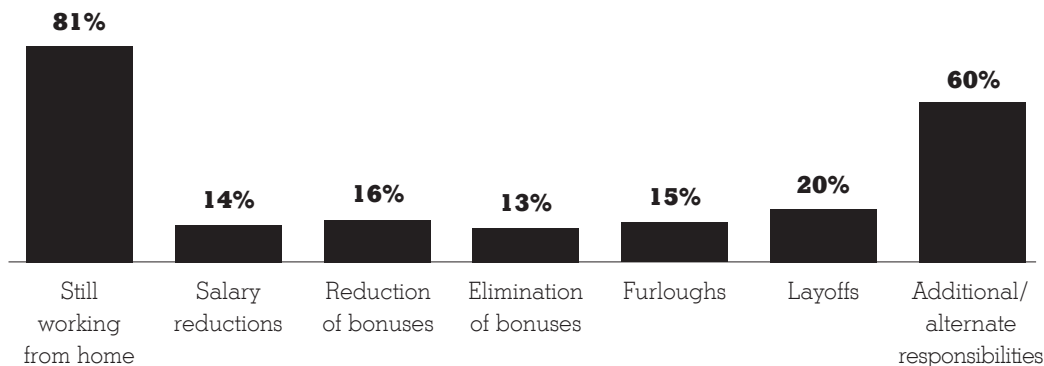
Not surprisingly, as the number of shows that companies plan to exhibit at dwindles, many organizations have cut their exhibiting budgets. In May, 45 percent of respondents reported budget cuts. By June, that figure had risen to 59 percent. And in September, it reached 68 percent. That number has plateaued in the past two months, indicating the bleeding may have stopped in terms of the percentage of companies that are slashing budgets. Having said that, those that have trimmed trade show allocations seem to be doing so at increasing rates. The majority of reductions have represented at least 50-percent budget reductions, marking broader and deeper cuts than previously seen. Similarly, the percentage of companies that have experienced exhibit-marketing budget reductions of more than 80 percent rose from 14 percent in September to 20 percent today. Thankfully, 84 percent of exhibit managers anticipate their budget allocations will rebound (at least in part) once trade shows and live events resume, but it's worth noting that number has dropped three percentage points in the past eight weeks.

FIGURE 2:
Have you experienced a reduction in your overall exhibiting budget, and if so, what percentage of your budget has been cut?

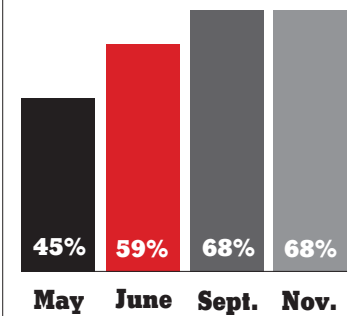


In addition to budget cuts, exhibit managers have experienced pay cuts, furloughs, layoffs, and the elimination or reduction of bonuses and additional compensation. Additionally, 81 percent of exhibit managers are still working from home (identical to figures from September), and the majority have been assigned additional responsibilities, increasing the scope of their roles despite a reduction in pay. On a positive note, while the percentage of exhibit-marketing departments that have experienced layoffs has remained unchanged in the past eight weeks, the percentage dealing with active furloughs has dropped from 21 percent in September to 15 percent today.

FIGURE 3:
How have you and your exhibit/event department been impacted by COVID-19?



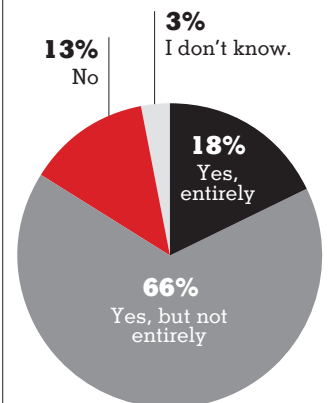
Has your exhibiting budget been cut as a result of COVID-19?



"My boss literally just told me to get a Magic 8 Ball and use it to create our 2021 budget and marketing plan because none of us have any clue what is going to happen."

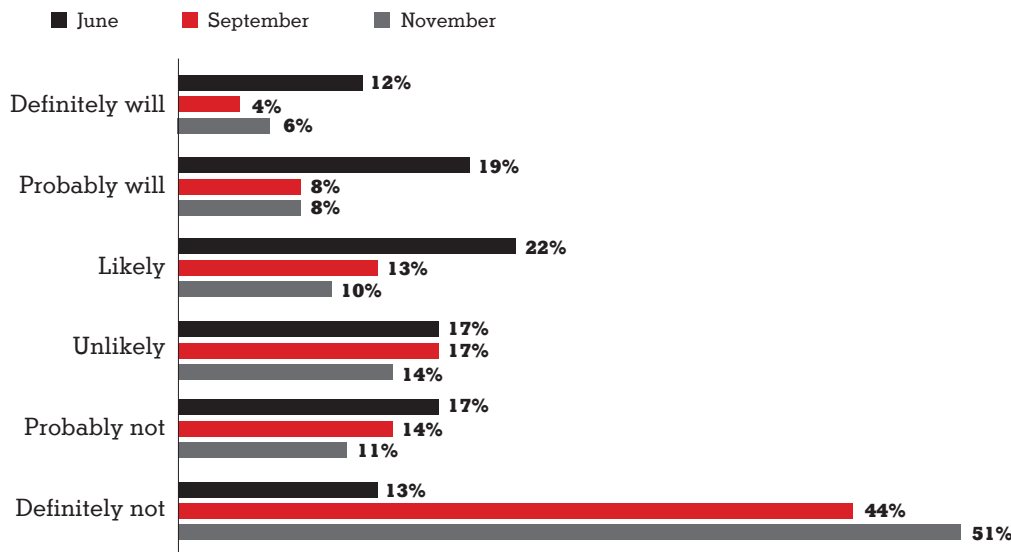
— Sales and Marketing Director

When trade shows resume, do you anticipate your exhibiting budget will return?



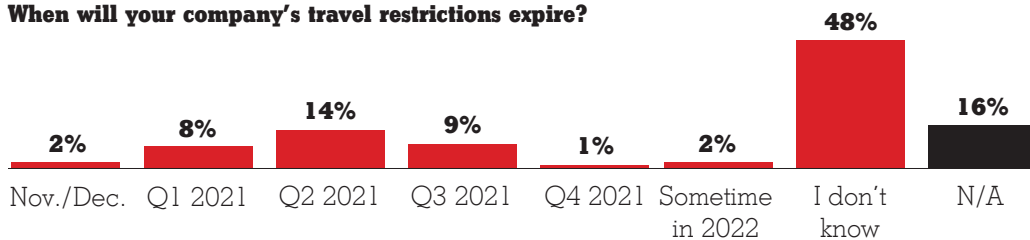
In terms of events that have been rescheduled for later in 2020, it appears an increasing number of exhibiting companies have totally written off their participation. When asked about their current exhibiting plans, 62 percent indicated they would “definitely not” or “probably not” participate in rescheduled events, compared to just 30 percent in June. Additionally, the majority indicate that if they exhibit at rescheduled events, they will be scaling back their companies’ investment in those shows.

FIGURE 4:
How likely are you to exhibit at events that have been rescheduled for later in 2020 or early 2021?

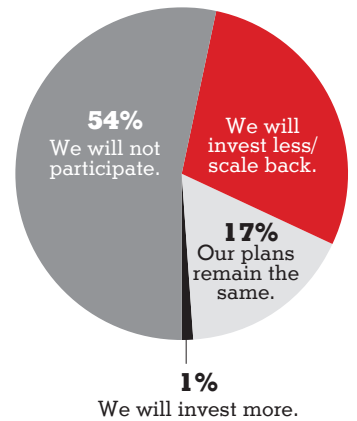


Since May, one of the most significant bellwethers we’ve been watching is the rate of corporate travel restrictions. As these policies prohibit exhibit and event professionals from traveling to participate in trade shows and other face-to-face marketing opportunities, they are among the most telling statistics within this report. At this moment in time, 84 percent of exhibit and event professionals remain under companywide travel prohibitions, almost identical to rates from eight weeks ago, when 85 percent of respondents were under such restrictions. And as before, the majority of those restrictions have no defined expiration date. Equally concerning is the fact that in September, 46 percent of these travel policies were expected to expire by the end of next year. Today, however, only 34 percent report such timelines, meaning that in the past two months, there has been a 10-percent drop in the number of exhibit and event professionals who expect they’ll be permitted to travel to trade shows in 2021.

FIGURE 5:
When will your company’s travel restrictions expire?



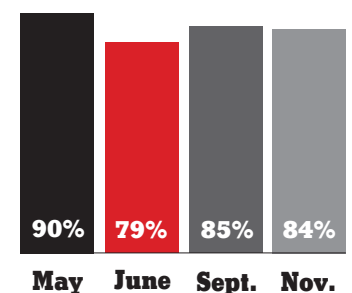
How will your presence at rescheduled shows compare to your initial, pre-COVID plans?



“Our company’s position on participation at future in-person events hinges entirely on the widespread availability and proven effectiveness of a COVID-19 vaccine.”

— Trade Show Coordinator

What percentage of exhibiting companies are currently enforcing companywide travel restrictions that preclude individuals from traveling to trade shows and events?

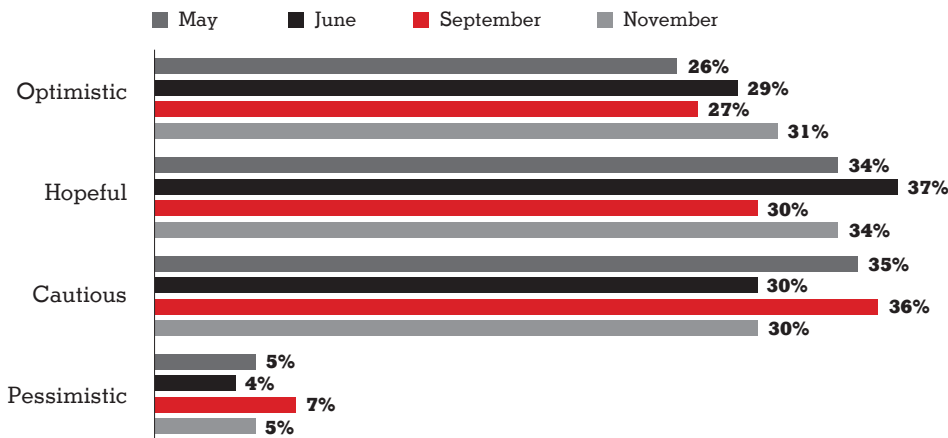


B. OPINIONS

In June, we noted a curious anomaly regarding corporate exhibit managers' personal concerns about coronavirus. Whereas respondents averaged a 7.4 level of concern (on a one-to-10 scale) in May, that figure dropped to 6.7 in June. But an uptick in cases throughout much of the United States seemed to reignite those fears by September, when corporate exhibit managers rated their level of concern at a 7.1. Today, however, COVID-related fears have reached a record level of 7.5. Similarly, vendors and suppliers share those worries, as they rated their concerns at 7.8, outpacing previous highs of 7.6 recorded in May and September.

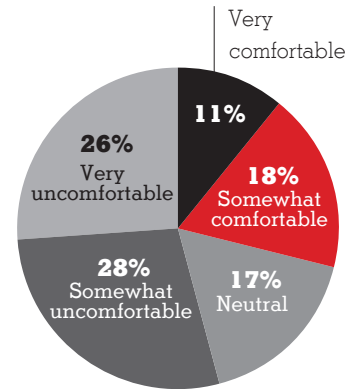
Despite those fears, exhibit and event professionals seem paradoxically more optimistic about the future of their careers. In June, 66 percent reported feeling optimistic or hopeful. That figure dropped to 57 percent in September. But now, it appears some of that pessimism has dissipated, as the percentage of optimistic/hopeful respondents has rebounded to 65 percent, nearly on par with figures from five months ago — and those reporting optimism are at their highest rates since the beginning of the pandemic.

FIGURE 6:
How would you describe your feelings about the future of your career?



Having said that, it seems as though marketers are not ready to return to live events just yet. In fact, only 29 percent report feeling at least somewhat comfortable attending in-person events; whereas, 54 percent are at least somewhat uncomfortable with the idea of doing so. Despite that discomfort, the vast majority report that certain safety protocols would make them feel less uneasy about the prospect of participating in an in-person trade show. Most notably, respondents indicated that enhanced cleaning and sanitization measures (84 percent), mandatory mask wearing (83 percent), mandated social distancing (74 percent), and new or improved air filtration systems installed in convention centers and event venues (73 percent) would help to alleviate their personal concerns about the risks of contracting COVID-19 during mass gatherings such as trade shows and corporate events. Interestingly, just over one-quarter currently feel as though a venue's GBAC STAR-accreditation status would impact their comfort level when it comes to attending an in-person event, despite the fact that certification indicates facilities have likely adopted at least some of the aforementioned protocols.

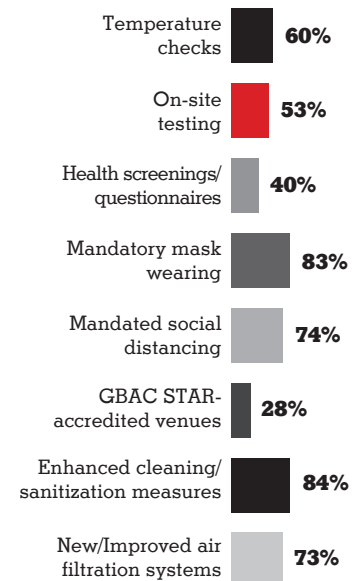
How would you describe your personal comfort level with attending in-person events?



"I'm concerned about being forced to travel again before I'm ready. And I worry that might put me at risk for termination since travel used to be such a huge part of my job."

— Global Events Manager

Which of the following safety protocols would make you more comfortable attending events?



As projected, the cancellation and postponement of trade shows continues to have an absence-makes-the-heart-grow-fonder effect on upper management — but perhaps not as significantly as anticipated. Today, 39 percent of survey respondents indicate this downturn has made the value of trade shows and face-to-face marketing more obvious to members of the C-suite. That’s an increase of 14 percentage points since May, but only 2 percentage points since June.

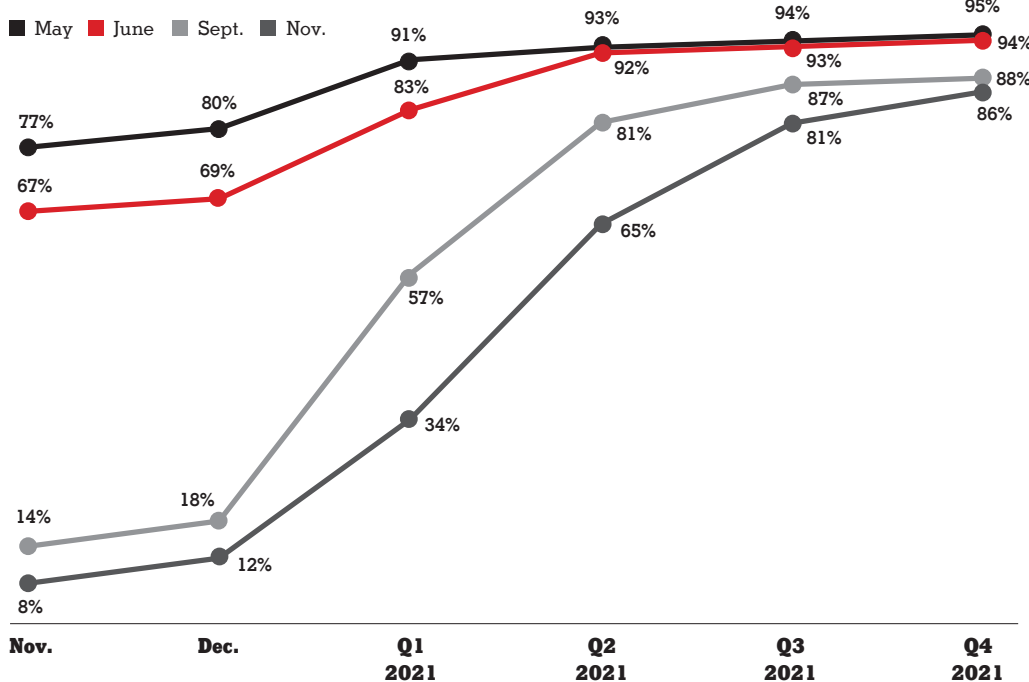
FIGURE 7:
Has the cancellation and postponement of trade shows made the value of exhibiting more obvious to upper management?



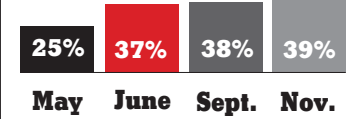
C. PLANS

As recently as June, most companies (69 percent) expected to return to trade show floors by the end of the year. But as of today, only 12 percent of respondents anticipate exhibiting at live shows during the remainder of 2020. Meanwhile, the majority (53 percent) now plan to return to in-person trade shows and events in the first or second quarter of 2021. And while the pace of their return may have shifted in the past two months, the long-term outlook hasn’t changed dramatically. In May, data indicated that 95 percent of exhibiting companies would return to live trade shows and events by the end of 2021. Today, it appears nearly nine in 10 corporate exhibit managers still expect to be exhibiting in the year to come.

FIGURE 8:
Given your current plans, when does your company anticipate exhibiting at live trade shows and events?



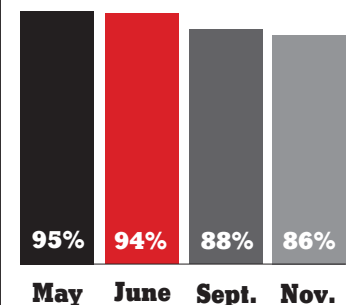
What percentage of respondents indicate their C-suites have a greater understanding of face-to-face marketing’s value as a result of the downturn caused by COVID-19?



“The fallout from this COVID-19 pandemic has, without question, renewed appreciation for the kind of value that in-person trade shows generate for exhibitors and buyers alike. In my opinion, that’s a very good indication that our beloved industry isn’t going anywhere. Face-to-face events are here to stay.”

— Senior Event Manager

What percentage of exhibiting companies plan to return to live trade shows and events by the end of 2021?

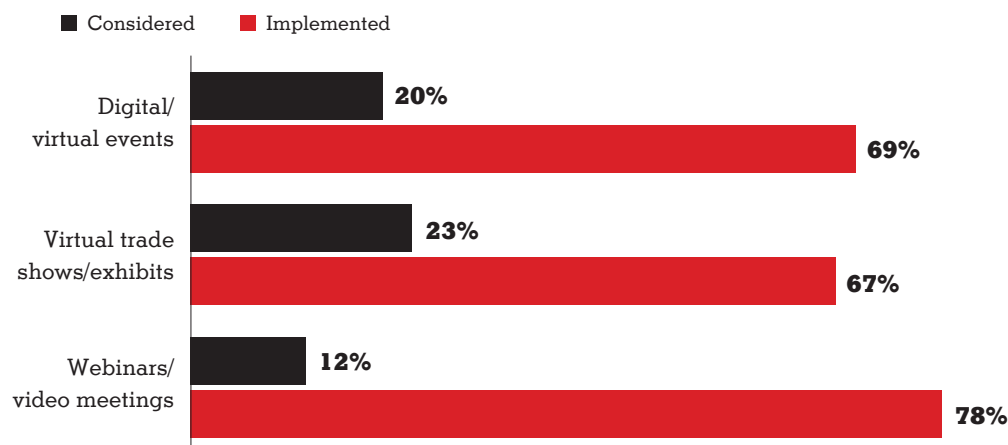


Despite plans to return to live events, many have truncated more traditional timelines of committing to events a year in advance. Today, roughly one-third (32 percent) or exhibit and event managers are holding out and not committing to participation in live events until four months out or less. In many cases, this seems to be the result of exhibitors who were displeased with the terms of contracts for 2020 shows. Rather than risk losing funds or even having their investments credited toward future events, it appears several companies are choosing to delay agreements until they have a better sense of whether the live event will actually take place. This presents a number of unique challenges, not the least of which is planning and organizing participation in a matter of weeks versus months, as well as potentially foregoing early bird discounts.

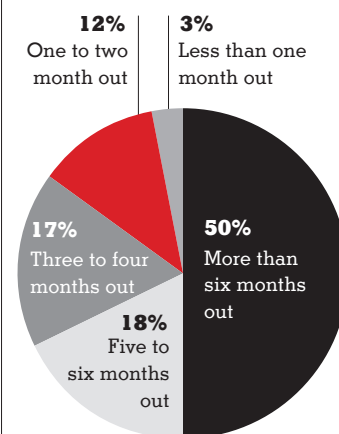
For organizers of live trade shows, those delays — coupled with companies' decreased interest in sponsoring in-person events — further complicate an already difficult situation. Nearly half (48 percent) of exhibit and event professionals say they are less likely to sponsor upcoming in-person events than they were before COVID-19 hit. A lack of sponsorships and booth-space contracts could result in cash-flow challenges for show managers already struggling with fewer exhibitors and decreased attendance projections. And that is a perfect storm generating concern about the viability of several longstanding events, including association shows, as evidenced by the 85 percent of respondents who are worried such gatherings may not survive the pandemic.

In the absence of live trade shows and events, corporate marketers continue to incorporate a variety of digital channels in an attempt to connect with customers, increase brand awareness, and obtain viable sales leads. Interestingly, the percentage of companies who have implemented virtual events has increased from 59 percent in September to 69 percent today. And the percentage who have participated in virtual trade shows (or plan to) has ticked up by 13 percentage points, from 54 percent in September to 67 percent today. Also noteworthy is the fact that the vast majority of respondents have either considered or already implemented webinars and/or video meetings as part of their marketing efforts.

FIGURE 9:
In lieu of face-to-face events, what digital channels has your company considered or implemented as alternative marketing opportunities?



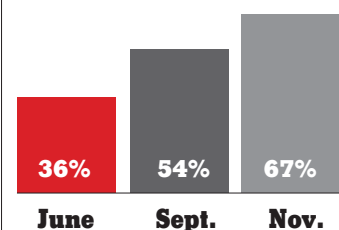
When are you currently committing to participation in in-person trade shows and events?



“My biggest problem with virtual shows is that organizers are giving us almost no time to prepare. And with very limited information about the platforms provided upfront, it’s almost impossible to plan a successful strategy.”

— Communications Manager

What percentage of exhibiting companies have participated (or have plans to participate) in virtual trade shows?



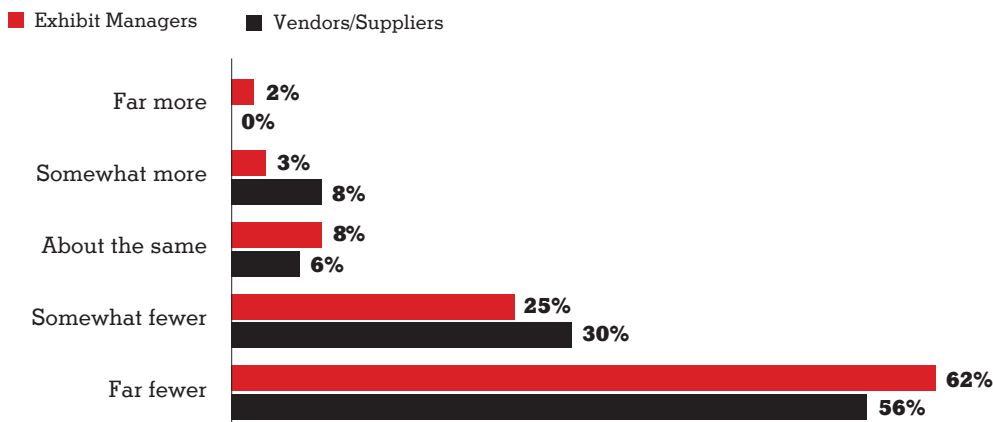
Despite the increasing adoption of digital channels, many corporate exhibit managers don't feel fully confident in their abilities to execute these virtual exhibits and online events, including 18 percent who feel unprepared to transition from live events to digital alternatives. Still, a near majority of respondents (44 percent) say their forays into digital channels have been executed entirely in-house. Additionally, many respondents report that their virtual/digital marketing efforts have cost more than originally anticipated. More than one-third (38 percent) of exhibit managers who have hosted or participated in digital events or virtual trade shows report those opportunities cost "much more" or "somewhat more" than expected.

FIGURE 10:
How prepared do you feel to execute virtual exhibits and digital events?

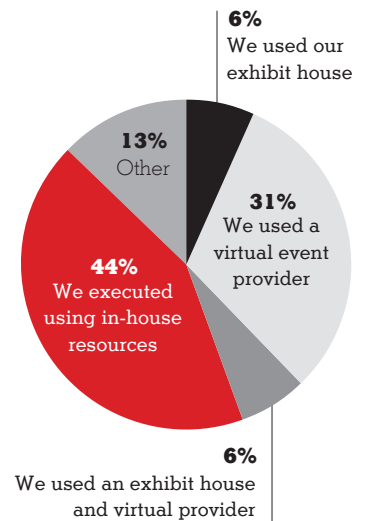


As anticipated, virtual and digital options appear to be both less expensive and less effective than traditional, in-person trade shows and events. Roughly three-fourths of corporate exhibit managers (73 percent) who have executed on-line/digital exhibits and events claim they cost less than comparable live events — almost dead on with data from the vendor/supplier side. But when measured against live trade shows and events, those virtual returns pale in comparison. Twelve percent of respondents who have hosted or participated in virtual events say they generated zero value, and 87 percent reported fewer sales leads than comparable live activations.

FIGURE 11:
Have your virtual exhibits and/or digital events generated more or fewer sales leads than comparable live activations?



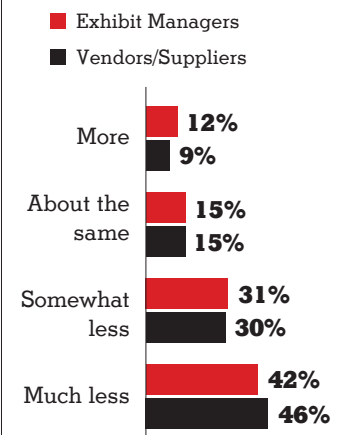
Did you partner with your exhibit house or a virtual event provider to execute your virtual exhibits and/or digital events?



"Virtual booths take just as much or more work than physical booths, and I feel like I'm stuck doing it all by myself."

— Senior Marketing Specialist

Have the virtual exhibits and/or digital events you've executed cost more or less than comparable live activations?



D. PROJECTIONS

Only 1 percent of corporate exhibit managers expect the trade show and events industry will return to normal in the first quarter of 2021. The majority (62 percent) now believe a full rebound won't occur until the end of 2021 at the earliest. That is a significant shift, considering data from September found 62 percent believed live events would return to normal by the end of next year. Today, however, a near majority (48 percent) don't anticipate that happening until sometime in 2022. And an additional 9 percent doubt we will ever rebound to the kinds of levels considered normal prior to the pandemic.

FIGURE 12:

In your opinion, when do you believe the trade show and events industry will return to normal?



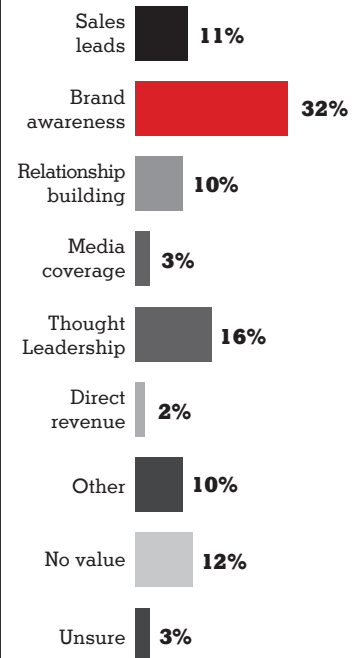
Most exhibiting companies expect to return to live trade shows and events (at least in some capacity) by the end of next year, anticipating participation in an average of 21 events. While more than 60 percent down from the 56 events they initially intended to exhibit at in 2020, that number is a more than 200-percent increase in show participation when compared to current expectations of attending an average of just nine events in all of 2020. Still, it's worth noting that figure has dropped dramatically since September. Two months ago, respondents predicted participation in an average of 28 events next year. Since then, that figure has dropped by one-fourth, further fueling concerns that 2021 may prove to be only a slight improvement over 2020 once all is said and done.

Logically, that drop in the number of anticipated events has corresponded to a less-than-optimistic outlook for 2021 exhibit-marketing budgets. Just over one-third of respondents (36 percent) expect to have the same budget allocations (or more) in 2021 as they originally had to work with in 2020. Meanwhile, the majority (55 percent) expect "somewhat lower" or "much lower" budgets heading into 2021.

But exhibitors' anticipated drop in participation is only half the story. Face-to-face marketers expect that attendees' participation will also be down for upcoming trade shows and events. Despite those who believe sheltering in place may be generating a pent-up demand for live events, only 11 percent expect to see heightened attendance figures, while 89 percent anticipate fewer clients and prospects walking show floors, at least for the foreseeable future.

Assuming the overwhelming majority of corporate exhibit managers (91 percent) who believe the industry will rebound are correct, what will trade shows look like in a post-COVID world? When asked what long-term changes they anticipate as a result of the pandemic, more than six in 10 exhibit managers expect to see new cleaning and sanitization measures (83 percent), more virtual/hybrid events (79 percent), lower trade show attendance (73 percent), wider aisles (69 percent),

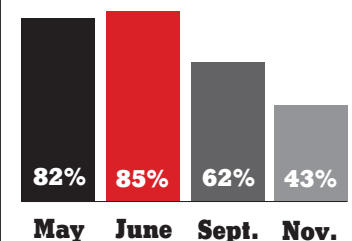
Which of the following deliverables have virtual/digital exhibits and events successfully generated?



"Taking a strategic approach to pre-show communication has proven the single most essential component to the success of all our virtual exhibits."

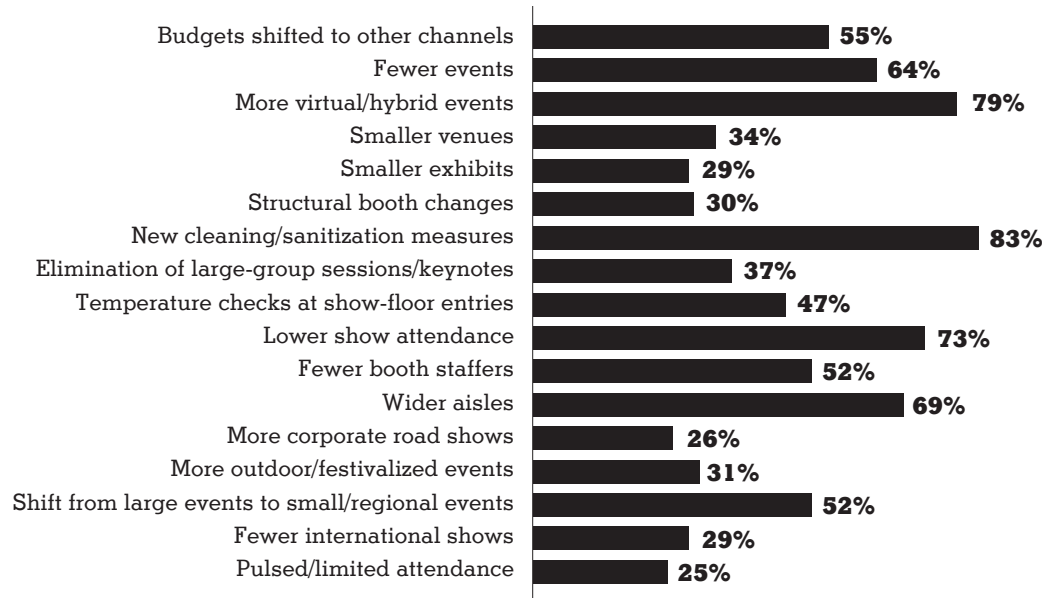
— Trade Show Manager

What percentage of exhibit managers expect the industry will return to normal by the end of 2021?



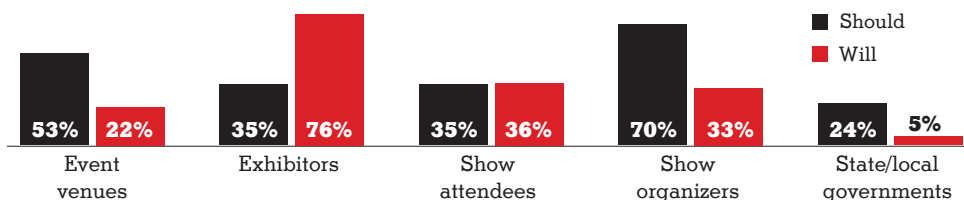
and fewer events moving forward (64 percent). Additionally, a near or slight majority believe budgets will be shifted to other marketing channels (55 percent); fewer booth staffers will be sent to events (52 percent); a shift from large, national shows to smaller, regional alternatives will occur (52 percent); and temperature checks at show-floor entrances will become mandatory (47 percent).

FIGURE 13:
What long-term changes do you anticipate the trade show industry will experience as a result of COVID-19?

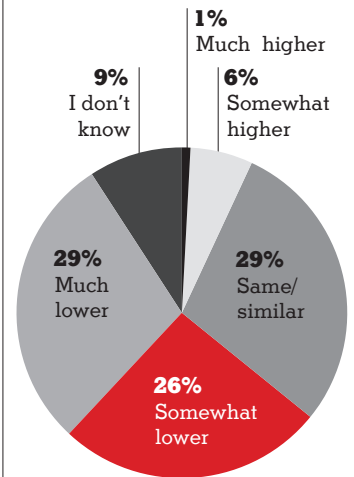


Finally, since most marketers anticipate the implementation of enhanced cleaning/sanitization of convention centers and event venues, as well as temperature checks and other safety protocols, there is an acute awareness those protocols come with increased costs. However, there is a distinct disconnect between who corporate exhibit managers believe should pay for those safety measures and who they think will end up footing the bill. The majority feel those costs should be shouldered by a combination of show organizers and event venues, but 76 percent believe it is exhibitors themselves who will ultimately pay the price in some way, shape, or form.

FIGURE 14:
Which stakeholders do you believe should pay for additional safety measures that may be required at future trade shows and events? And who do you think ultimately will end up paying for those enhanced protocols?



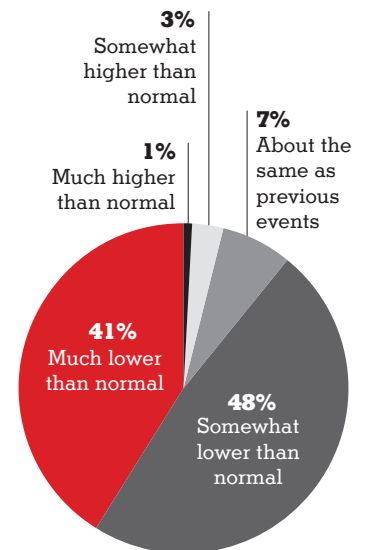
How will your 2021 budget compare to your original exhibit-marketing budget for 2020?



“My exhibit house folded, so we moved our booth into our office since I couldn’t find a replacement who would guarantee financial stability.”

— Trade Show Coordinator

What kind of attendance are you expecting at upcoming in-person trade shows?



IV. Trade Show Vendors/Suppliers

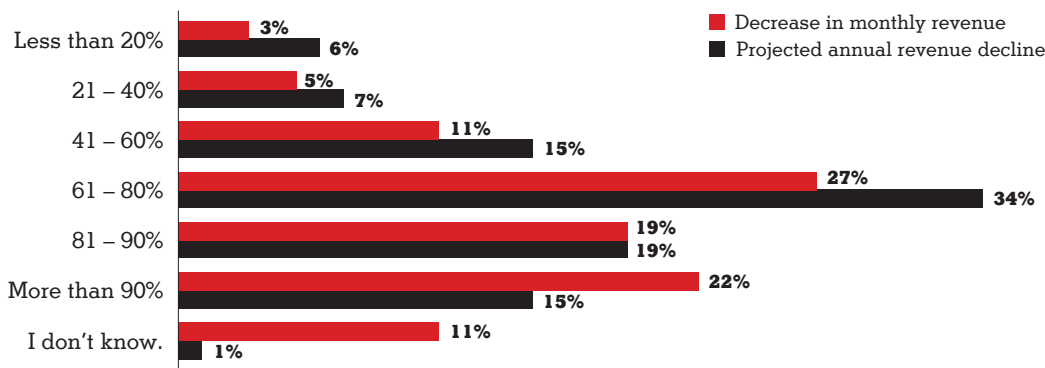
To date, EXHIBITOR has recorded roughly 1,200 survey responses from vendors and suppliers of trade show-related products and services to identify how COVID-19 has impacted their businesses, as well as when they expect to rebound from the pandemic. The majority of supplier respondents are managers/executives, and two-thirds (66 percent) work for exhibit producers, resellers, or builders. The size of respondents' operations varied considerably from one to four employees (15 percent) to more than 500 employees (10 percent). Similarly, annual sales-revenue numbers ranged from less than \$2.5 million (25 percent) to more than \$30 million (18 percent).

A. IMPACTS

As early as May, the vast majority (83 percent) said COVID-19 had already "very significantly" impacted their businesses while an additional 12 percent reported "significant" impacts. In other words, more than nine in 10 trade show- and event-related suppliers have experienced major impacts to their bottom lines. And those impacts continue to cause ripples throughout organizations. More specifically, the majority (56 percent) estimate at least a 71-percent decrease in monthly revenue caused by COVID-19.

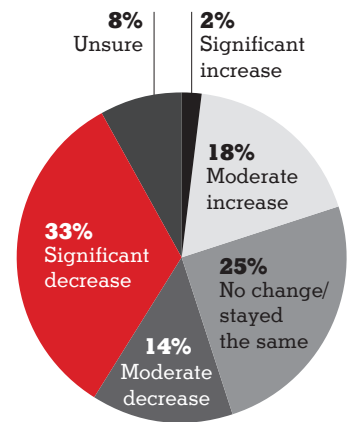
While 43 percent of vendors/suppliers are still seeing declines in quarterly revenue, a handful are on track to finish this quarter ahead of third-quarter figures. Twenty percent report an increase in revenue when comparing the third and fourth quarters of 2020, and an additional 25 percent expect to end this quarter with figures similar to last quarter. Additionally, half anticipate sales will inch upward or remain consistent in the first quarter of 2021.

FIGURE 15:
Estimate your company's monthly decrease in revenue, as well as your projected annual revenue decline due to COVID-19.



Roughly three-fourths anticipate annual revenue declines of at least 50 percent compared to 2019, but it looks as though the bleeding may have stopped (or at least plateaued) in the past 10 weeks. In June, eight in 10 vendors/suppliers expected to see moderate to significant decreases in third-quarter revenues. By September, that number had fallen to 54 percent. Today, it sits at 47 percent.

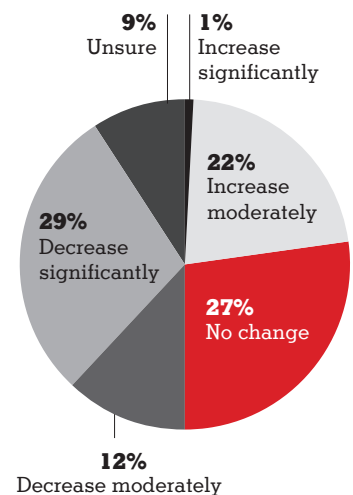
Are you on track for an increase or decrease in third-quarter revenue compared to third-quarter revenue?



"We have already permanently closed our physical office, production site, and storage warehouse to stay solvent."

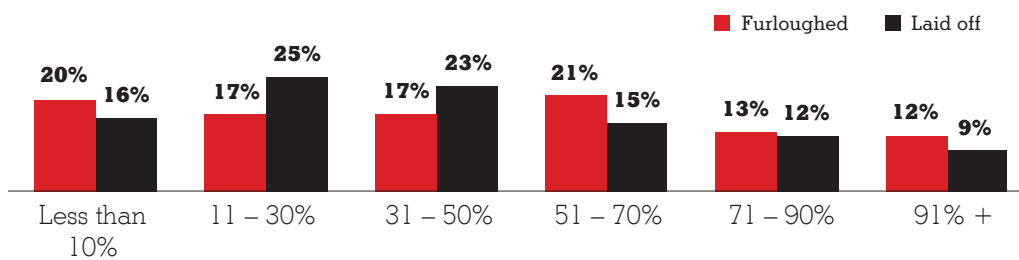
— Vice President of Sales

How do you expect sales/revenues to change in the first quarter of 2021?



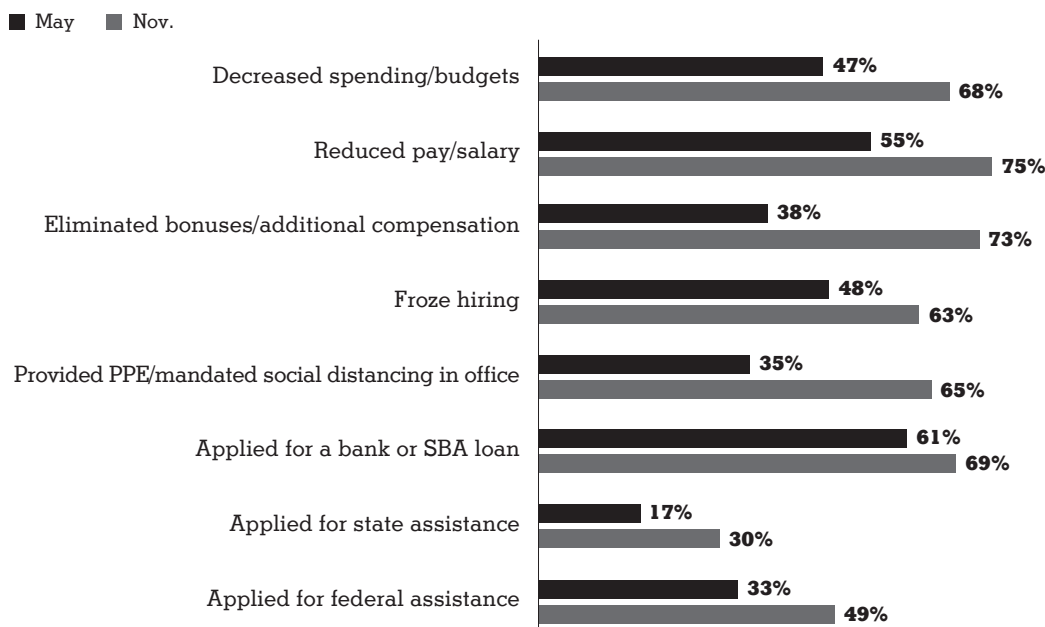
While the majority of trade show vendors/suppliers are still operating at a reduced capacity, roughly one-third are open with normal hours of operation. Still, 10 percent are currently closed, and several others have already declared bankruptcy. Additionally, 65 percent have furloughed staff and 72 percent have laid off employees (an increase of 16 percent since June). These numbers indicate additional layoffs have occurred in the past two months, cutting deeper into organizations' personnel. In terms of how long furloughs will last, only 4 percent expect them to expire by the end of the year (compared to 17 percent who in September anticipated furloughs would end before the new year); whereas, a near majority (47 percent) expect them to last an additional five months or more.

FIGURE 16:
What percentage of your workforce has been furloughed or laid off?

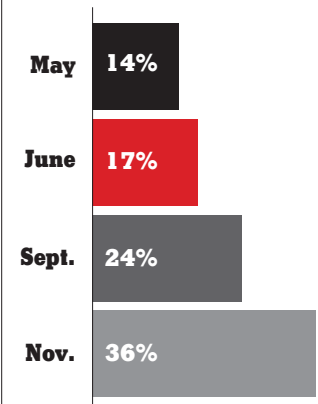


Vendors/suppliers have also taken a number of actions as a result of COVID-19, including reducing employees' compensation (75 percent), reducing or eliminating bonuses (73 percent), and cutting budgets (68 percent). The majority of vendor/supplier companies have also provided PPE and/or mandated social distancing in the workplace, enacted hiring freezes, and applied for bank and/or Small Business Association (SBA) loans.

FIGURE 17:
What actions has your company taken as a result of COVID-19?



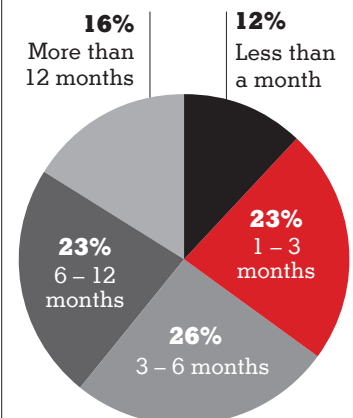
What percentage of trade show vendor/supplier companies have laid off more than one-half of their workforce?



"I'm concerned about the loss of talent and experience, especially on the install side of things. Our industry requires unique skill sets, and having people with those skills is mission critical."

— Director of Integration

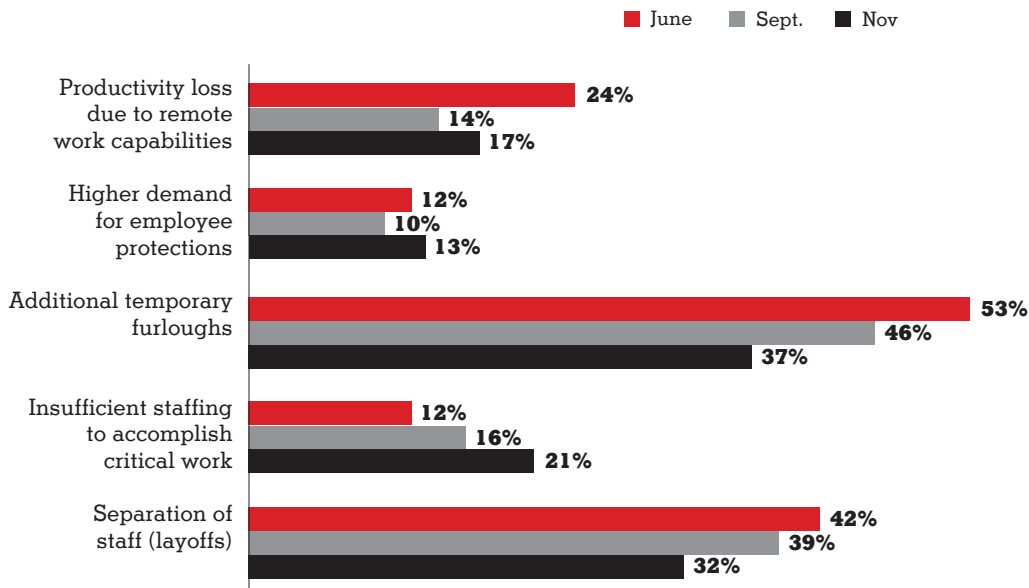
If COVID-19 ended today, how long would it take your company to get back to business as usual?



B. OPINIONS

In June, we saw a softening of trade show vendors' concerns about the pandemic, which appeared to reemerge by September. When asked to rank their current personal concern over COVID-19 on a one-to-10 scale, suppliers' reported an average rating of 7.8, the highest it has been since the pandemic began. Regardless, vendors and suppliers have less concern about the need to take additional steps in the coming month than previously measured. For example, the percentage of companies anticipating additional furloughs and/or layoffs is at its lowest level since June.

FIGURE 18:
Which of the following scenarios does your company expect to occur in the next 30 days?



A handful of companies, however, have deep concerns about whether the furloughs, layoffs, and budget cuts will be enough. Roughly one-third of vendor/supplier companies are currently unsure whether their organizations will be capable of surviving the cancellation and postponement of trade shows caused by COVID-19 — and 6 percent believe it is probable they will go out of business before the industry returns to business as usual.

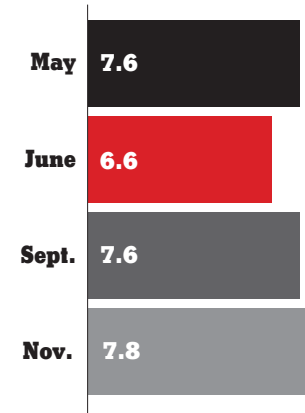
FIGURE 19:
Given what you know right now, how likely is it that your company will survive the cancellation/postponement of shows caused by COVID-19?



"Our company is almost 100 years old, and we have made it through every economic crisis since the Great Depression. This one is very challenging, but I think we will make it. We just won't be the same company we were before."

— President

Trade show vendors' personal concerns about COVID-19 on a one-to-10 scale.



"Safety precautions will change live events. And travel bans will likely still be in place and have an effect on in-person attendance through at least the first half of next year."

— Marketing Director

C. PRACTICES

Thankfully, the industry isn't at a total standstill. Fifteen percent of vendors and suppliers claim their clients have participated in live events between April and November of 2020, including corporate road shows, event sponsorships, regional conferences, private events, eSports tournaments, small hotel events, and a handful of international expos in countries that have allowed them to take place. Additionally, as previously reported, three-fourths of trade show vendors/suppliers have pivoted and retooled their operations to target new markets (compared to just one-third of companies that had done so as of June). Many are directly assisting in the COVID-19 recovery effort, manufacturing everything from personal protective equipment (PPE) to temporary structures used for testing and treatment. Others have reported building ventilators, working with companies that produce COVID-19 tests, and offering project management for the creation of pop-up hospitals. (For more information on how exhibit-related companies are assisting in efforts to end COVID-19, visit www.ExhibitorOnline.com/ShowofSupport.)

Additionally, 62 percent are now offering virtual/digital exhibit and event services to their clients (up from 52 percent in June). And despite the perceived newness of the medium, 52 percent of suppliers say they feel "very" or "extremely" confident in their abilities to deliver those virtual solutions to their clients (compared to just 42 percent two months ago). Others are doing what they can to assist current clients as they plan ahead for future trade shows and events.

D. PROJECTIONS

At the moment, one-third of vendor/supplier companies have clients who (to the best of their knowledge) are planning to return to trade shows by the first quarter of 2021 — a figure that is roughly on par with exhibit managers' actual plans (36 percent expect to be back on the trade show floor by the end of the first quarter). However, it must be noted that as recently as June, vendors/suppliers guesstimated that 68 percent of their clients would return to exhibiting by the end of December, compared to just 6 percent today.

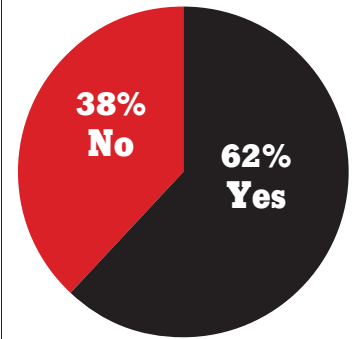
FIGURE 20:

Given what you know right now, when is the next show your client(s) plan to exhibit at?

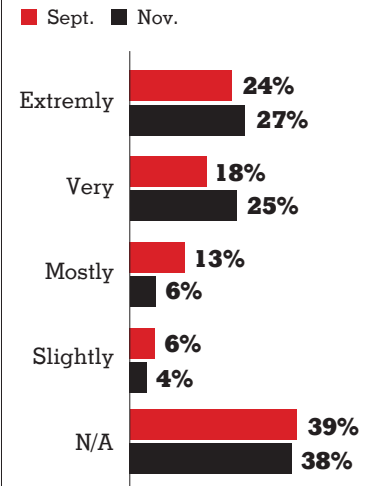


When asked for their projections on when the industry will return to "normal," not a single respondent selected dates in 2020 — or the first quarter of 2021. In September, the majority assumed a rebound would occur in the second or third quarter of 2021, but even that now appears optimistic. Today, just 37 percent of vendors/suppliers expect a rebound in that timeframe while half don't anticipate a return to normalcy until 2022 at the earliest.

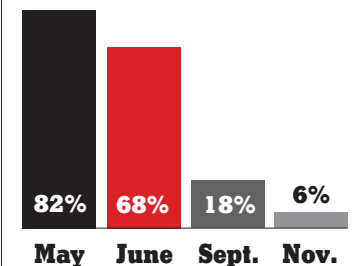
Are you currently offering virtual/digital exhibit/event services to your clients?



How confident are you in your ability to deliver virtual/digital solutions to your clients?



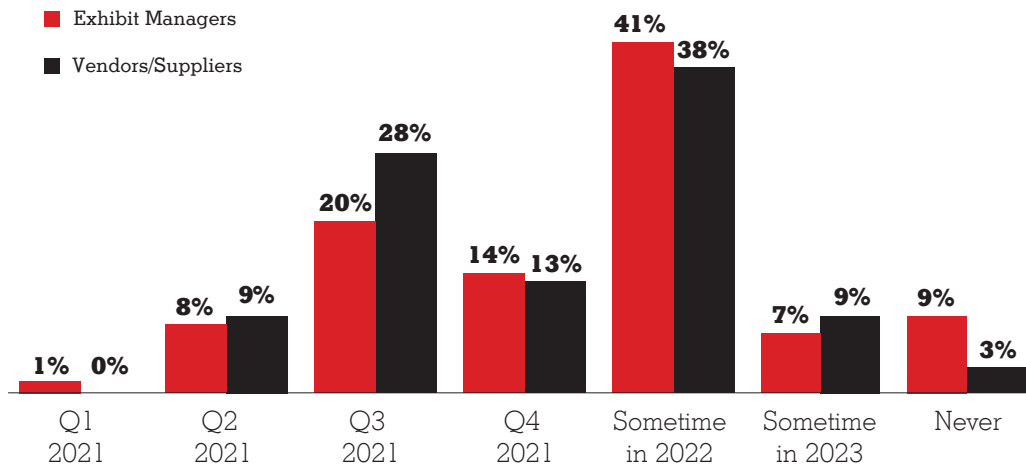
What percentage of your current clients have plans to exhibit at trade shows held between now and the end of 2020?



V. Conclusion

Contrary to many predictions made in the second quarter of 2020, it is now apparent to almost everyone that the ramifications of COVID-19 will continue impacting the face-to-face marketing landscape well into 2022. After poring over the quantitative and qualitative information obtained via our ongoing research initiatives, our current prediction is that live trade shows and events will continue to pop up throughout the first half of 2021 before hitting a critical mass in the second half of the year. Having said that, it's unlikely we'll see what anyone might call a return to normal until the first or second quarter of 2022. That means this industry could spend another 16 months or more in this stunted state before fully reemerging.

FIGURE 21:
When do you personally believe the trade show industry will return to normal?



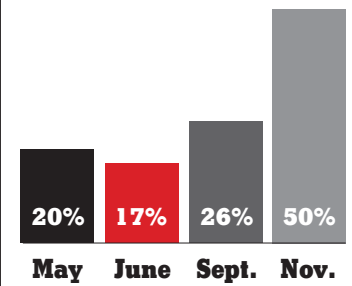
So what might 16 or more months of continued stagnation do to an industry that used to be notoriously fast paced? Unfortunately, so many organizations within the live-events ecosystem were not built to weather a storm of this magnitude and duration. But the best (and most resilient) among us will survive. And those who do will reap the rewards of a highly competitive landscape. The fact this dark tunnel has proven much longer than initially expected doesn't diminish the reality that there's still light on the other end.

Until then, virtual and hybrid options will explode in popularity if for no other reason than there are few other adequate alternatives. The technology will continue to improve, we'll stop bemoaning the limitations, and we'll settle in to making the best of an impossibly bad situation. But we must not give up hope. Face-to-face marketing will survive, in some form or another, and again reclaim its position as the most effective and efficient way of reaching audiences, generating new business opportunities, and forging relationships with clients and prospects.

But trade shows and corporate events won't come out on the other end of this pandemic looking exactly as they did earlier this year. There will be changes. Most notably, both corporate exhibit managers and vendors/suppliers anticipate a range of new cleaning and sanitization measures, an ongoing trend toward virtual and/or hybrid events, lower attendance numbers well into 2021, wider aisles

"Even after vaccines roll out next year, there will still be shows that are canceled due to spikes and surges in large cities. Until associations commit to having shows and following through, this industry is in trouble."
— Creative Director

What percentage of vendors/suppliers believe the industry won't fully rebound until at least 2022?



"Show management must allow for more innovative virtual booths. It's exhibitors' creativity, messaging, and staff that makes an event successful, and too much of that has been taken out of their hands due to the limitations of these online platforms."
— Founder and Owner

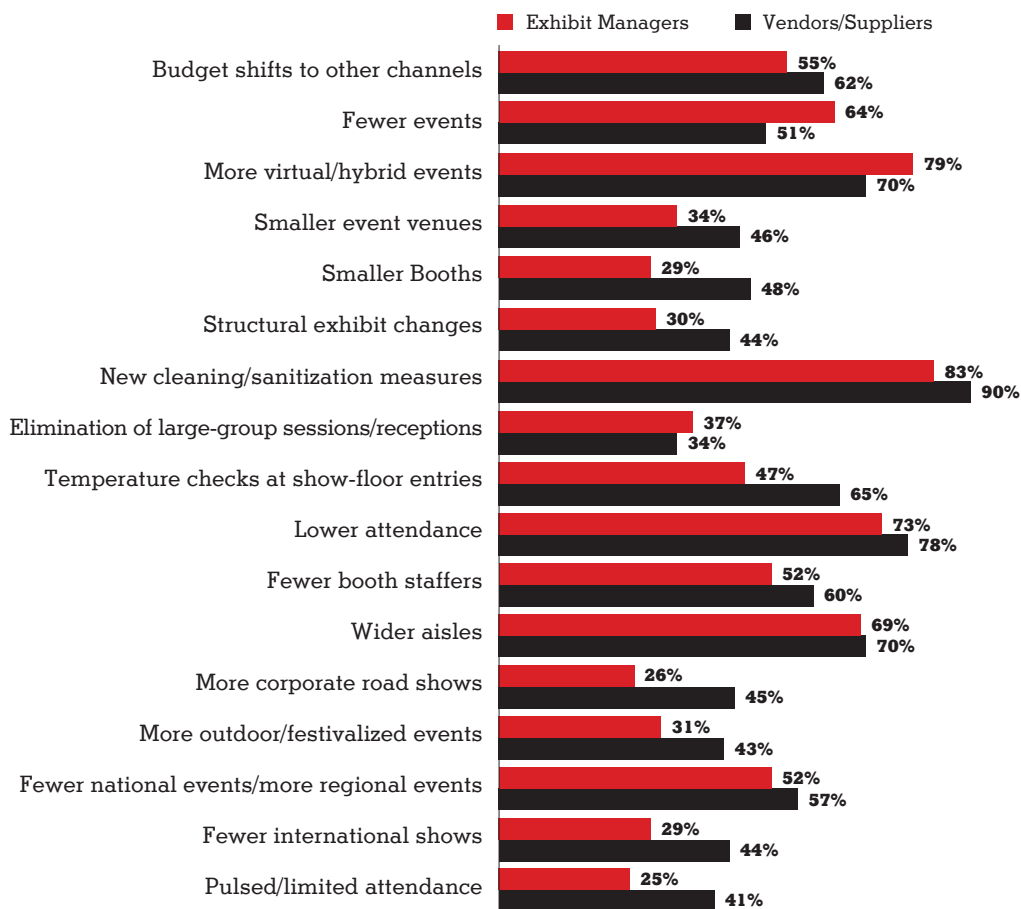
or more widely spaced booths, fewer trade shows, a reallocation of funds previously earmarked for face-to-face marketing, fewer booth staffers sent to events, and a migration from large, national shows to smaller, regional alternatives.

What many hoped would be a blip on the radar has proved to have the kind of staying power that will undoubtedly leave long-term effects in its wake. But live events will remain. They will be different, and it may take a while for them to begin reappearing in convention centers around the world, but they will be back eventually. The absence of live events has reinforced their value proposition to upper management. The vast majority of companies have plans to return to live events once they're able to do so safely. And the bulk who've witnessed budget cuts anticipate their return once corporate travel prohibitions are lifted and restrictions on mass gatherings become a thing of the past.

All that reinforces that despite the discomfort of our current position, live events are here to stay. So long as we're able to weather the storm, pivot where possible, and keep the faith, face-to-face marketing won't become an endangered species, but rather an evolved version of the powerful marketing vehicle that it has always been.

For additional updates to this data based on subsequent pulse surveys conducted every six to 10 weeks, visit www.ExhibitorOnline.com/COVID.

FIGURE 22:
What long-term changes do you anticipate the trade show industry will experience as a result of the COVID-19 pandemic?



ABOUT THIS SURVEY

The "EXHIBITOR Insight Report: COVID-19's Impact on the Trade Show Industry" is based on four surveys conducted by Exhibitor Media Group. An email survey was sent to both corporate exhibit managers and trade show vendors/suppliers on May 4, and the survey was closed on May 6, collecting 1,111 responses. A second survey was sent on June 9. That survey was closed on June 12, collecting 420 responses. A third survey was sent on Aug. 24 and closed on Sept. 2, generating 570 responses. And the most recent survey was sent on Nov. 12 and closed on Nov. 17, generating an additional 603 responses. To date, the number of analyzed responses is 2,646, including 1,483 corporate marketers and 1,126 industry vendors/suppliers. The majority of responses from corporate exhibit managers represent the manufacturing/distribution sector, with top industries including technology, manufacturing, and wholesale trade. Exhibiting company size varied, and annual revenue ranged from less than \$1 million to \$1 billion or more. Meanwhile, the majority of vendor/supplier responses were from managers/executives, and roughly six in 10 work for exhibit producers, resellers, or builders. The size of vendors/suppliers annual revenues ranged from less than \$2.5 million to more than \$30 million.