

Center for Exhibition Industry Research

SM22.14
\$24

How the Exhibit Dollar is Spent



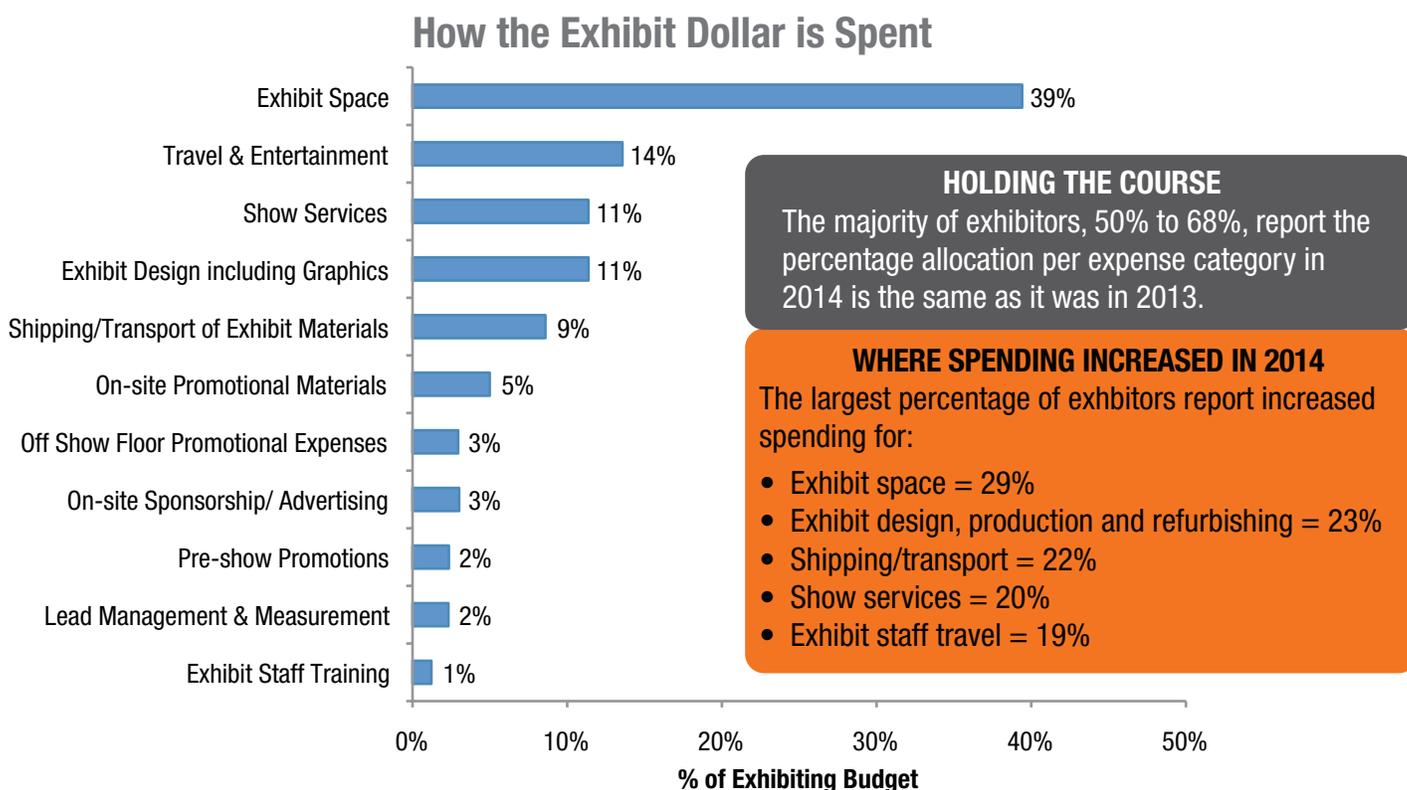
**Exhibit Designers +
Producers Association**

EDPA thanks the following member companies for joining them in support of this vital industry research.



Exhibiting companies spend approximately \$25 billion¹ annually on exhibiting! How is this money spent? This report provides more insights than ever before. It includes the percentage breakdown of spending by expense categories and identifies the direction of spending levels in 2014 versus 2013. It explains how spending varies by the size of an organization's annual marketing budget and revenue, and by industry sector. Lastly, a new item reveals exhibit property plans for 2015.

Figure 1



Projected Total Exhibitor Direct Spending in 2014: \$24,900,000,000¹

Show services includes material handling, installation and dismantling, electrical, furnishings, Internet, A/V, floral, food and beverage, cleaning service, etc.

On-site promotional materials includes giveaways, brochures, etc.

On-site sponsorship/advertising includes show lanyards, reception sponsorship, directory ads, etc.

Off show floor promotional expenses includes offsite receptions, client dinners, etc.

Lead management & measurement includes lead retrieval equipment, post-event follow-up and tracking, etc.

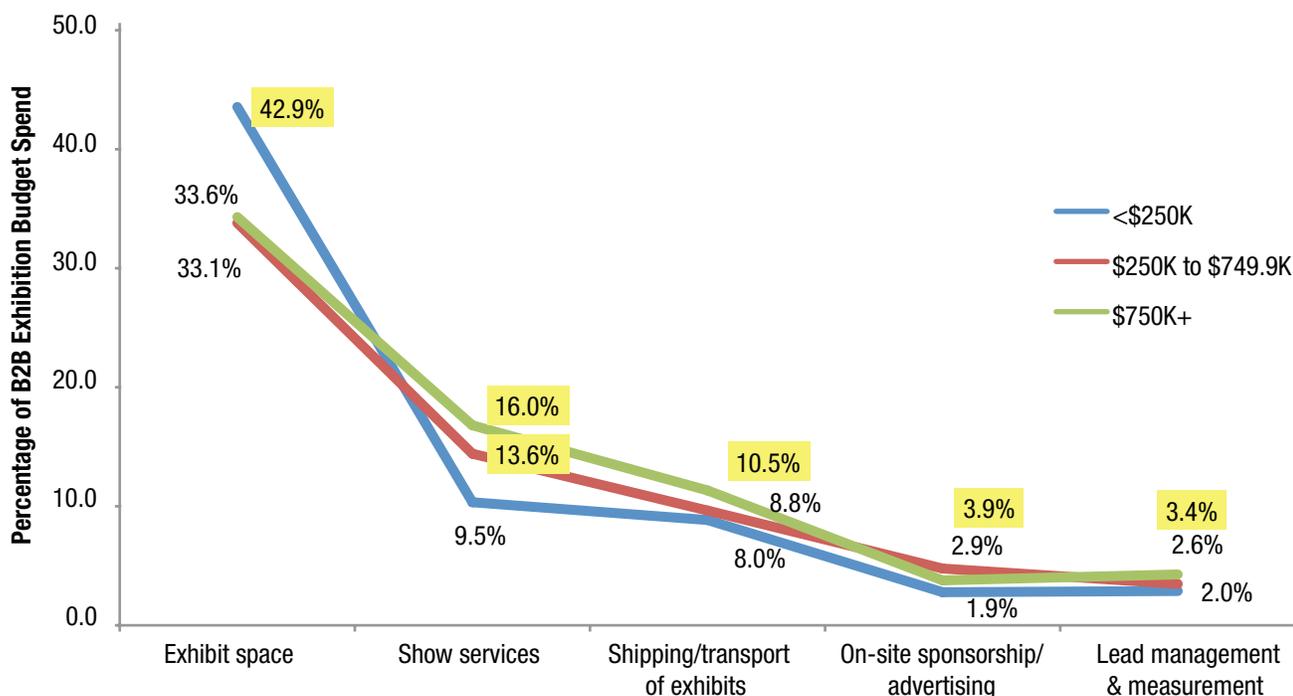
Methodology: Percentage allocations are based on results of an online survey completed in the fall of 2014. A sample of business-to-business exhibitors from lists provided by Freeman, GES and Shepard Exposition Services were invited to participate in the online survey. A total of 641 exhibitors responded.

¹The projected exhibitor direct spending for 2014 is an update of *Exhibitor Direct Spending Estimate*, SM41.14, based on the CEIR Index for the first three quarters of 2014.

Spending Analysis by Annual Marketing Budget and Annual Revenue

Figure 2

Differences in Spending Allocation by Annual Marketing Budget



Yellow shaded statistics are statistically significant at the 95 percent confidence interval or better.

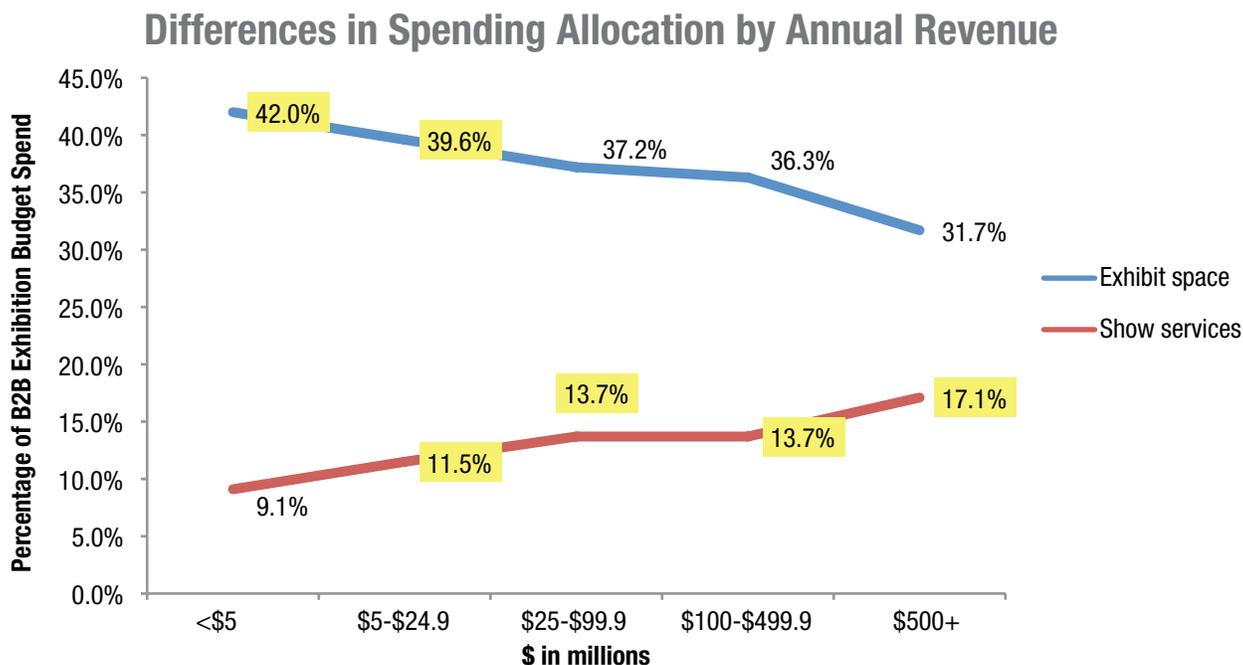
How spending is allocated across expense categories is more likely to vary based on an exhibitor’s annual marketing budget than by the exhibitor organization’s annual revenue.

In Figure 2, it is shown that organizations with the smallest marketing budgets allocate the largest amount of their exhibit budgets to exhibit space.

Interestingly, organizations with mid-sized marketing budgets (\$250,000 to \$749,900) allocate slightly more to on-site sponsorship and advertising. Other results point to willingness to spend more among these exhibitors. Compared to 2013, these exhibitors are spending more for exhibit space, 50%, show services, 34%, and shipping, 35%.

As illustrated in Figure 2, organizations with the largest marketing budgets allocate more spending to show services, shipping and transportation costs, and lead management and measurement. A notable percentage of these exhibitors however, 20%, indicate spending for exhibit staff travel declined in 2014.

Figure 3



As shown in Figure 3, differences in spending allocations by annual revenue are what one would expect. Organizations with the lowest annual revenues allocate the largest amount of exhibit budgets to exhibit space.

The larger the organization in terms of annual revenue, the more an organization spends on show services.

For exhibitor organizations earning more than \$500 million in revenue annually, a greater percentage report increased spending in show services in 2014 compared to 2013, 30%. At the same time, these exhibitors appear to be vetting expenses, with a larger percentage indicating spending decreases for exhibit design, production, and refurbishing, 19%, and exhibit staff travel, 19%.

Spending Analysis by Industry Sector

Table 1

DIFFERENCES IN EXHIBIT SPENDING ALLOCATIONS BY INDUSTRY SECTOR							
	Business Services	Consumer Goods/ Retail	Industrial/ Heavy Machinery and Finished Business Outputs	Communications/ IT	Medical/ Health Care	Raw Materials/ Science	Sporting Goods, Travel and Amusement
Show services	9.5%	8.9%	13.5%	13.2%	13.6%	12.5%	11.2%
On-site promotional materials	7.2%	4.5%	3.9%	4.3%	4.1%	4.5%	4.6%

Cells shaded in yellow are statistically significant at the 95 percent confidence interval or better.

The table above summarizes differences in exhibit budget allocations by seven of CEIR's industry sectors². The primary differences revealed on a sector basis are for show services and on-site promotional materials. The sectors allocating the largest amounts of their budgets to each category are shaded in yellow.

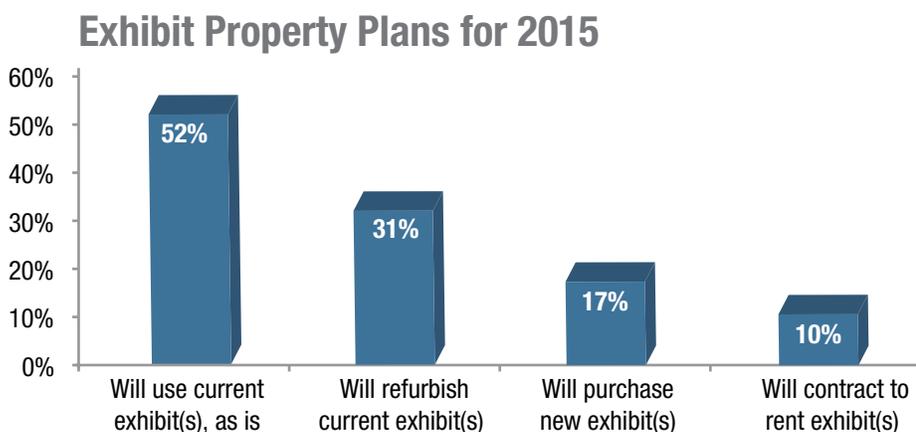
In relation to another question posed to exhibitors on spending levels in 2014 compared to 2013, the following sector differences are found:

- More Consumer Goods/Retail exhibitors increased spending for exhibit space, 37%.
- In the Education sector, while a notable percentage, 16%, indicate spending decreases for on-site sponsorships, more of these exhibitors indicate increasing spending for off show floor promotional expenses, 19 percent, and lead management and measurement, 19%.
- Results suggest a consistent contraction in spending in 2014 among Food exhibitors across most expense categories. The following percentage note spending declined for: show services, 19%; shipping/transport, 19%; exhibit staff travel, 16%; lead management and measurement, 13%; on-site promotional materials, 13%; on-site sponsorships 10%; and off show floor promotional expenses, 10%.

²Other CEIR Index sectors excluded are due to insufficient sample, fewer than 30 respondents. These sectors include: Education; Government; Discretionary Consumer Services; Financial, Legal and Real Estate; Building/Construction/Home and Repair; and Transportation.

Exhibit Property Plans for 2015

Figure 4



The majority of exhibitors plan to use their current exhibits for 2015, though a substantial minority, 31%, will invest in refurbishment of their exhibits, and 17% will make new purchases.

More exhibitors with a mid-sized marketing budget ranging from \$250,000 to \$749,900 plan on purchasing new exhibits, 26%, next year or will contract to rent, 16%.

By annual revenues, a greater percentage of exhibitors of the largest organizations, those with \$500 million or more, plan on contracting to rent, 20%; while exhibitors at organizations with earnings of \$100 million to \$499.9 million, plan to purchase new exhibits at a higher rate, 30%.

By industry sector a majority of Food exhibitors, 52%, plan to refurbish current exhibits, and over one quarter, 28%, of exhibitors in the Sporting Goods, Travel and Amusement sector will buy new exhibits. A larger percentage of Communications/IT exhibitors will contract to rent, 16%.

The *How the Exhibit Dollar is Spent* report is published through the combined efforts of:

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