

WHITE PAPER # 5

EXHIBITOR INSIGHT REPORT

COVID-19'S IMPACT ON THE TRADE SHOW INDUSTRY



March 22, 2021

PRODUCED BY EXHIBITOR MEDIA GROUP

I. Introduction

One year after COVID-19 began impacting trade shows and events worldwide, the live-events industry can finally start to see a tentative light at the end of what has been a longer and darker tunnel than any could have predicted. Still, we're not out

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of the woods just yet. While a handful of events have taken place in recent months, they are the exception to a rule of cancellations, postponements, and transitions to virtual/digital alternatives. In fact, since our last white paper, a number of events slated for the first — and even second — quarter of 2021 have altered course, rescheduling or reshaping their formats into online iterations. But with infection rates declining and vaccinations being widely distributed, it appears we're closer than ever to a large-scale resumption of live trade shows and events.

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 began a two-part research initiative in May 2020 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 had impacted the industry. We surveyed respondents again in June, September, and November to identify any trendlines and determine how pandemic-related developments had affected exhibit managers' and industry vendors' experiences, opinions, and projections.

This report provides the results of a fifth survey conducted in mid-March, 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 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.

- ▶ The majority of exhibiting companies (68 percent) plan to resume participation in live events by the end of this year's third quarter.
- ▶ Fifty-two percent of exhibit managers are still working from home. But that figure is down 29 percent since November, when 81 percent of respondents were either required to work from home or volunteered to work from home full time.
- ▶ Currently, 75 percent of exhibit and event professionals remain under company-wide travel prohibitions, down 9 percentage points since November.
- ▶ Just four months ago, only 29 percent said they felt "comfortable" or "very comfortable" with the prospect of attending in-person events. Today, that figure has skyrocketed to 51 percent.
- ▶ Forty-seven percent of corporate exhibit managers support the practice of requiring proof of vaccination as a prerequisite for in-person event attendance, whereas 20 percent strongly oppose such a measure.
- ▶ Eighty-six percent of corporate exhibit managers say virtual exhibits and/or digital events generate fewer (or "far fewer") sales leads than comparable live activations — and 11 percent of marketers who have participated in virtual events say they generated zero value for their organizations.
- ▶ More than three-quarters (77 percent) of exhibit managers expect to see their expenses increase due to COVID-19 safety measures, including 10 percent who fear those price hikes could cause significant budgetary challenges.
- ▶ While one-third of vendors/suppliers (33 percent) are still expecting declines in quarterly revenue, 24 percent anticipate at least a moderate increase in revenue when comparing last-quarter sales with earnings from this quarter. And nearly three-fourths (73 percent) expect to see sales inch upward or remain consistent into the second quarter of 2021.
- ▶ Fifty-nine percent of vendor/supplier companies currently have staff on furlough (down from 65 percent in November) and 67 percent have laid off employees (a drop of 5 percentage points since November).
- ▶ 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 (66 percent) predicted it would be at least three months before they would be wholly operational again — and 18 percent anticipated it would take more than 12 months to fully rebound.
- ▶ In November, only 57 percent of vendor/supplier companies were confident in their ability to survive the pandemic. Today, however, a solid three-fourths now believe they will likely endure.
- ▶ Whereas only 19 percent of corporate exhibit managers feel "very comfortable" about attending an in-person event, nearly half (44 percent) of vendor/supplier respondents feel very comfortable with the idea of attending mass gatherings.

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Fig. 22: When do you personally believe the trade show industry will return to normal?

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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 four white papers from May, June, September, and November 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 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 1,800 survey responses from corporate exhibit and event managers, marketing managers/directors, sales managers, and executives who are responsible for their organizations' exhibit and event programs. The majority of our sample pool represents the manufacturing/distribution sector, with top industries including technology, manufacturing, and wholesale trade. The most common job titles include exhibit manager (30 percent), event manager (29 percent), marketing manager (20 percent), and marketing director (10 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 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 and 2021 Economic Outlook surveys, both of which were fielded in January.

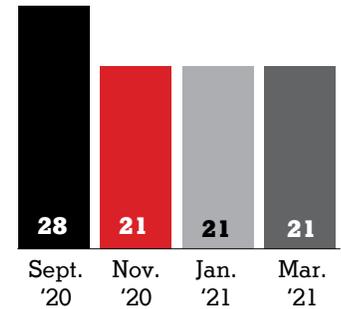
A. IMPACTS

As was already evident in May, virtually all exhibit managers 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). As the year — and the pandemic — progressed, that number began to decline, falling to 19 events by May and 13 by June. Ultimately, the average number of events at which exhibiting companies would end up participating fell by more than 80 percent from those original expectations measured last January. When all was said and done, organizations ended up exhibiting at an average of just nine events in all of last year, including shows that occurred during the first quarter of 2020.

Looking ahead to 2021, respondents plan to exhibit at an average of 21 events (including at least 10 in-person trade shows, as well as hybrid events at which they expect to have a physical presence). This statistic is essentially identical to data from November and January, indicating marketers' plans held steady through the fourth quarter of last year and the first quarter of 2021. That alone is a significant indicator, as early surveys often found exhibit managers pushing their plans back by a quarter every few months. In other words, this is a sign that marketing plans have finally stabilized — at least for the time being.

In terms of rescheduled events that have been postponed until later in the year, exhibitors appear more willing to participate than before. Today, the majority of corporate exhibit managers say their companies are at least "likely" to participate in rescheduled events. To put that into perspective, as recently as November, 54 percent of companies had no plans to participate in rescheduled events, and the vast majority who did intend to exhibit were going to dial back their investments in those shows. Now, only 21 percent of companies say it's unlikely they will participate, and a near majority (48 percent) report they will maintain or increase their spend at those rescheduled events.

How many events does your organization plan to exhibit at in all of 2021?



"My full-time job these days has been tracking COVID in the states and cities where our events are to be held in an attempt to read the tea leaves and plan accordingly."

— Event Marketing Specialist

If you do exhibit at rescheduled shows, how will your investment compare to your pre-COVID plans?

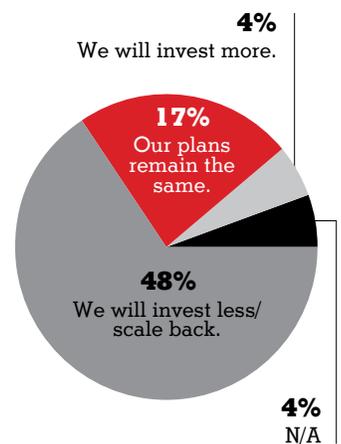
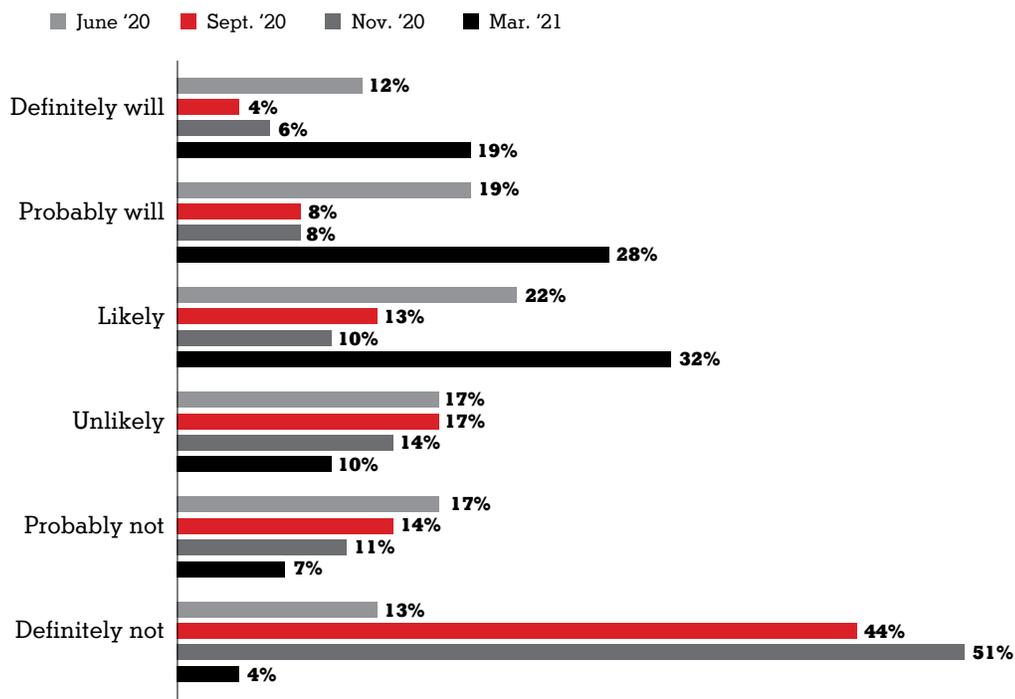
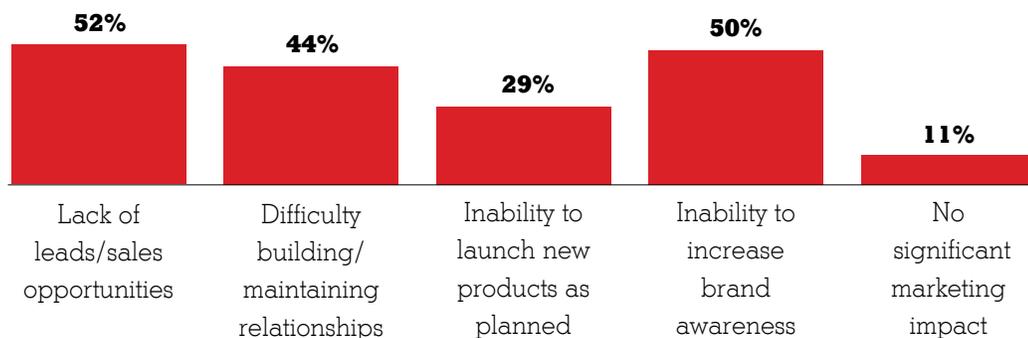


FIGURE 1:
How likely are you to exhibit at events that have been rescheduled for future dates?

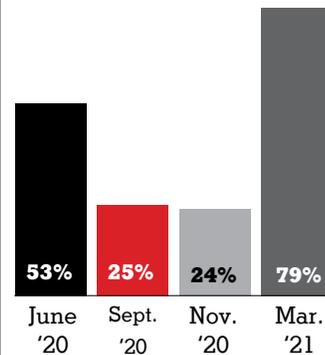


The absence of live trade shows and events has obviously had an impact on many corporate exhibit managers' organizations. A majority report struggling with a lack of business leads and sales opportunities, while additional organizations report difficulty building/maintaining relationships with clients and prospects and an inability to increase brand awareness. More than one-quarter have been forced to reconsider new-product launches that were previously expected to take place in conjunction with live events. Interestingly, not all companies have abstained from live events. Six percent of corporate exhibit managers report their organizations took part in at least one in-person trade show or event during the past six months. It's also worth noting that among those who did participate in live events held in that time period, 92 percent felt "somewhat confident" or "very confident" in the health and sanitization protocols enacted by venues and show organizers.

FIGURE 2:
How has the cancellation and/or postponement of live trade shows impacted your company?



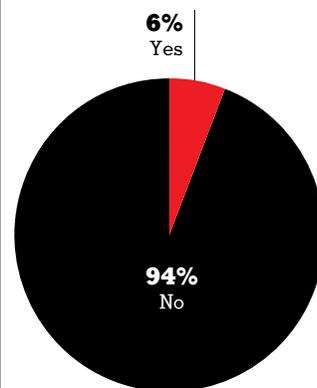
What percentage of exhibiting companies are at least likely to participate at rescheduled events?



"Ninety percent of my company's sales leads came from trade shows. So to say this has had an impact on our bottom line is an understatement."

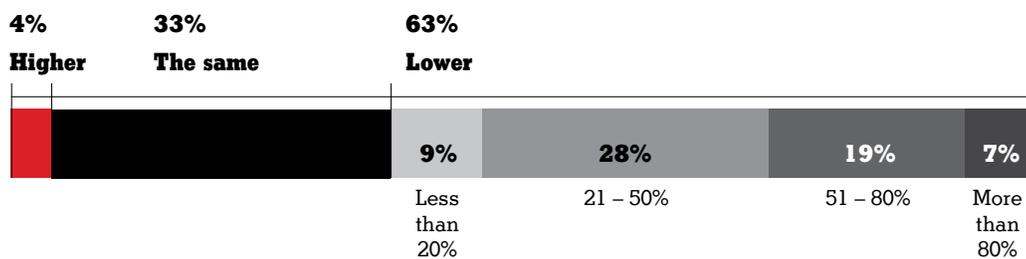
— Marketing Manager

Have you participated in any in-person trade shows or events during the past six months?



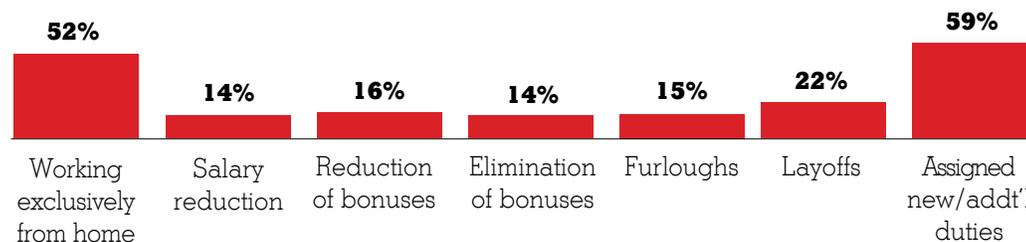
Not surprisingly, as the number of shows that companies planned to exhibit at dwindled over the past year, many organizations cut their exhibiting budgets. In May, 45 percent of respondents reported budget cuts. By June, that figure had risen to 59 percent. And in September, it reached 68 percent before plateauing, indicating the bleeding may have stopped. Now it appears things are beginning to turn around, as just 63 percent are reporting cuts. What's more, those that have trimmed trade show allocations aren't cutting quite so deep. The majority of reductions measure less than 50 percent, marking both fewer and shallower lacerations than previously seen. Similarly, the percentage of companies that have experienced exhibit-marketing budget reductions of more than 80 percent fell from 20 percent in November to just 7 percent today. And thankfully, 91 percent of exhibit managers anticipate their budget allocations will rebound (at least in part) once trade shows and live events resume — an outlook that's 7 percentage points rosier than four months ago.

FIGURE 3:
Is your current exhibiting budget higher, lower, or the same as your 2020 allocation?
If lower, by how much?

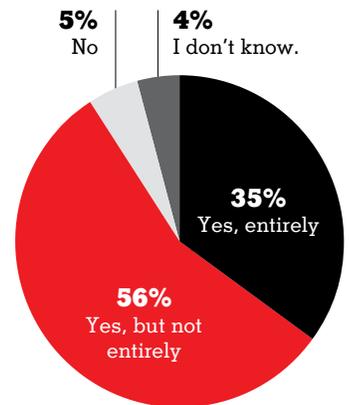


In addition to budget cuts, exhibit managers have experienced pay cuts, furloughs, layoffs, and the elimination or reduction of bonuses and additional compensation. Additionally, 52 percent of exhibit managers are still working from home. But that figure, a presumable bellwether in terms of companies' return to normalcy, is down 29 percentage points since November, when 81 percent of respondents were either required to work from home or volunteered to do so full time. One additional indicator that there may be better days ahead is that while exhibiting companies continue to deal with furloughs and layoffs, those numbers have remained essentially unchanged over the past four months.

FIGURE 4:
How have you and your exhibit/event department been impacted by COVID-19?



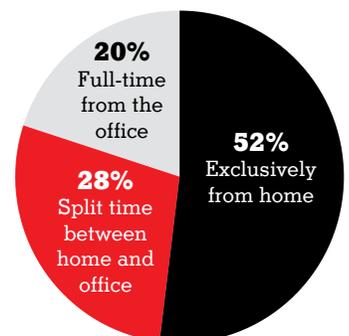
When trade shows resume, do you anticipate your exhibiting budget will return?



"Events are stressful under normal conditions, and now I'm picking up the slack left by teammates who have been furloughed. Combine that with a near-constant need to learn new platforms, and I feel like I'm drowning."

— Senior Marketing Specialist

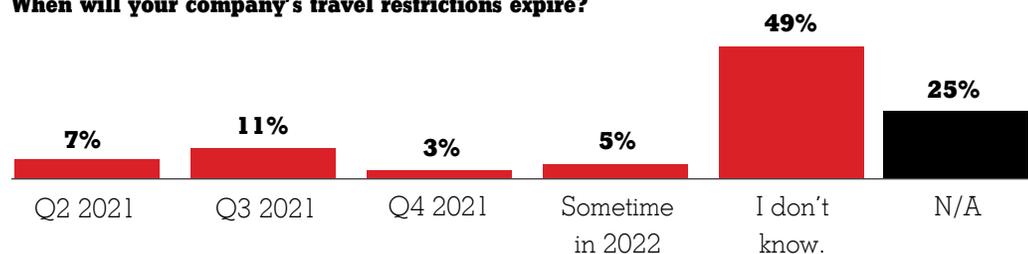
Are you currently working at home or in the office?



One of the other telltale signs corporate America may be ready to attend in-person trade shows and events 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 presumably among the most accurate predictive statistics within this report. At this moment in time, 75 percent of exhibit and event professionals remain under companywide travel prohibitions, down 9 percentage points since November, when 84 percent of respondents were under such restrictions. It's also worth noting that number is at its lowest point since we began tracking data in May of last year.

Furthermore, a higher percentage of those travel bans now have defined expiration dates, with roughly one-quarter currently expiring by the end of 2021. Having said that, 49 percent of travel restrictions still do not, leaving a near-majority of exhibit managers unsure of their ability to attend upcoming events. But it seems many businesses have been relaxing those restrictions over time. In fact, at 53 percent of companies, at least some travel (for certain employees) is allowed under current bans, including regional (28 percent), national (24 percent), and even international (2 percent) business trips.

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



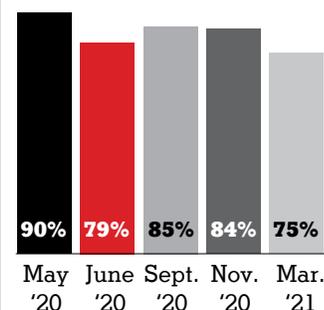
B. OPINIONS

Survey respondents' personal concerns about COVID-19 are at their lowest levels since we began tracking data in May of last year. On a scale of one to 10, exhibit managers averaged 6.6 (down from a high of 7.5 in November), and vendors/suppliers of trade show-related goods and services averaged 6.5 (down from a high of 7.8 in November).

Similarly, corporate exhibit managers' feelings about the future of their careers have reached their most optimistic levels since the pandemic began impacting the industry in the first quarter of 2020. The segment of respondents that reported feeling "optimistic" or "hopeful" about their careers increased from a low of 57 percent in September to 76 percent today. While still down from 85 percent in January of last year, it's a solid indication that marketers' morale is on the mend.

Further indication that we may finally be on the road to recovery can be found in the fact that the majority of corporate exhibit and event managers report feeling comfortable with the idea of returning to the trade show floor. Just four months ago, only 29 percent said they felt "comfortable" or "very comfortable" with

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



"My company will be reviewing and hopefully revising its travel restrictions in the next 30 days. Our entire marketing program for 2021 hinges on our ability to travel again."

— Senior Director of Events

On a scale of one to 10, how would you rate your personal level of concern over COVID-19?

■ Exhibit and Event Managers
■ Vendors/Suppliers

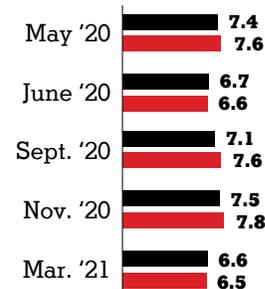
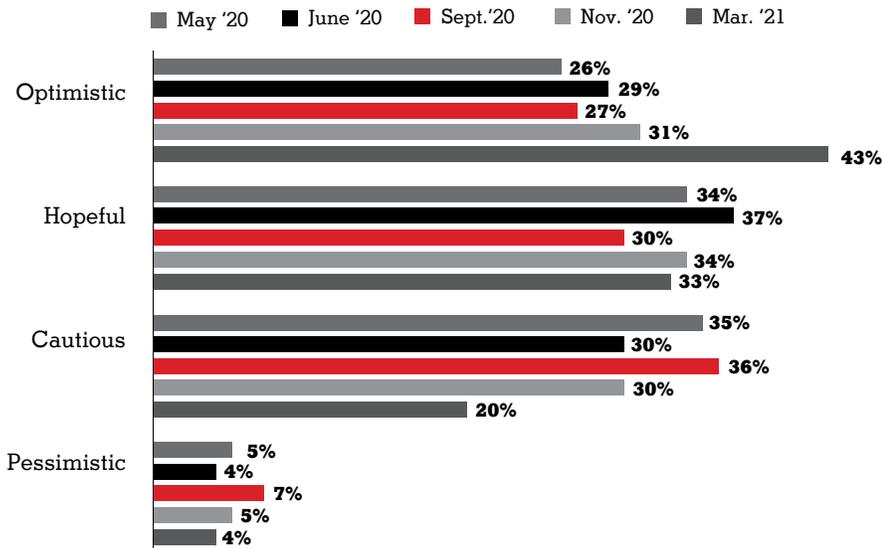


FIGURE 6:

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

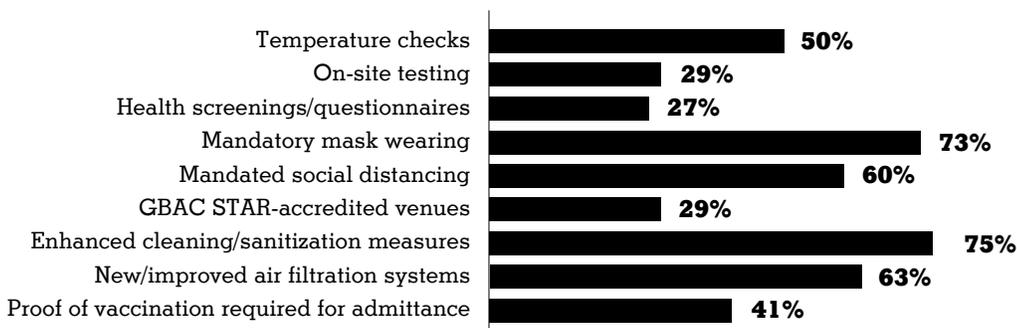


the prospect of attending in-person events. Today, that figure has skyrocketed to 51 percent. Additionally, most said safety policies and sanitization protocols — many of which are already being implemented by venues and organizers — would make them feel even more comfortable exhibiting at in-person events. Most notably, more than half of respondents claimed enhanced cleaning and sanitization measures, mandatory mask wearing, new or improved air filtration systems, mandated social distancing, and temperature checks prior to exhibit-hall admittance would increase their willingness to return to show floors.

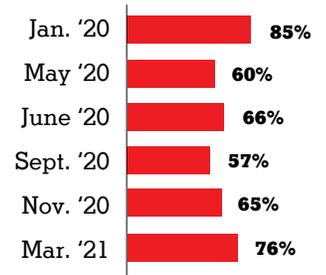
Another measure many claim would make them feel more comfortable at in-person events is requiring proof of vaccination from all event participants. Specifically, 47 percent of exhibit managers agree with that practice, whereas 20 percent strongly oppose such a measure. Meanwhile, the three steps with the least impact on exhibitors' perceptions of safety include on-site testing, GBAC STAR venue accreditation, and health screenings or questionnaires administered to attendees prior to admission, all of which measured below 30 percent.

FIGURE 7:

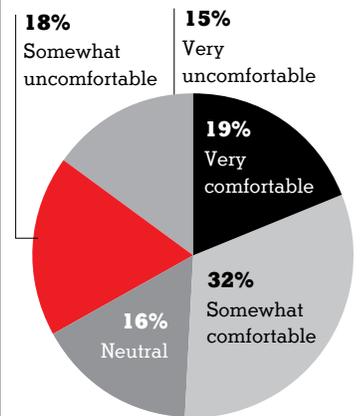
Which of the following safety protocols would make you more comfortable attending an in-person event?



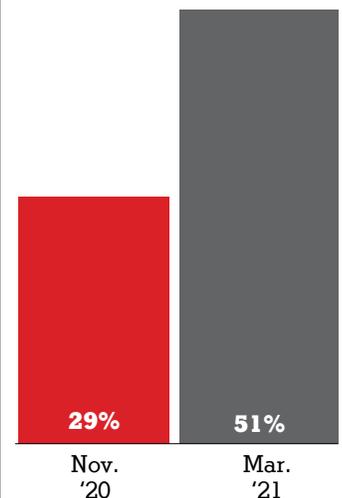
Do you feel optimistic or hopeful about the future of your career?



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



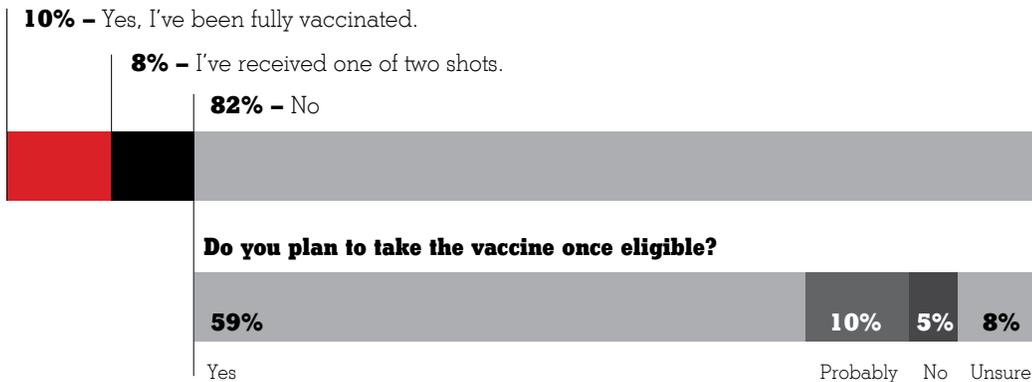
Would you feel at least somewhat comfortable attending an in-person trade show or event?



Even though event professionals and show organizers have little if any control over how this pandemic evolves in the coming months, it's important to note that several milestones may signal a tipping point in the sentiment of corporate exhibit and event managers. For instance, 51 percent say examples of safe and successfully staged trade shows will play an important part in their decisions moving forward. Additionally, 48 percent say that once three-fourths of the U.S. population is vaccinated, they'll feel more confident in their ability to safely exhibit at in-person events. Other milestones deemed significant among corporate exhibit managers include hitting the Centers for Disease Control and Prevention's so-called low-incidence rate (defined as fewer than 2,300 new U.S. cases for 14 straight days) and a "percent positive" testing rate of less than 5 percent.

Another key driver of respondents' willingness to return to face-to-face marketing is, of course, their own vaccination status. Currently, only 10 percent of corporate exhibit managers report being fully vaccinated, while an additional 8 percent have received their first of two shots (roughly on par with current national vaccination rates). Among the remainder, it appears the vast majority intend to be vaccinated when eligible. On the other hand, 5 percent indicate they do not plan to get vaccinated, and 8 percent are unsure at this time.

FIGURE 8:
Have you already been vaccinated for COVID-19?

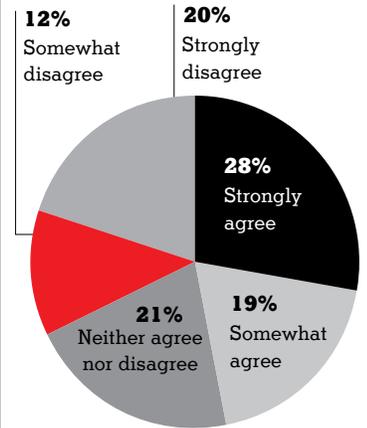


As projected, the cancellation and postponement of trade shows continues to have an absence-makes-the-heart-grow-fonder effect on upper management — but perhaps not quite as significantly as many had hoped. Today, 43 percent of survey respondents indicate this downturn has made the value of trade shows and face-to-face marketing more obvious to members of the C-suite. That's an increase of 18 percentage points since May, but only 6 percentage points since June.

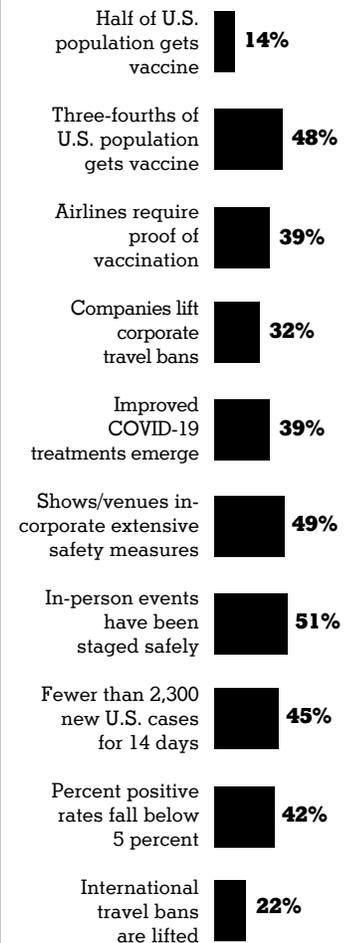
FIGURE 9:
Has the cancellation and postponement of trade shows made the value of exhibiting more obvious to upper management?



Do you agree or disagree with show organizers requiring proof of vaccination from participants prior to their admittance onto the show floor?



Which of the following scenarios might expedite your return to live trade shows and events?

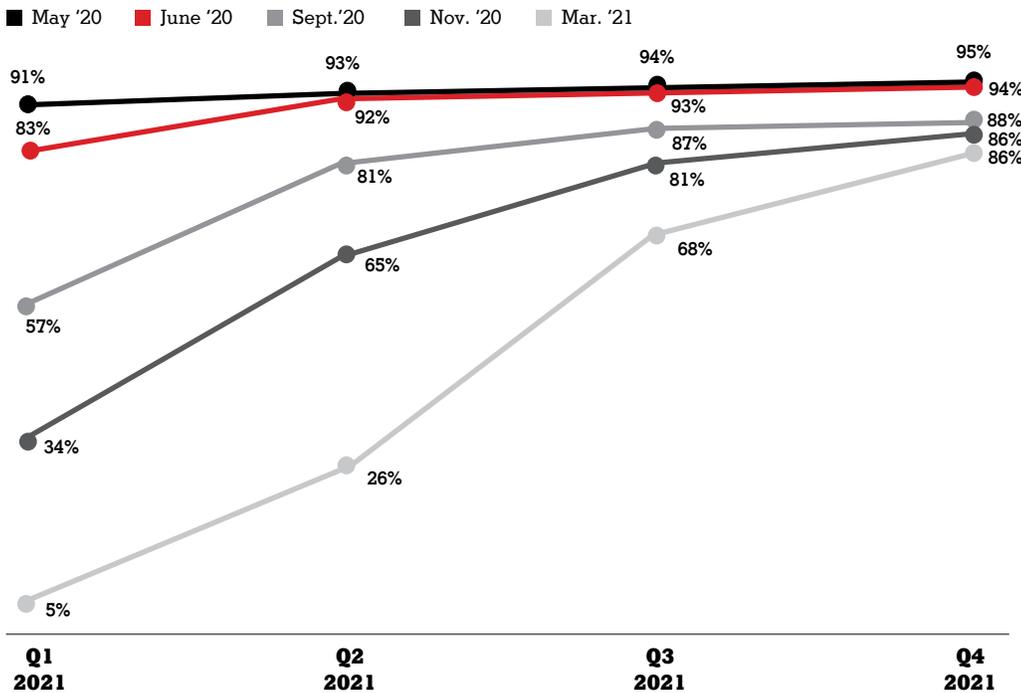


C. PLANS

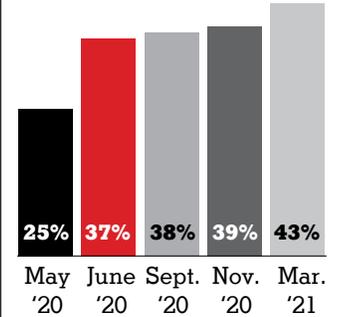
As recently as June, most exhibiting companies (69 percent) expected to return to trade show floors by the end of 2020. That prediction, obviously, did not prove accurate. As of today, the majority of exhibiting companies (68 percent) plan to resume participation in live events by the end of this year's third quarter. It's important to note that with each subsequent survey, the date at which a critical mass (roughly 80 percent of respondents) intend to begin exhibiting again has shifted. In other words, last May, that threshold wasn't anticipated until December of 2020. Thirty days later, in June, that critical mass wasn't expected back at live events until the first quarter of 2021. Fast forward to September, and the can was kicked another quarter out, and by November we weren't expecting 80 percent or more of exhibiting companies to resume face-to-face marketing until the third quarter of this year.

Now, perhaps predictably, that critical mass isn't expected until the fourth quarter of 2021. It's easy to look at this trend and deduce that these projections are little more than hopeful pipe dreams. But in examining the data further, we see that the ratio of organizations that plan to be exhibiting by the end of this year has held relatively steady in the high 80s to low 90s for the past 10 months — and remained at precisely 86 percent since November. Bottom line: While the rate of exhibitors' return may be slower than originally anticipated, their intent to return sometime in 2021 remains firm.

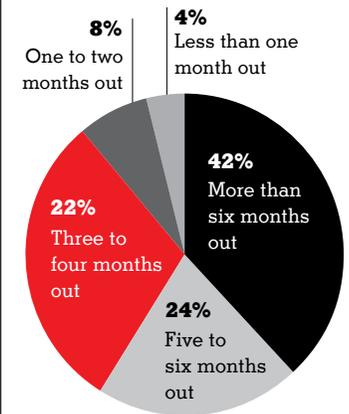
FIGURE 10:
Given your current plans, when does your company anticipate exhibiting at live trade shows and events?



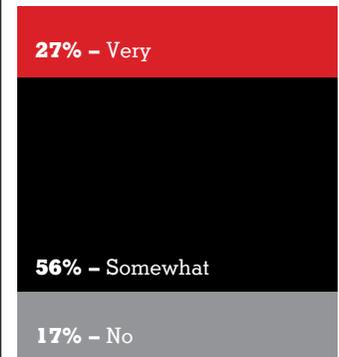
What percentage of respondents indicate their C-suites have a greater understanding of face-to-face marketing's value as a result of the downturn caused by COVID-19?



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



Are you worried that some association shows will not survive the pandemic?



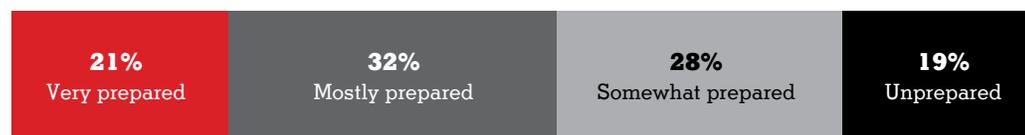
Despite planning to return to live events, many marketers are truncating the traditional practice of committing to trade shows a year in advance. Today, roughly one-third (34 percent) of exhibit and event managers are delaying and not committing to live events until four months out or less. In many cases, 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 many companies are choosing to postpone agreements until they have a better sense of whether or not 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 — and potentially foregoing early bird discounts.

For organizers of live trade shows, those delays — coupled with companies' decreased interest in sponsorships — further complicate an already difficult situation. Thirty-eight percent of exhibit and event professionals say they are less likely to sponsor upcoming in-person events than they were before COVID hit. A lack of sponsorships and delayed booth-space contracts could result in cash-flow challenges for show managers already struggling with fewer exhibitors and decreased attendance projections, generating concern about the viability of several long-standing events, including association shows, as evidenced by the 83 percent of respondents who are concerned such gatherings may not survive the pandemic.

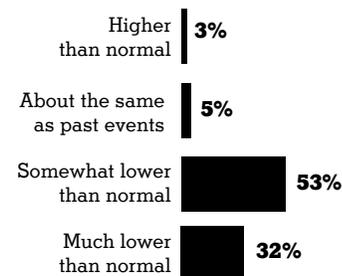
On the plus side, the concern that most exhibitors would downsize their booth spaces to account for budget cuts does not seem well-founded. In fact, 74 percent of exhibiting companies plan to maintain their pre-COVID booth spaces, while an additional 6 percent intend to upsize those spaces to allow for adequate social distancing. That leaves just 20 percent that intend to explore cost savings by contracting for fewer square feet of show-floor space.

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. While there has been nominal growth in the percentage of companies that have considered augmenting their face-to-face marketing efforts with digital alternatives, the percentage of companies that have actually implemented virtual events, participated in virtual trade shows, or have plans to do so in the near future has remained statistically unchanged since November. That may indicate companies with an inclination to explore digital channels have already done so, and those that have not are relatively uninterested in attempting to reach their target audiences online.

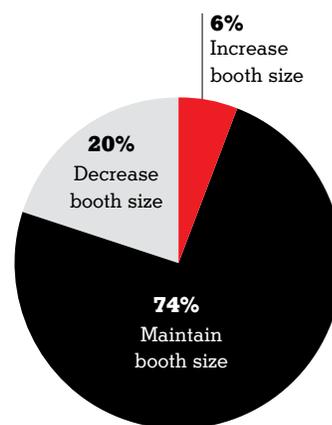
FIGURE 11:
How prepared do you feel to execute virtual exhibits and digital events?



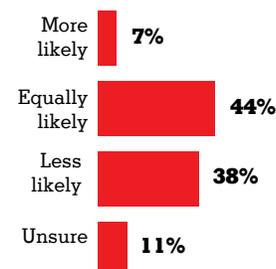
What kind of attendance are you expecting at upcoming in-person trade shows?



When you return to in-person exhibiting, are you more likely to increase your booth space to accommodate for social distancing or decrease your booth space to cut costs?

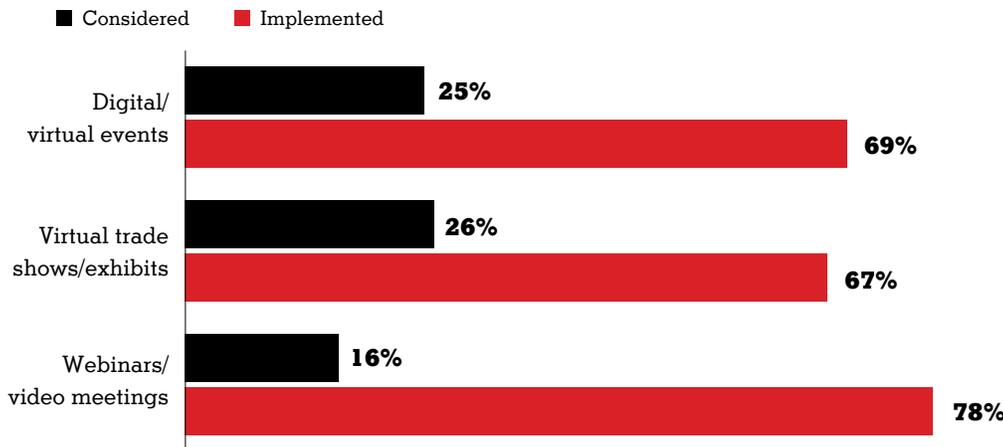


Are you more or less likely to sponsor upcoming in-person events than you were before the pandemic?



Despite the rapid adoption of digital channels, many corporate exhibit managers don't feel entirely confident in their ability to execute virtual exhibits and online events, including 19 percent who feel fully unprepared to transition from live events to digital alternatives. Still, a near majority of respondents (46%) say their forays into online channels have been executed entirely in-house.

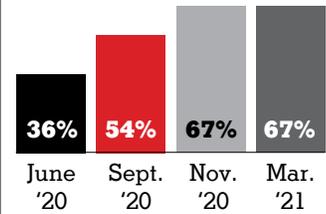
FIGURE 12:
In lieu of face-to-face events, what digital channels has your company considered or implemented as alternative marketing opportunities?



As expected, 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 (72 percent) who have executed online/digital exhibits and events claim they cost less than comparable live events — almost dead-on with data from the vendor/supplier side. But just because they're cheaper than comparable live activations, virtual events are neither free nor easy. Roughly one half of respondents who have hosted or participated in virtual events report those opportunities cost more than anticipated, including 15 percent who say they cost "much more" than initially expected.

Another important observation is that not all virtual events are created equal, and most fall into one of two primary categories: virtual trade shows (with digital exhibits and/or show floors) and virtual conferences (with sessions, keynotes, etc.). Not only are these different animals altogether, but they seem to generate starkly different returns. When asked to rate the value of virtual trade shows and/or exhibits, corporate marketers averaged 3.9 (on a scale from one to 10). Meanwhile, when asked to rate the value of virtual conferences, that average increased to 5.1. In other words, virtual channels may be better at approximating the live experience in terms of content and educational programming, but they are less successful at being a viable alternative to in-person exhibiting and lead qualifying. Assuming corporate exhibit managers' past experiences with these digital channels is an indicator of their future value and role in companies' marketing mix, virtual and hybrid approaches might be best applied to educational programming (thereby extending access among would-be attendees who are unable or unwilling to travel to live events).

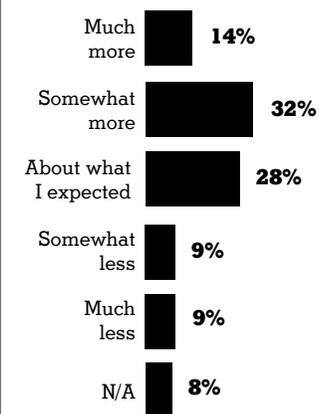
What percentage of exhibiting companies have participated (or have plans to participate) in virtual trade shows?



"We've received sales leads from our virtual exhibits, but it's just a list of people who visited our booth. The sales team has to cold call them with no qualifying data, and so far they have proven to be useless."

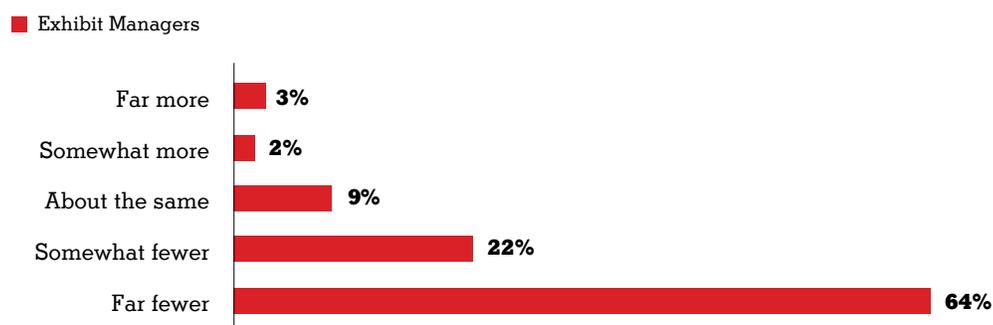
— Senior Marketing Communications Specialist

Have the virtual exhibits and/or digital events you've participated in cost more or less than you expected?



To wit, when asked specifically about the deliverables achieved through virtual trade shows and events, respondents indicated they have been more successful at generating softer measurables such as brand awareness (57 percent) or thought leadership (28 percent) than sales leads (25 percent). And the quantity of sales leads pales in comparison to what those same companies produced through in-person exhibits. More precisely, 86 percent of respondents say virtual exhibits and/or digital events generate fewer (or far fewer) sales leads than comparable live activations — and 11 percent of marketers who have participated in virtual events say they generated zero value for their organizations. Given that, it's no surprise more than nine in 10 marketers prefer exhibiting at face-to-face events over virtual alternatives, with only 1 percent preferring digital trade shows.

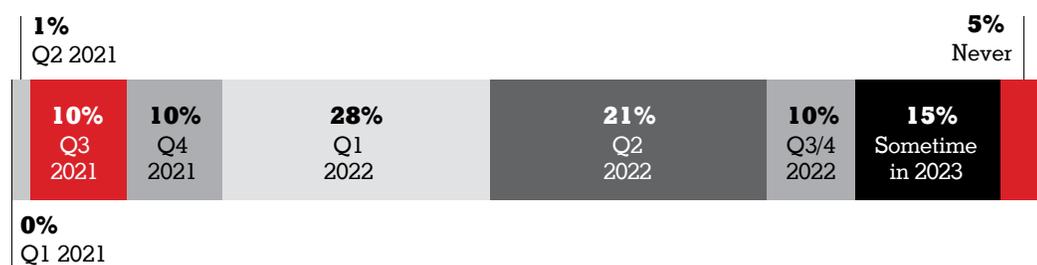
FIGURE 13:
Have your virtual exhibits and/or digital events generated more or fewer sales leads than comparable live activations?



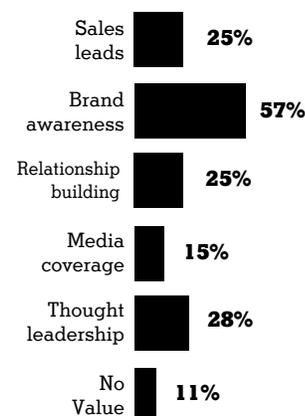
D. PROJECTIONS

Only 1 percent of corporate exhibit managers expect the trade show and events industry will return to normal by the second quarter of 2021. The majority (59 percent) now believe a full rebound won't occur until sometime in 2022. That is a significant shift, considering data from September found 62 percent believed live events would return to normal by the end of this year — a timeline that 43 percent of respondents agreed with as recently as four months ago.

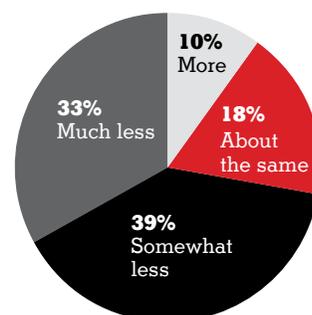
FIGURE 14:
In your opinion, when do you believe the trade show and events industry will return to normal?



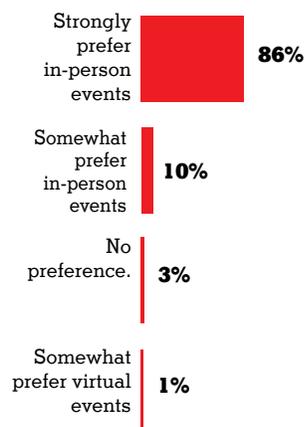
Which of the following deliverables have virtual/digital exhibits and events successfully generated?



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

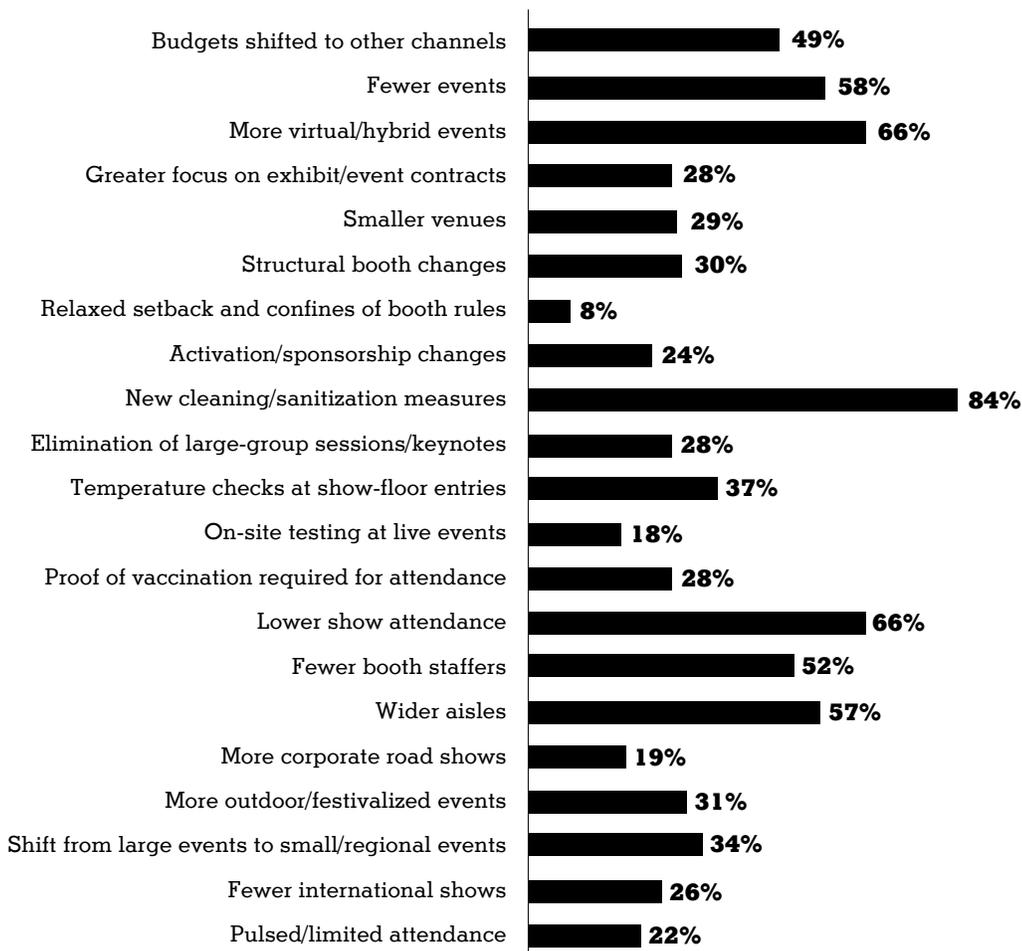


Do you prefer exhibiting at live, in-person events or via virtual, online ones?



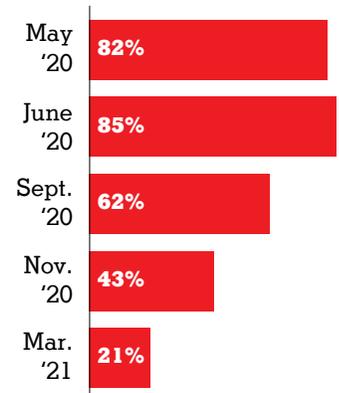
Assuming the overwhelming majority of corporate exhibit managers (95 percent) who believe the industry will eventually rebound are correct, what will trade shows look like in a post-COVID world? When asked what long-term changes they anticipate as a result of the pandemic, more than half of the exhibit managers surveyed expect to see new cleaning and sanitization measures (84 percent), more virtual/hybrid events (66 percent), lower trade show attendance (66 percent), fewer events available to marketers (58 percent), wider aisles on trade show floors (57 percent), and fewer employees sent to staff exhibits (52 percent). Additionally, 49 percent expect to see budgets shifted to other marketing channels, while others predict temperature checks at show-floor entries (37 percent) and a shift from large national events to smaller, regional alternatives (34 percent).

FIGURE 15:
What long-term changes do you anticipate the trade show industry will experience as a result of COVID-19?



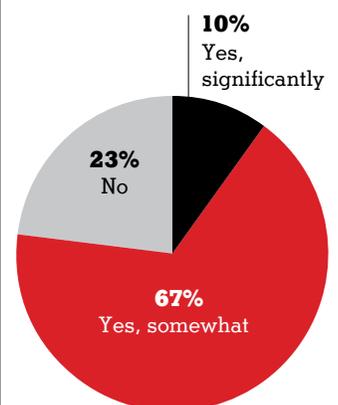
Finally, since most marketers anticipate the enhanced cleaning/sanitization of convention centers and event venues, temperature checks, and other safety protocols, there is justifiable concern that the cost to exhibit will increase. More than three-quarters (77 percent) of corporate exhibit managers expect to see their expenses increase, including 10 percent who fear those price hikes could cause significant budget challenges.

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



"I predict that by the third quarter of 2021, my role will be 50-percent virtual and 50-percent face-to-face, with a mix of both at larger shows."
 — Director of Field Marketing

Do you expect COVID-related safety and health measures will increase the cost to exhibit?



IV. Trade Show Vendors/Suppliers

To date, EXHIBITOR has recorded roughly 1,400 survey responses from vendors and suppliers of trade show-related products and services to identify how COVID has impacted their businesses, as well as when they expect to rebound from the pandemic. The majority of supplier respondents are managers/executives, and 70 percent work for exhibit producers, resellers, or builders. The size of respondents' operations varied considerably from one to four employees (18 percent) to more than 500 employees (10 percent). Similarly, annual revenue figures ranged from less than \$2.5 million (28 percent) to more than \$30 million (15 percent).

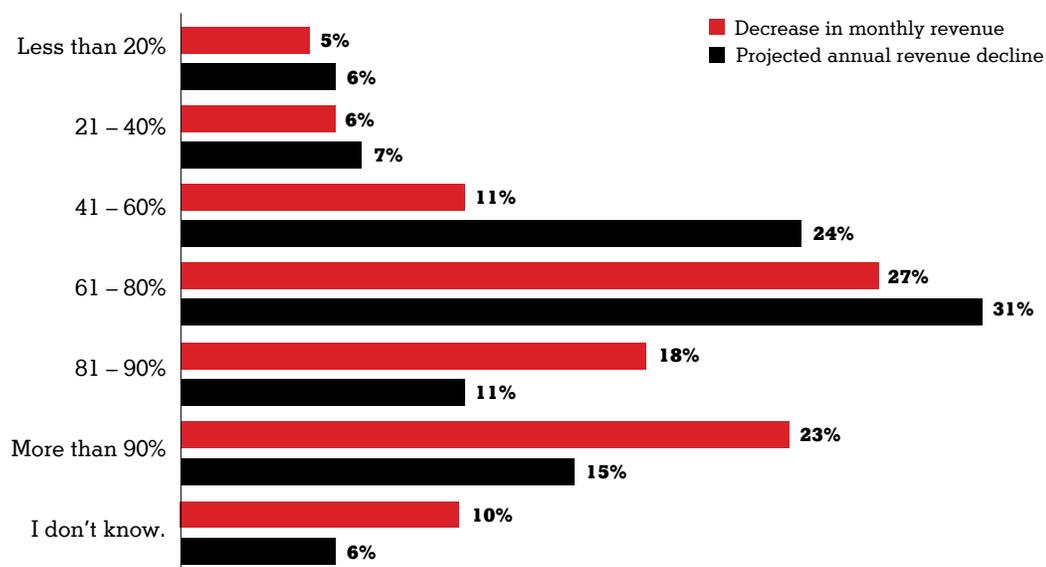
A. IMPACTS

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 sustained major impacts to their bottom lines for the past 10 months or more. And those impacts continue to cause ripples throughout organizations. More specifically, the majority (68 percent) estimate COVID-19 caused at least a 61-percent decrease in monthly revenue.

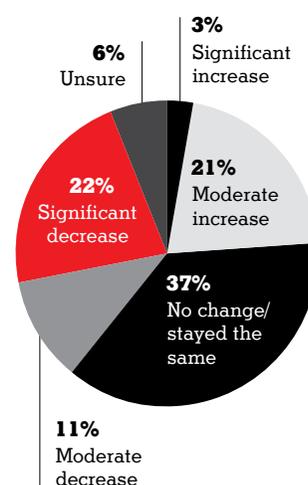
And while one-third of vendors/suppliers are still expecting declines in quarterly revenue, a handful of respondents are on track to finish this quarter ahead of fourth-quarter 2020 figures. Twenty-four percent expect to see at least a moderate increase in revenue when comparing last-quarter sales with earnings from this quarter, while an additional 37 percent anticipate ending the first quarter of 2021 with figures similar to the fourth quarter of last year. Additionally, 73 percent expect to see sales inch upward or remain consistent in the second quarter of 2021.

FIGURE 16:

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



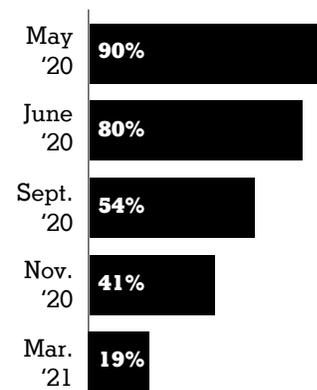
Are you on track for an increase or decrease in first-quarter revenue compared to the fourth quarter of 2020?



"If not for virtual events, digital-marketing work, and permanent installs, I'm not sure we'd still be in business."

— President

What percentage of vendors/suppliers anticipate additional revenue declines in the next few months?

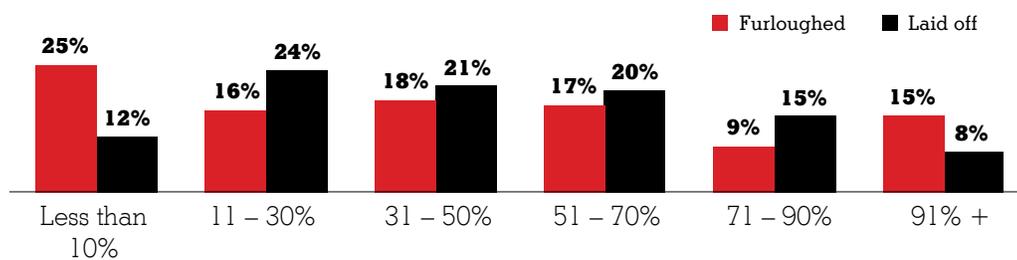


Roughly three-fourths anticipate annual revenue declines of at least 50 percent compared to 2019, but it looks as though the bleeding may have stopped (or at least plateaued) in the past 10 weeks. In November, 41 percent predicted their organizations' would suffer ongoing declines, but that figure has dropped by more than half and now sits at just 19 percent (including 11 percent who worry those declines could be significant). Similarly, while 50 percent of respondents to our November survey expected fourth-quarter revenues to increase or remain consistent, current respondents have more optimistic projections for the future, with a full 73 percent anticipating maintaining or increasing quarterly revenues in the second quarter of 2021.

While the majority of trade show vendors/suppliers are still operating at a reduced capacity, more than one-third (38 percent) are open with normal hours. Still, 7 percent are currently closed, and several others have already gone out of business entirely and/or been acquired by other firms. Additionally, 59 percent currently have staff on furlough (down from 65 percent in November) and 67 percent have laid off employees (a drop of 5 percentage points since November).

These numbers indicate that some firms have begun rehiring employees who were previously furloughed or laid off. Specifically, 35 percent of vendors/suppliers report that they have begun rehiring workers. Despite that shift, 43 percent of companies have now laid off more than half of their workforce, which marks an increase of 7 percentage points since November. In terms of how long current furloughs will last, only 11 percent expect them to expire by June, and a near majority (48 percent) expect them to last an additional three to six months.

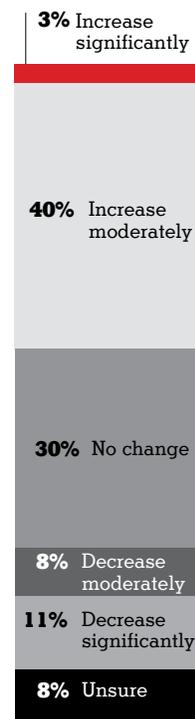
FIGURE 17:
What percentage of your workforce has been furloughed or laid off?



Vendors/suppliers have also taken a number of actions as a result of COVID-19, including reducing employees' compensation (73 percent), reducing or eliminating bonuses (69 percent), and cutting budgets (70 percent). However, the occurrence of these cost-cutting measures has waned slightly during the past four months, with fewer companies cutting pay and eliminating bonuses.

When asked how long it would take their companies to return to business as usual if the pandemic ended today, the majority of vendors/suppliers (66 percent) predicted it would be at least three months before they would be wholly operational again — and 18 percent anticipated it would take more than 12 months. This timeline continues to expand incrementally, as the longer the pandemic impacts our industry, the longer it will take to rebuild.

How do you expect sales/revenue to change in the second quarter of 2021?



“We’ve been able to start hiring back a few employees thanks to a decent amount of work on virtual and hybrid events.”

— Chief Executive Officer

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

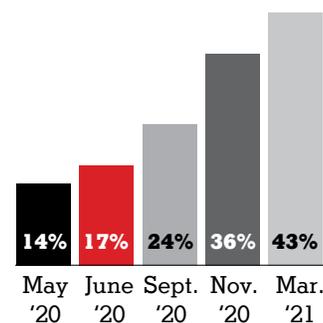
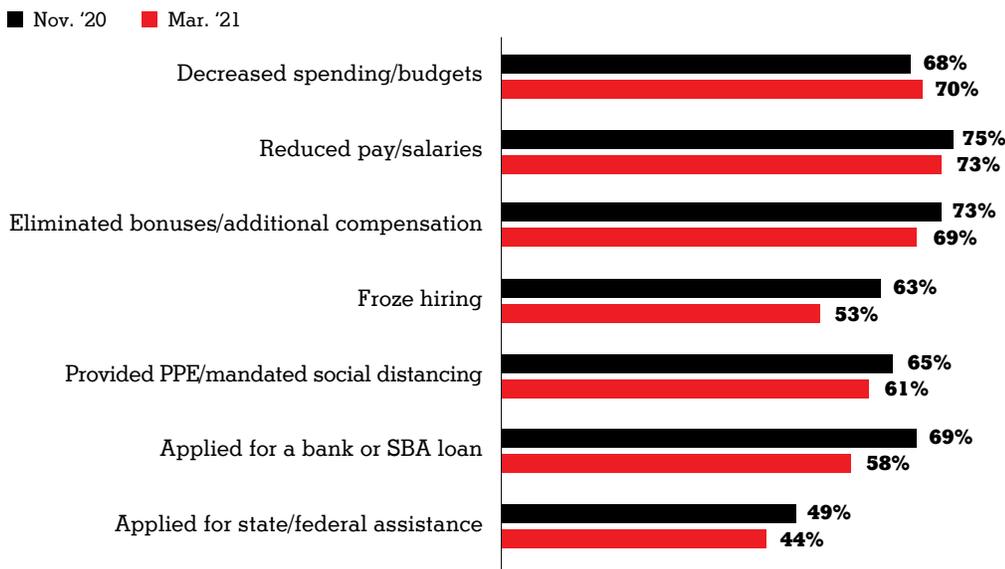


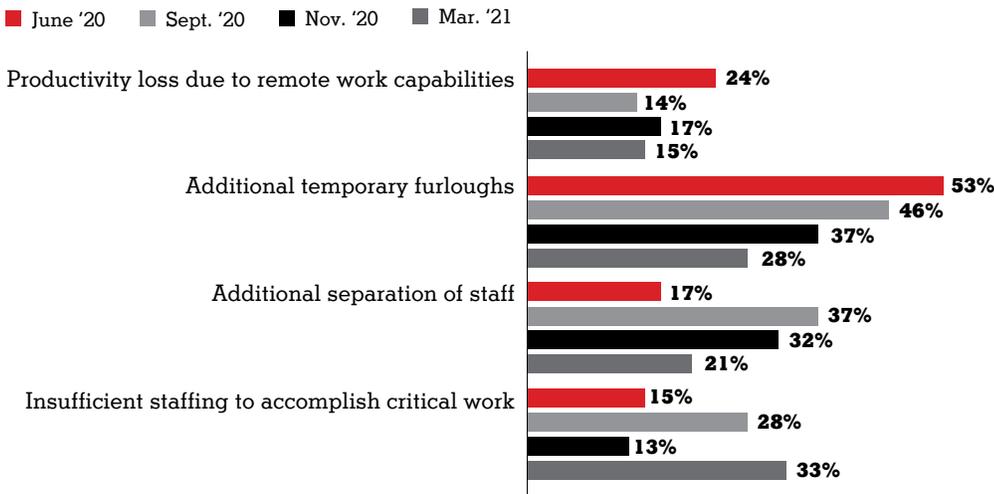
FIGURE 18:
What actions has your company taken as a result of COVID-19?



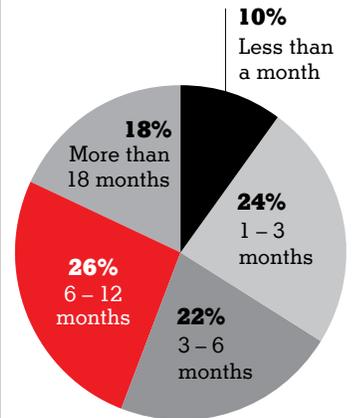
B. OPINIONS

When asked to rank their current personal concern over COVID-19 on a one-to-10 scale, suppliers reported an average rating of 6.5, the lowest it has been since the pandemic began (and down from a high of 7.8 reported in November). Correspondingly, 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. And there has been a slight increase in the percentage of vendors/suppliers worried about having insufficient staffing to accomplish critical work. That alone indicates an anticipation that the tides may be turning in our industry's favor, as focus shifts from cutting back to ramping up.

FIGURE 19:
Which of the following scenarios does your company expect to occur in the next 30 days?



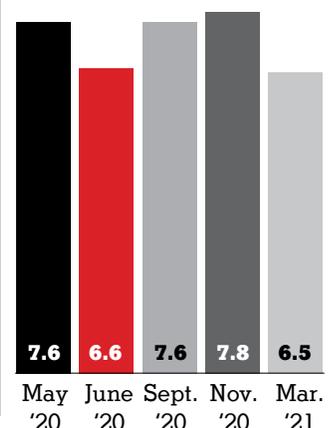
If COVID-19 ended today, how long would it take your company to get back to business as usual?



“This has almost killed our organization, and I’m still not sure we’ll survive. The economic impact on us and the whole industry has been catastrophic and practically impossible to fathom.”

— **Creative Director**

Trade show vendors’ personal concern about COVID-19 on a one-to-10 scale.



A handful of companies, however, still have concerns about whether the furloughs, layoffs, and budget cuts will be enough to ride out the remainder of the storm. One-quarter 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 5 percent believe it is probable they will close before the industry returns to business as usual. While concerning, it's important to note that whereas only 57 percent of companies were confident in their ability to survive the pandemic in November, a solid three-fourths now believe they will endure.

FIGURE 20:
Given what you know right now, how likely is it that your company will survive the cancellation/postponement of shows caused by COVID-19?



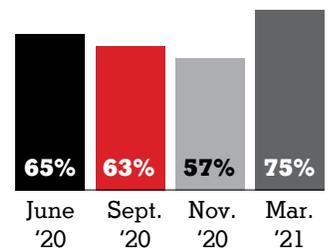
C. PRACTICES

Thankfully, the industry isn't at a total standstill. Thirty-nine percent of vendors and suppliers claim their clients have participated in live events in the past six months, including corporate road shows, event sponsorships, regional conferences, private events, eSports tournaments, small hotel events, and a handful of international expos in countries that are allowing them to take place. Having said that, data from suppliers does not match exhibit managers' reports, given only 6 percent claim to have participated in in-person events since September.

Additionally, the majority of vendors/suppliers (59 percent) are now offering virtual/digital exhibit and event services to their clients. And despite the perceived newness of the medium, 43 percent of suppliers claim they feel "very" or "extremely" confident in their ability to deliver those virtual solutions to their clients. Others are doing what they can to assist current clients as they plan ahead for future trade shows and events, helping them proactively retrofit exhibits in anticipation of a return to face-to-face marketing, completing new builds that were put on hold at the beginning of the pandemic, etc.

Vendors and suppliers also appear more willing to return to live events sooner rather than later. Whereas only 19 percent of corporate exhibit managers feel "very comfortable" about attending an in-person trade show or event, nearly half (44 percent) of vendor/supplier respondents report feeling very comfortable with the idea of attending mass gatherings. That's up nearly 20 percentage points compared to four months ago when just one-quarter of vendor/supplier respondents felt "very comfortable" attending in-person events.

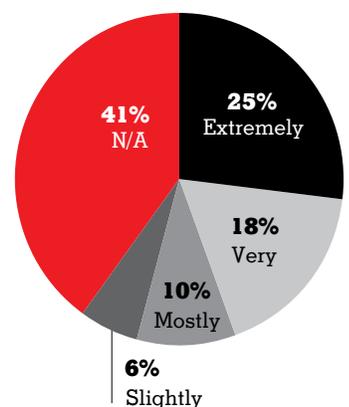
What percentage of vendor/supplier companies are confident they will survive the pandemic?



"Many in the industry have had to seek employment elsewhere because of the longevity of the ban on in-person trade shows. That is going to result in either an unskilled labor force when events resume, or a lack of labor to produce on-site, in-person shows."

— Vice President

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

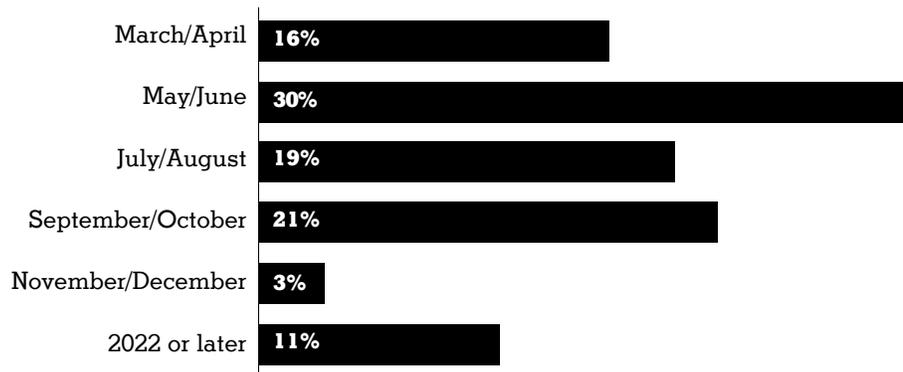


D. PROJECTIONS

At the moment, nearly half of vendor/supplier companies have clients who (to the best of their knowledge) are planning to return to trade shows by the end of June — a figure that is somewhat more optimistic than exhibit managers’ actual plans (just 26 percent expect to be back on the trade show floor by the end of the second quarter). However, it’s worth noting that as recently as September, vendors/suppliers guesstimated that 62 percent of their clients would return to exhibiting by the end of the first quarter, compared to just 7 percent today.

FIGURE 21:

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

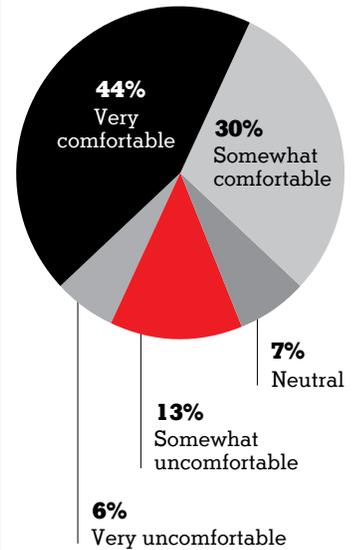


When asked for their projections on when the trade show and events industry will return to “normal,” only two percent selected dates in the first half of 2021. Four months ago, nearly four in 10 assumed a rebound would occur in the second or third quarter of 2021, but that now appears overly optimistic. Today, just 18 percent of vendors/suppliers expect a rebound within that time frame, while the majority don’t anticipate a return to normalcy until 2022 at the earliest — and 4 percent question if the industry will ever approach pre-COVID levels.

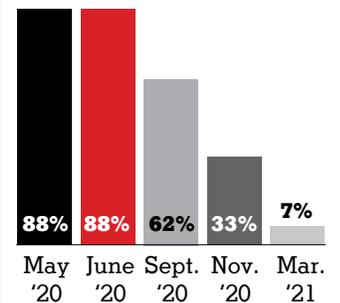
V. Conclusions

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 and beyond. 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. And as more in-person events take place and prove able to be held safely and successfully, the more it will increase confidence from attendees and exhibitors, precipitating an expansion and acceleration of live-event participation. Having said that, it’s unlikely we’ll see what anyone might call a return to normal until about the midway point of 2022. That means the industry could spend another 12 to 16 months in a stunted state before fully reemerging.

How would you describe your personal comfort level with attending mass gatherings?



What percentage of your current clients have plans to exhibit at trade shows held between now and the end of March 2021?



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

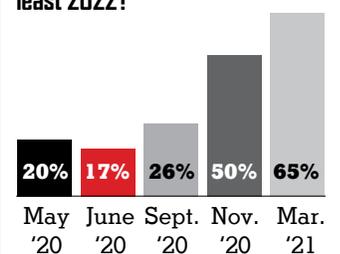
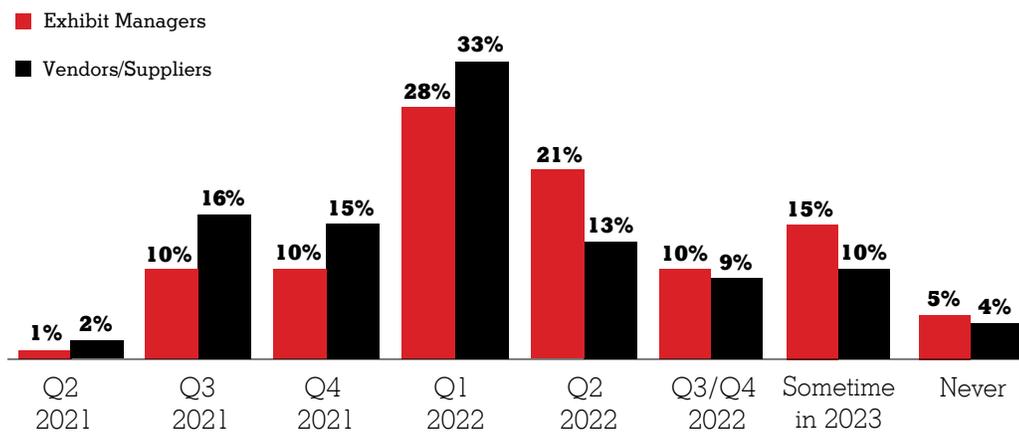


FIGURE 22:

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



Further evidence of what appears to be an industry-wide sea change is the fact the vast majority of both corporate exhibit managers and trade show vendors/suppliers believe the brunt of the pandemic has already passed. Seventy percent of suppliers and 65 percent of exhibitors agree that the worst is behind us. And while roughly one-third of each contingent is unsure about what the future might hold, only 4 percent of marketers and 2 percent of vendors/suppliers anticipate the worst is yet to come.

Fortunately, a renewed hope for the future, a stabilization of medium-range plans, and an increasing level of comfort among both exhibit managers and vendors/suppliers seem to imply that the year ahead will be one of slow and steady growth, versus the year behind us, which was marked by shocking shortfalls and a never-ending string of red flags. In other words, we predict the industry will continue moving in the right direction, save any additional COVID-19 surges or vaccine-resistant variants in the months ahead. Until then, virtual and hybrid options will continue to bridge the gap. And while it's likely we'll see even more online events and digital trade shows, it's uncertain whether or not previously reluctant companies will choose to participate or remain on the sidelines until in-person events become more commonplace.

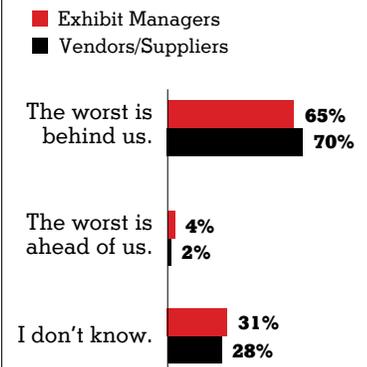
But most agree that trade shows and corporate events won't come out on the other end of this pandemic looking exactly as they did before. A majority (or near majority) of corporate exhibit managers and vendors/suppliers anticipate a range of new cleaning and sanitization measures, more virtual and/or hybrid events, lower attendance numbers throughout 2021, wider aisles or more widely spaced booths, fewer trade shows, fewer employees sent to staff events, and a reallocation of funds previously earmarked for face-to-face marketing.

Curiously, the most dramatic shift in the past four months has been a nearly universal decline in vendors' and marketers' beliefs that any of the proposed changes will stick following the widespread return of live events (with the exception of cleaning and sanitization policies on the exhibitor side and the closure of some events on the supplier side). For example, the number of exhibit managers anticipating more virtual or hybrid events fell 13 percentage points, and those

"This crisis has been devastating for our industry. But for those companies that have survived — and for new players that have the resources to enter our market — I think business will be stronger than ever."

— Chief Financial Officer

Do you believe the worst of the COVID-19 pandemic is behind us or ahead of us?

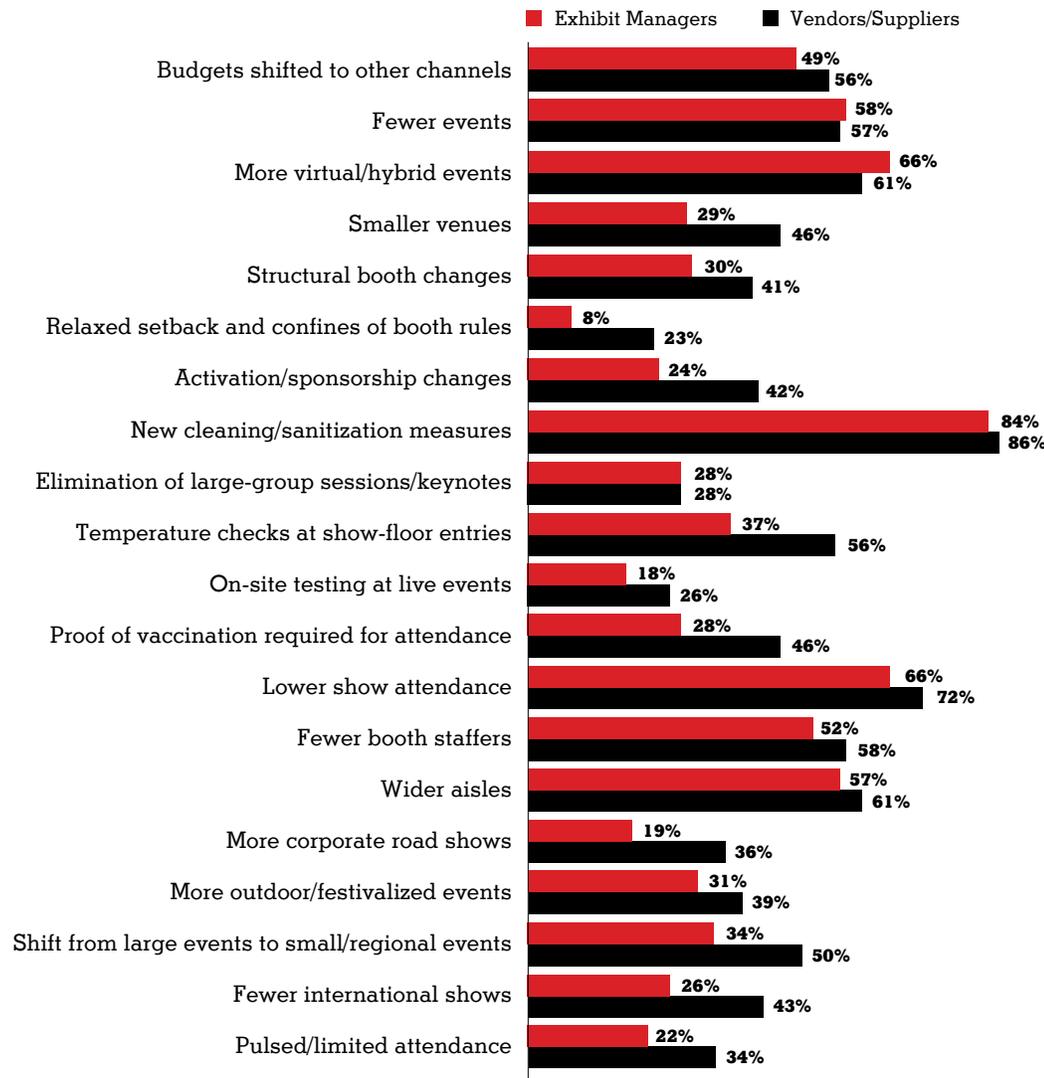


"I'm worried that a lack of national guidelines for live events will impede a strong recovery until the end of 2022 at the earliest."

— Chief Operating Officer

who expect to see significant shifts to show-floor layouts dropped by 12 percentage points. Among vendors and suppliers, there has been a drop of nearly 10 percentage points among those who expect to see more virtual and hybrid events, temperature checks at show-floor entries, wider aisles, and a rise in corporate road shows. This may be a sign that stakeholders anticipate these tweaks could end up being little more than temporary stopgaps to get the industry up and running.

FIGURE 23:
What long-term changes do you anticipate the trade show industry will experience as a result of the COVID-19 pandemic?



Of course, our industry’s prognosis will continue to shift as vaccinations become more commonplace, infection rates fall, and an increasing number of live events forge ahead in an attempt to prove the efficacy of new safety measures. But the bottom line is clear: We are in a better place today than we have been at any other point throughout this yearlong pandemic. The mere absence of any new red flags is a sign hope can cautiously begin replacing fear — and that we can start tentatively planning for the future of face-to-face marketing versus wondering if and when it will ever come.

ABOUT THIS SURVEY

The EXHIBITOR *Insight* Report: COVID-19’s Impact on the Trade Show Industry is based on five surveys conducted by Exhibitor Media Group. An email survey was sent to both corporate exhibit managers and trade show vendors/suppliers on May 4, 2020, and collected 1,111 responses. A second survey closed on June 12, collecting 420 responses. A third (closed on Sept. 2) and fourth survey (closed on Nov. 17) generated an additional 570 and 603 responses, respectively. Our fifth and most recent survey, fielded from March 3-12 collected an additional 546 responses. To date, the number of analyzed responses is 3,135, including 1,781 corporate marketers and 1,354 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 vendor/supplier annual revenues ranged from less than \$2.5 million to more than \$30 million.