Global Recovery Insights 2021

The road to recovery

PRODUCED BY:

ufi The Global Association of the Exhibition Industry

explori

SUPPORTED BY:

SISO SOCIETY OF INDEPENDENT SHOW ORGANIZERS

www.ufi.org/research

Contents

Welcome

Dear industry colleagues,

We are happy to release this new global report, which is the third since the Covid-19 pandemic started (previous reports are available online at ufi.org/research).

Built from results of both quantitative surveys to visitors and exhibitors, and "Doubters" - marketing decision makers who did not participate in exhibitions prior to 2020, it provides key findings as to "the road to recovery". It gives plenty of reason for optimism, including quelling doubts about a possible shift away from live events and indicating which shows are likely to bounce back quickly.

The findings illuminate the potential benefits and pitfalls of hybrid events, how organisers can improve the digital experience for their communities, and provide clear indications which elements of digital only events are supporting businesses in their efforts – and which ones do not yet achieve this.

At a time where physical trade shows are restarting around the world, we hope that these findings will help the industry towards a fast recovery and beyond.

Yours sincerely,

Kai Hattendorf
UFI Managing Director / CEO

The Global Association of the Exhibition Industry

About UFI The Global Association of the Exhibition Industry

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

UFI's main goal is to represent, promote and support the business interests of its members and the exhibition industry. UFI directly represents more than 50,000 exhibition industry employees globally, and also works closely with its 60 national and regional association members.

More than 800 member organisations in 83 countries around the world are presently signed up as members.

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

Key areas of focus

Building on the findings of previous Global Insights reports, this study investigated five key themes:

1.
The impact of trade shows not running on both visitors and exhibitors.

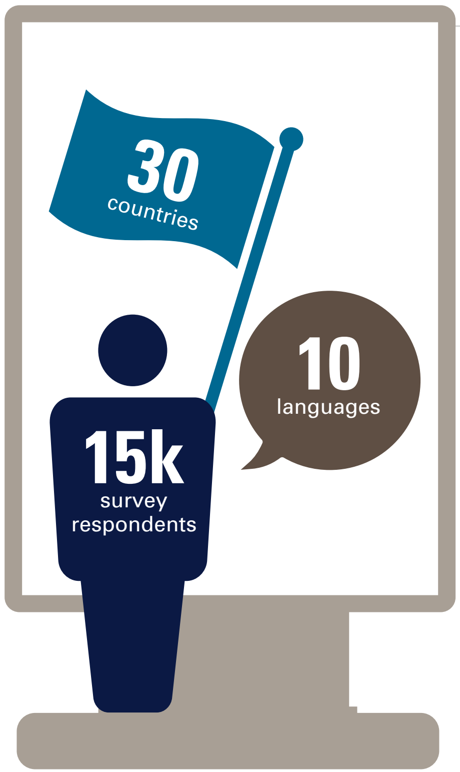
2.
The views of both groups on their potential return.

3.
What are the most important factors that would encourage visitors and exhibitors to return?

4.
How might exhibiting budgets change and what is driving these decisions?

5.
What shows might be more secure in their future than others?

Methodology



A recurring quantitative survey of trade show visitors and exhibitors, collectively gaining 15,000 responses, in 10 languages, representing trade show participation in over 30 countries.

Quantitative survey of a comparison group: marketing decision makers in the US and UK who did not participate in trade shows prior to 2020.

Fieldwork in Summer 2021

Comparisons with the 2018 / 2019 / 2020 Global Insights where available – these reports are available to UFI members at www.ufi.org/research

Key findings

There is no evidence of a fundamental shift away from live

Whilst there may still be short-term impacts driven by uncertainty, across the data there are no signs of a fundamental shift away from in-person trade shows as a channel. Spend is still expected to recover within 12 months and exhibitors are not diverting significant percentages of their budgets to digital.

Live and face-to-face is the preferred channel for networking and overall experience

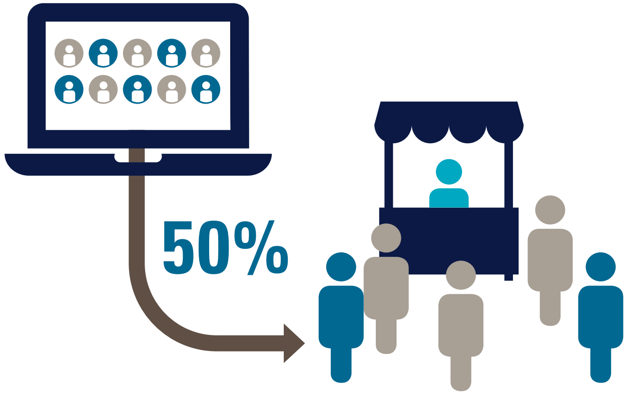
Despite some increased familiarity with digital channels, both visitors and exhibitors rate live events more highly across almost all aspects of the experience. Live is seen as much better for networking and overall a more enjoyable experience by both groups.

Impact on spend is less severe, with quality shows being favoured

Budget cuts have not been as severe or as widespread as first reported in 2020. Even exhibitors looking to make savings plan to protect their investment in high quality shows.

Visitor quality favoured over quantity

In previous studies, exhibitors have favoured shows with high visitor numbers. This has shifted and they are now consistently (2020 and 2021) citing visitor quality as the most influential factor in their decision to invest in a show.



Demand has recovered for both exhibitors and visitors

Whilst desire to attend events more frequently fell in 2020, it has now recovered to pre-pandemic levels for both visitors and exhibitors, suggesting the potential has returned for organic growth in visitor numbers.

Digital has the potential to deliver content and widen audiences

Digital events are seen as a way to test out new events, while familiar events will still be attended in person. Non-exhibitors are also participating digitally, with over 50% intending to convert to live in future. Digital events have drawn new audiences to our channel.

Exhibitor experience remains an issue both live and online

Low Net Promoter Scores℠* (NPS℠) for exhibitors in a live environment have been compounded by even lower scores for digital events. This has left many exhibitors wary of future participation in digital and hybrid models.

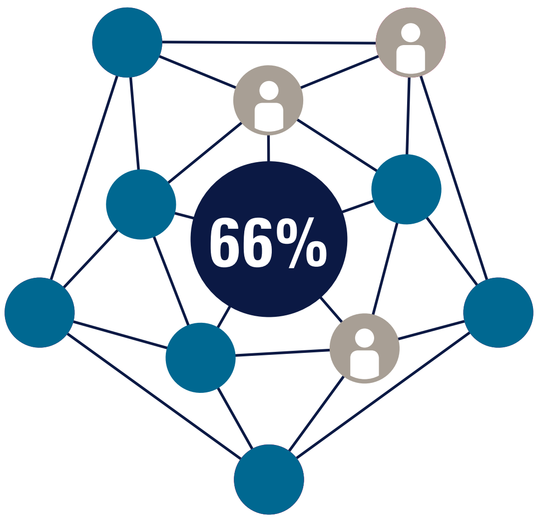
* Net Promoter Score is a service mark of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld.

Business impact still felt

One year on and exhibitors are still sorely missing live events. Whilst the absence of trade shows has meant some resource has been diverted into other channels, businesses have been unable to replicate the value of trade shows in key areas such as:

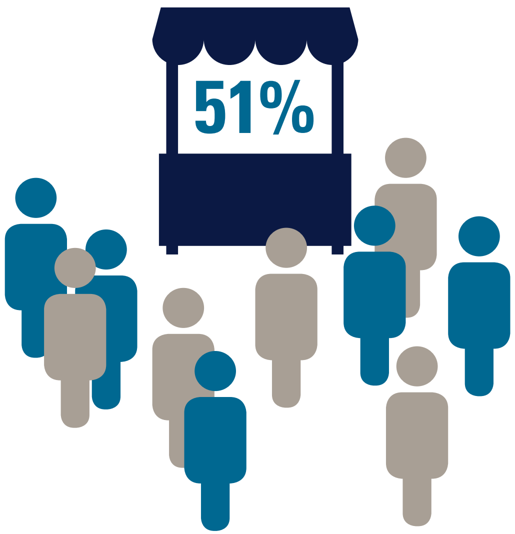
REDUCED NETWORKING OPPORTUNITIES

66% still impacted



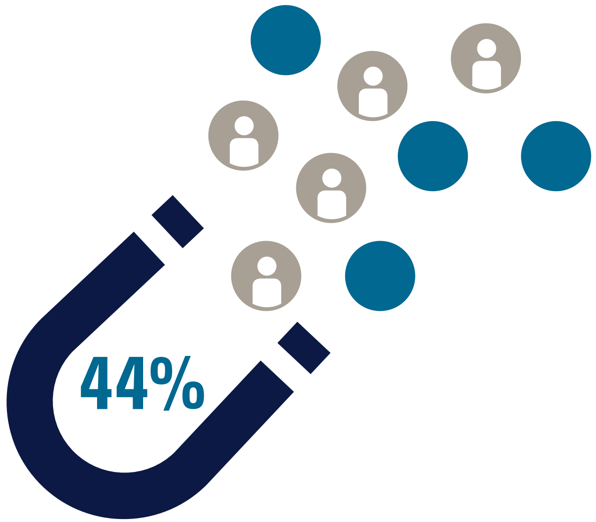
LESS BRAND EXPOSURE

51% still impacted



FEWER LEADS GENERATED

44% still impacted



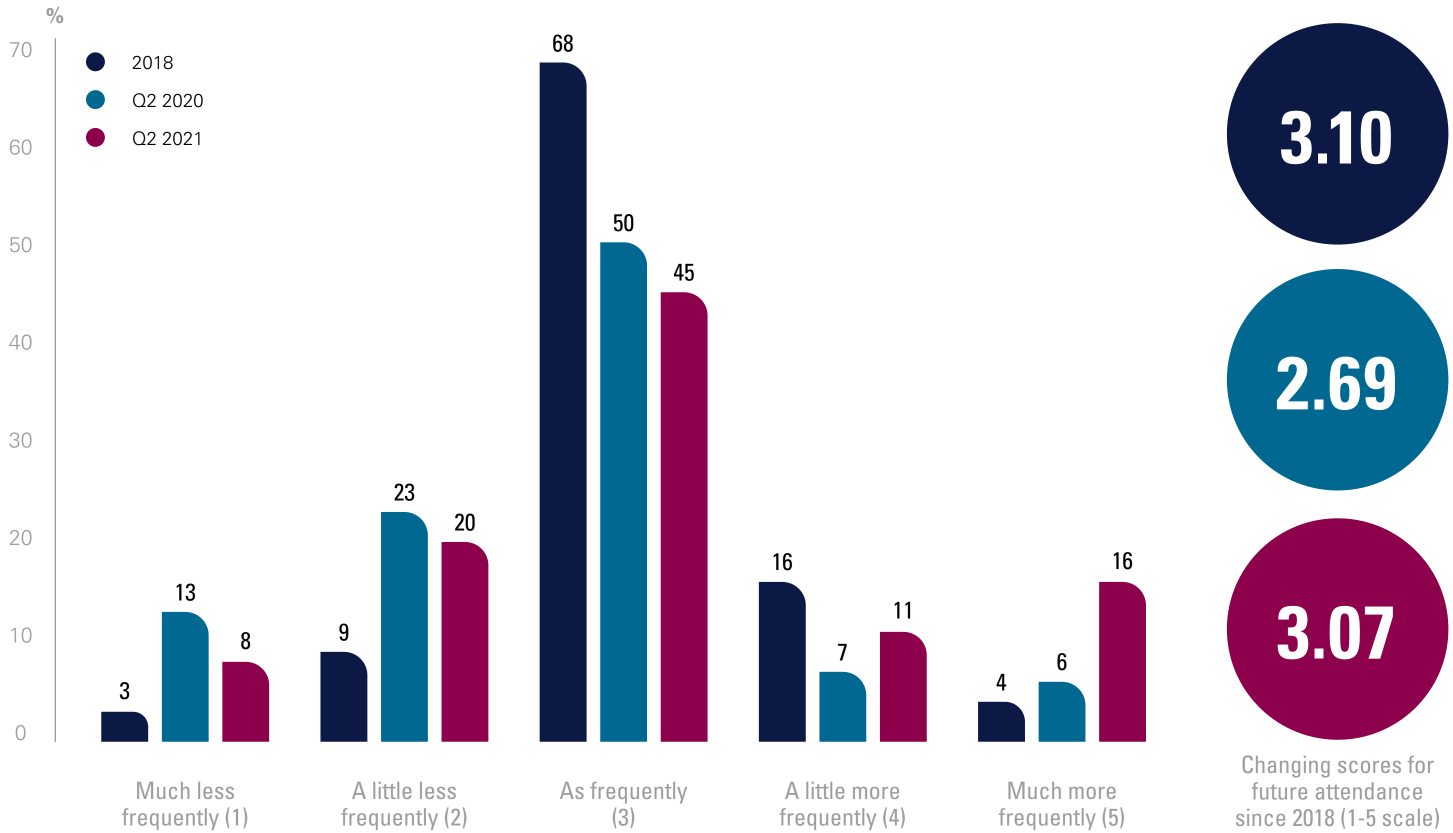
The great comeback?

Both visitors and exhibitors tell us that they are now planning to participate in events at roughly the same frequency as in 2018 / 2019 when we last have reference data.

For visitors, this places the industry back in an overall position of organic growth, with 72% of existing visitors saying they plan to attend trade shows with the same or increased frequency in future. 16% say they plan to attend much more frequently in future, when only 4% of respondents fell into this category back in 2018.

Visitors who believe they will attend less frequently in future are still more likely to cite concerns about safety and travel, suggesting that their attitude could change in the longer term. They are 100% more likely to want to attend an event virtually in future than other respondents, suggesting that they still feel there is a benefit to attending events at least in some form.

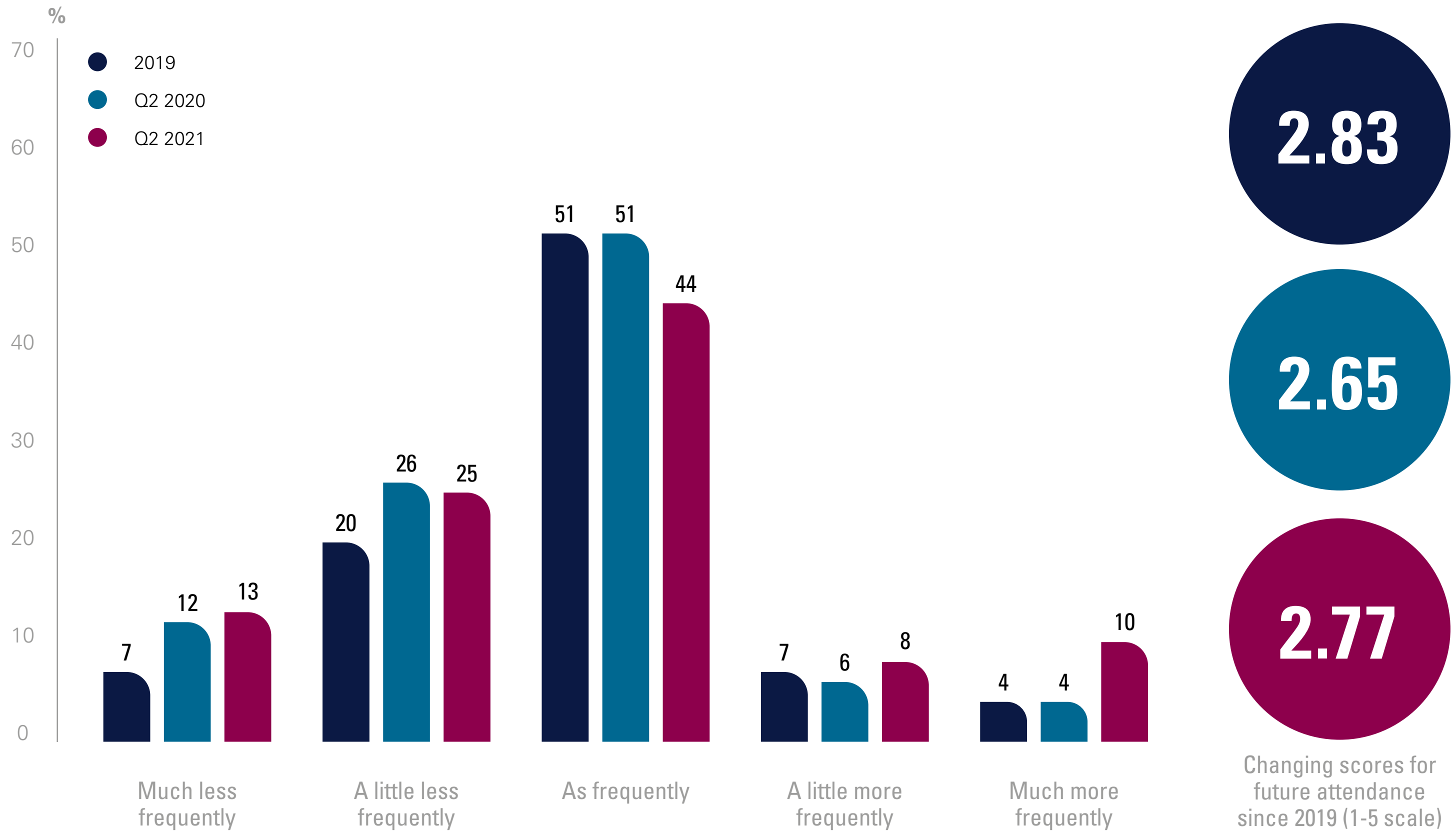
VISITORS: HOW LIKELY ARE YOU TO ATTEND TRADE SHOWS IN THE FUTURE?



Changing scores for future attendance since 2018 (1-5 scale)

The intention to participate in future events has also returned to pre-pandemic levels for exhibitors, with 62% planning to exhibit with the same or increased frequency, the same percentage as when this question was asked in 2019. Again the percentage intending to exhibit "much more frequently" has shifted up to 10%, vs only 4% in 2019.

EXHIBITORS: HOW LIKELY ARE YOU TO EXHIBIT AT TRADE SHOWS IN THE FUTURE?



Only 9% of visitors say their company has a policy against attending events.

Will the money return?

Exhibitors tell us that the reduction in spend will be relatively short lived, with ¼ saying their budget will return to pre-pandemic levels immediately. Just under half will have restored their budgets within 12 months. Only 17% expect that reductions could become permanent.

Budget impact less severe

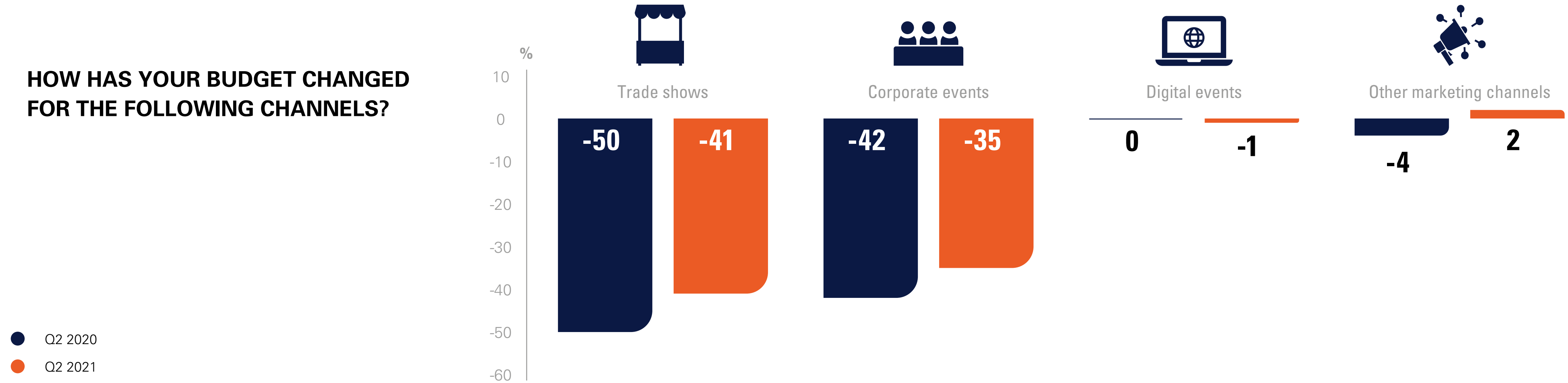
Whilst some marketers must still reduce their budgets for trade shows, in 2021 cuts are less severe and less wide-spread than feared in 2020.

Of those exhibitors who do face cuts, the proportion facing the most severe cuts has also reduced. Typical cuts will be up to 41% vs. the 50% cuts feared in summer 2020.

Spending on corporate events may also decrease, but like trade shows, the impact seems less severe than was suggested in 2020. Budgets for virtual events remain flat, whilst budget for other marketing spend has gone from a small decrease to a small increase.

> 45% of exhibitors expect budget to return within 12 months.

HOW HAS YOUR BUDGET CHANGED FOR THE FOLLOWING CHANNELS?



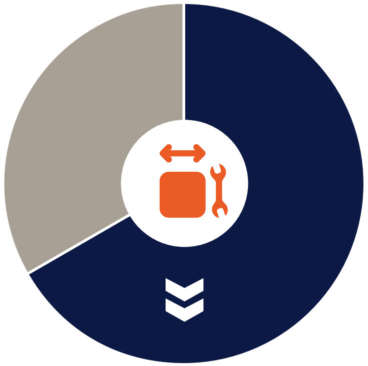
How will savings be made?

Of the marketers who must reduce their spend, ¾ will look to exhibit at fewer shows and half will reduce spend on travel and accommodation. Around ⅔ will look to make savings on design and build or spend less on floor space.

PROPORTION OF EXHIBITORS LOOKING TO MAKE SAVINGS

3/4 exhibit at fewer shows

Half reduce spend on travel & accommodation



2/3 reduce booth spend

Few exhibitors are switching to digital events with the objective of saving cost with only 1-in-4 planning to do this, although this rises to 1-in-3 where exhibitors need to make the biggest savings (50% or more).

But, there is evidence that exhibitors are prepared to protect investment in the shows they do choose to support. Of the respondents planning to save money by exhibiting at fewer shows, 60% will maintain their spend on design and build and 67% will continue to invest the same amount in floor space.

This bears out a trend we first identified in 2020, suggesting that high-quality shows could be somewhat protected from budget cuts.

> Of exhibitors looking to cut budgets, 60% will maintain their spend on design and build and 67% will continue to invest the same amount in floor space.

The flight to quality

Previous UFI / Explori research through to 2019 had suggested that visitor numbers were the dominant factor in exhibitor decision making. Yet, in 2020 we could see a clear shift, with visitor quality cited for the first time as both the most frequent and most important factor in deciding which shows to support. 86% of exhibitors now state visitor quality is a large influence on their decision vs 67% citing visitor numbers.

Quality will be judged primarily through previous experience at that show, suggesting well established shows with high visitor Net Promoter Score^{sm} will still be well placed to attract investment.

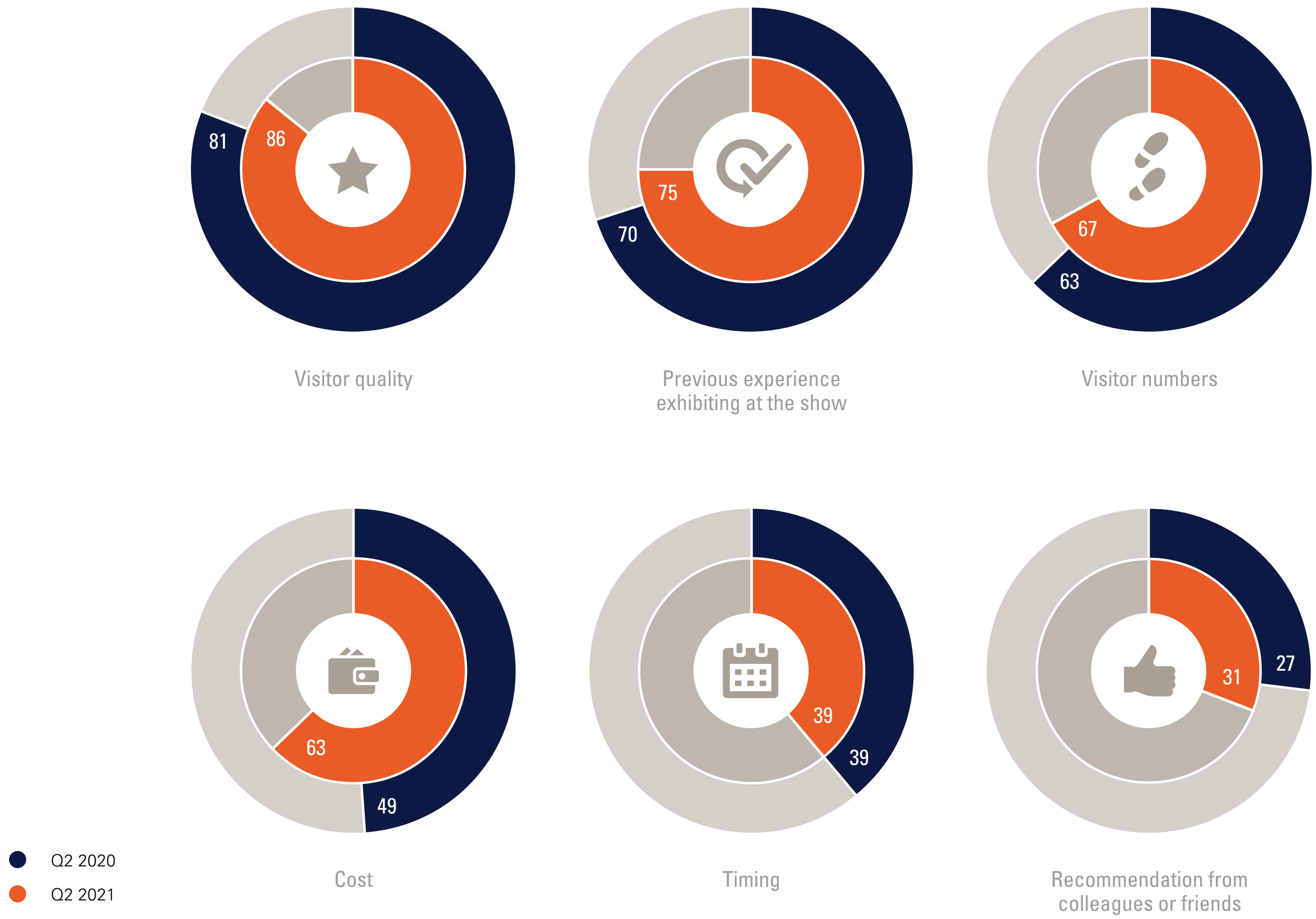
Recommendation from industry colleagues also has a part to play with over half of respondents saying this had some influence.

Cost becomes increasingly important

In-line with the need to reduce spend, cost is considered an increasingly important factor. The number of exhibitors who now consider the cost of exhibiting to be a large influence on their decision to support a specific show has grown by 29% since 2020.

WHAT FACTORS INFLUENCE THE DECISION TO EXHIBIT?

Factors which have a large influence only shown (%)

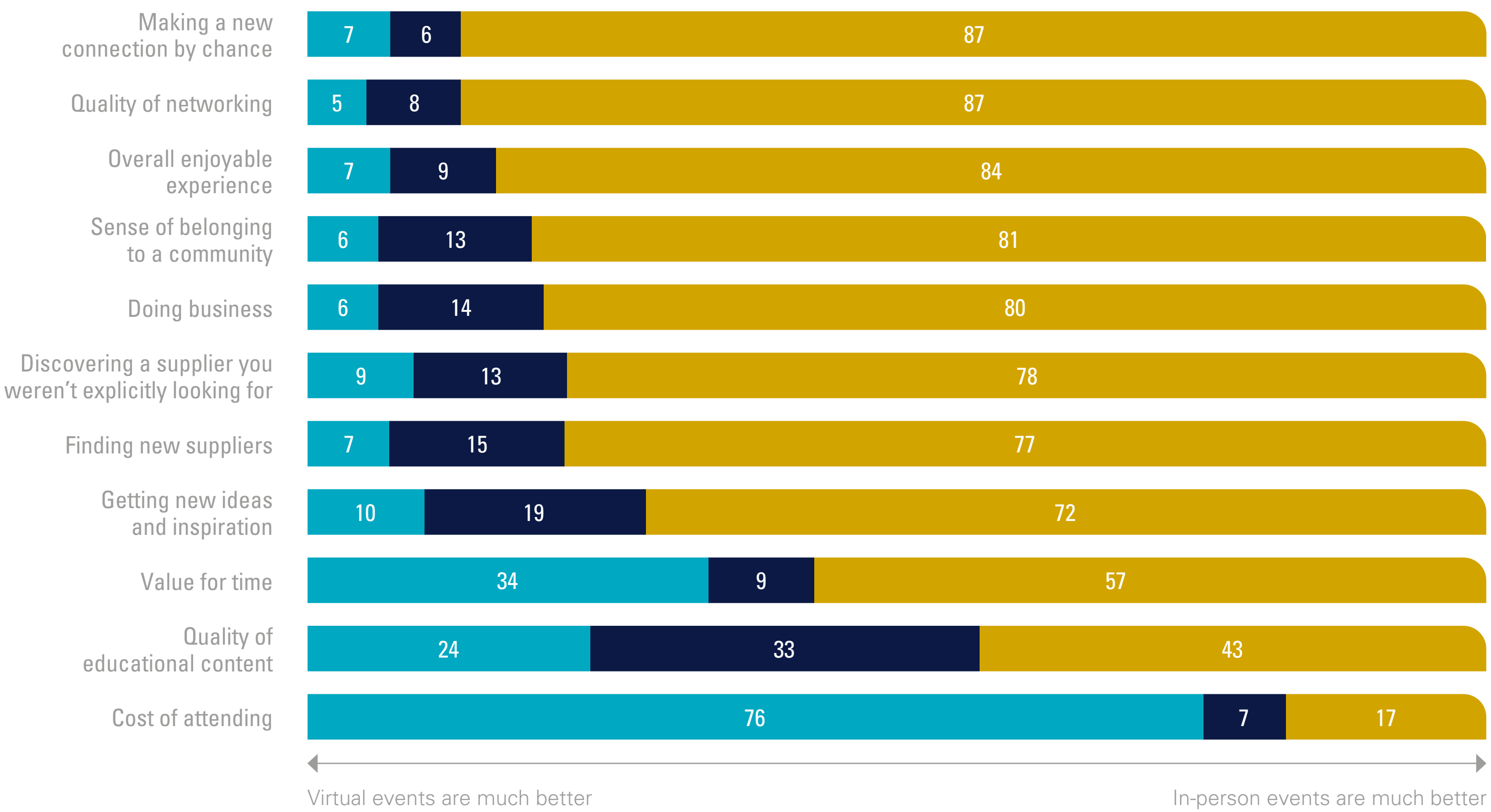


Going digital?

For quality of networking and overall experience, our audience almost universally prefer live.

Across the Global Recovery Insights study, there is no evidence to suggest a wholesale shift away from live events towards digital. Whilst visitors appreciate the time and cost savings offered by digital and find them a convenient way to consume content, they still prefer live events across every aspect of their experience. For quality of networking and overall experience, our audience almost universally prefer live.

VISITORS: HOW DO DIGITAL EVENTS COMPARE TO LIVE EVENTS ACROSS THESE FACTORS?



Is hybrid the best of both worlds?

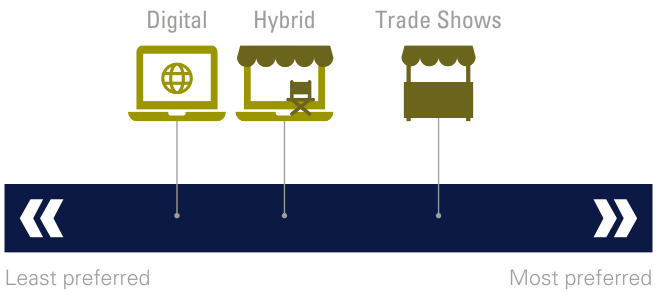
With a potential to combine digital content consumption with live networking and discovery, hybrid events (defined for these purposes as events that have digital and in-person elements running concurrently) seem to have the potential to combine the best of both worlds.

However, the cohort of visitors who had experienced a hybrid event were not enthusiastic. Whilst better than a purely digital event, they felt hybrid detracted from the live experience; their preference is for events to be purely live.

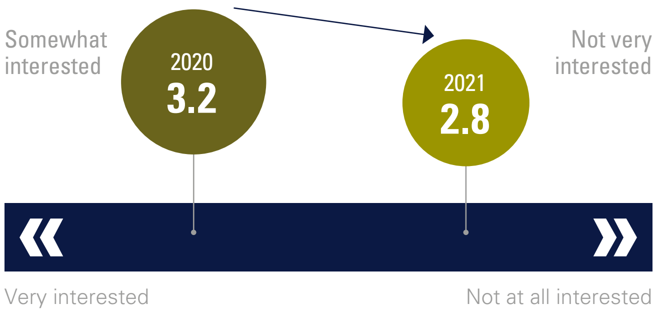
There is also evidence that interest in attending hybrid events is waning amongst visitors as live events become increasingly available. Respondents in 2020 stated they were "somewhat interested" in attending a hybrid event, whilst in 2021, this is now better characterised as "not very interested".

> There is little evidence to suggest that many digital attendees are choosing to attend that way out of active preference for the channel.

VISITORS: HOW DO DIFFERENT TYPES OF EVENTS COMPARE?



VISITORS: CHANGING INTEREST IN ATTENDING HYBRID EVENTS



Those visitors who still feel they would be likely to attend an event digitally, even if a live component was available, are still more likely to have concerns about safety and travel disruption. There is little evidence to suggest that many digital attendees are choosing to attend that way out of active preference for the channel.

Digital – a success for exhibitors?

Established exhibitors have been slow to adapt to digital, with only two-thirds having now participated in their own or a third party digital event. This is only modestly up from the 52% who had used digital 12 months previously. Exhibitors still prefer the live experience across all aspects, particularly for networking and favour a purely live event over hybrid.

EXHIBITOR PARTICIPATION IN DIGITAL SINCE 2020

Only 64% of exhibitors have participated in digital

Increase driven by sponsorship & virtual booths

Virtual booth is the most used option – 38%

There is minimal increase in the amount of budget exhibitors are planning to allocate to digital vs the previous year. Even amongst exhibitors looking to make the biggest savings to their live event budgets, only one-in-four are planning to re-allocate their spend to digital to compensate.

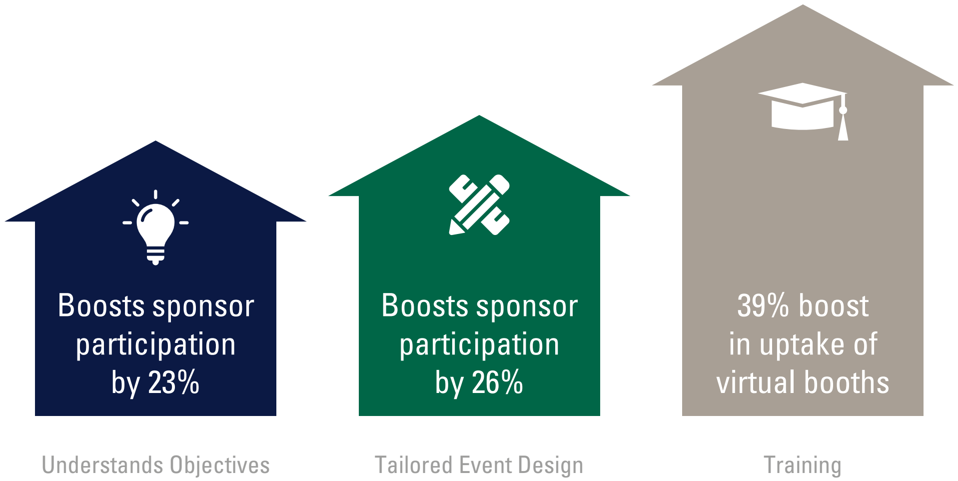
Whilst some exhibitors have opted not to invest in digital at all, those that have report a negative experience. Explori's exhibitor NPS^{sm} benchmark for digital events sits at -51, well below that for live events, suggesting exhibitor experience at digital events is a significant challenge for organisers who wish to pursue revenue from a digital model. Where exhibitors have participated in a digital portion of an event, they are likely to be less enthusiastic about future hybrid events; preferring a purely live model.

How can organisers improve the digital experience?

Exhibitors felt that organisers were not consistent in taking the time to understand their objectives or designing the event around their needs. They reported that organisers only explained how to get the most out of the event on some occasions.

But, in common with live events, how the organiser supports and trains exhibitors seems to have a big impact on their engagement with digital events. Where an exhibitor had received training and support from the organisers, they were between a quarter and a third more likely to invest in digital events in future.

CHANGE IN EXHIBITOR ENGAGEMENT BASED ON ORGANISERS CONSISTENTLY DISPLAYING CERTAIN TRAITS



What does the future hold for digital and hybrid?

We saw in previous studies that digital, or the digital element of a hybrid event, had the potential to attract new audiences. Audiences stated that they would be more likely to consider attending digitally if it was a show brand that was new to them. This has been borne out by the many events who have seen increased audience numbers at their digital editions. This new digital audience has the potential to convert to a live audience in future, with around half of exhibitors and visitors expressing that they would be highly likely to attend an event in-person given the chance, having previously discovered it digitally.

But additional research in 2021 suggests digital also has the potential to bring new exhibitors to the trade show channel.

Meet the Panel

Research was also conducted with marketing decision makers from the US and the UK who did not use trade shows as part of their marketing mix prior to the pandemic.

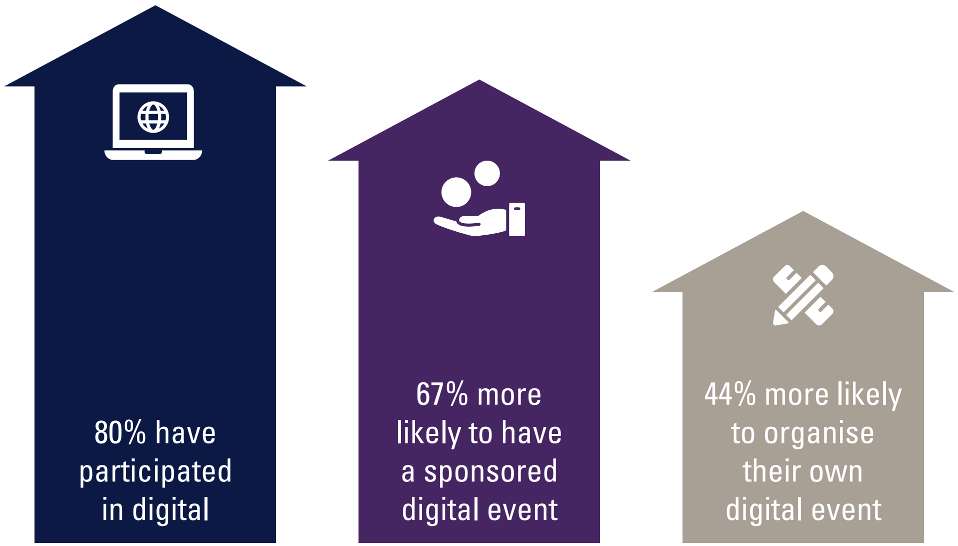
1. Senior marketing decision makers
2. Based in US or UK
3. Did not use trade shows as a channel pre-pandemic

The Panel had been much more engaged with digital events over the previous 12 months than our exhibitor respondents, having been more likely to sponsor a digital event or organise their own.

They are also strikingly more likely to convert from digital participation to in-person participation than either current visitors or exhibitors.

Our panel of non-exhibitors were also much more likely to continue to invest in digital with over two-thirds saying they would continue to run their own digital events and sponsor and exhibit at third-party digital events.

NON-EXHIBITOR ENGAGEMENT WITH DIGITAL VS. CURRENT EXHIBITORS



NON-EXHIBITORS: FUTURE PARTICIPATION IN DIFFERENT MARKETING CHANNELS

Most interestingly, whilst these respondents did not exhibit at trade shows prior to 2019, 55% of them now believe they will exhibit at in-person trade shows more frequently, with 27% saying much more frequently.

- Definitely won't (1)
- Probably won't (2)
- Might / unsure (3)
- Probably will (4)
- Definitely will (5)

> 55% of non-exhibitors expect to participate in live trade shows post-pandemic.

What will the trade show of the future look like?

1.

It will smartly deploy digital

Whilst the digital experience still presents a challenge, there is now clear evidence that it has the potential to broaden both the exhibitor and visitor audience. Future organisers will continue to use digital to enhance the communities around their events, giving better access to content and a more curated experience throughout the year.

2.

It will focus on quality of audience

Global Recovery Insights has shown a powerful shift in priorities for exhibitors. Future organisers will focus on designing a value proposition that will engage the highest quality audience and the narrative will change away from selling on audience numbers.

3.

It will re-imagine the floorplan

Exhibitor ROI will remain a challenge as live returns. Future organisers will offer a wider range of sponsorships and activations to help exhibitors capitalise on more curated, meaningful interactions with high quality visitors rather than focusing on footfall. Booth design and exhibit strategy will change accordingly.

4.

It will work collaboratively with exhibitors

Many exhibit marketers will still be looking to rationalise their portfolios, prioritising the shows that deliver the most. Future organisers will work collaboratively with their exhibitors to ensure that the value proposition both on and offline is designed in conjunction with exhibitor objectives and they are well versed in how to gain the most from their investment.

About Explori
The official research partner of UFI

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

Explori's research platform is designed to support organisers in gathering meaningful customer experience insight across multiple territories and languages. Over 4,000 events worldwide now work with Explori including trade shows, consumer shows and conferences.

As part of their partnership with UFI, Explori produces annual reports giving insight into the customer experience of visitors and exhibitors across the industry.

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

Thank you to all research participants

UFI and Explori would like to thank the trade show organisers and UFI members and partners who supported the wide collection of data that made this research possible. They would also like to thank the event directors and marketers who gave their time to participate in interviews. The authors also wish to thank the research teams at Explori, GRS and GRS Explori, for the significant work that has gone in to producing this report.

UFI Diamond Sponsors

UFI Research Patron

Report authors

Charlotte Penn
Senior Research Manager, Explori

Christian Druart
Research Manager, UFI

Sophie Holt
Managing Director, Explori