

# Steve Miller's Ramblings

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## **IT'S ALWAYS ABOUT VALUE**

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I received a call the other day from a show director of one the nation's largest shows. One of every show manager's worst fears had just happened. His largest exhibitor called and completely pulled out of the next show. Makes you sweat just thinking about it, doesn't it?

So what happened? Did his biggest exhibitor all of a sudden go out of business? Not really. What it had was a change in upper management. A new VP of Marketing had recently arrived. And, as all new VP's do, he carefully studied the annual marketing budget. After all, when somebody new arrives, the fastest way for him or her to make points with their boss is to save some money right out of the box. When he came down to the line that listed "trade shows," his eyes probably bugged out when he saw how much money was allocated. He asked the obvious question, "What do we get in return for spending all this money?" And that's when the trade show was in trouble.

It's a well-known secret in the trade show industry that the number one complaint exhibitors have is, "I can't quantify a return-on-investment from trade shows!" I know that "well-known secret" is an oxymoron, but it's true. We all know it, we even talk about it once in a while, but then we pretty much just turn our backs on it hoping it will go away.

But think about it. R.O.I. is the **ONLY** reason your exhibitors will leave your show. If a current exhibitor is unable to clearly measure how your show impacts their overall business, then they are an "exhibitor in jeopardy." They may leave at any time.

Exhibitors don't leave because "budgets have been cut all across the board." That's baloney. Any marketing tool that has a clear and significant R.O.I. will never be cut. In fact, when times get tough, companies will look to their **top** marketing tool to help bail them out. Is your show their top tool? If not, why not?

I believe that our industry has really dropped the ball on this. **We must, we must, we must** show a greater focus and concern towards helping to create **HIGH VALUE** to our exhibitors. But we don't.

Let's admit it, though, the bottom line is ..... **where value is clear, the decision is easy.** And, the converse of that is also true - where value is not clear, the decision is also easy. Exhibitors who

know how to use your show effectively and profitably will stay forever. Those who don't are *always* in jeopardy.

What's the value of your show to your exhibitors? To your attendees? You can get a pretty good idea by looking at your annual turnover rate for both groups. According to Frederick F. Reichfield, co-author of **The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value**, the average U.S. corporation loses half its customers every five years. Reichfield says this figure shocks most CEO's, because customer defection is one of the most illuminating measures in business.

But it doesn't shock us in the trade show industry where the average annual turnover is 30%! Even trade shows with long waiting lists are replacing high numbers of exhibitors each year. In fact, we take it for granted. And I think there's something seriously wrong with that attitude. A trade show just can't keep going along every year expecting to be able to replace last year's defectors. Eventually, the well is going to dry up.

Of course, I keep referring to the exhibitor and haven't even mentioned the attendee. And attendees are important, to be sure. But, for the most part, the attendee doesn't pay the bills. It's the exhibitor who pays the bills. Unfortunately, most shows are joined at the hip with their attitude towards attendees. But, as I always say .... if you live by attendance, you die by attendance. (This doesn't mean to say that attendance isn't important. It's just not the be-all, end-all that everybody thinks it is. Hey, in a recent consulting assignment with the California CPA Society, I was able to help them almost TRIPLE attendance in one show.)

No, the exhibitor is your primary customer. Your primary purpose should be to create and maintain long-term relationships with your primary customers. And therefore, your primary job is to make your primary customer insanely happy with you by creating value far beyond expectation.

For most organizations, this naturally requires three radical paradigm shifts.

**First**, set up your exhibits department to focus on developing close, personal relationships with your exhibitor/customers. True partnerships, if you will. You must educate your personnel to become independent marketing consultants for your exhibitors. You must be able to sit down with each and every one of your exhibitors and be able to understand their own unique marketing strategy and annual objectives. You must be able to show them how your trade show(s) will help them to achieve those objectives. You must be able to create a relationship built on trust and credibility. Only then will you be able to create a true partnership where both you and your exhibitors take joint responsibility for bringing the most important and highest quality buyers to your show.

**Second**, you *must* raise your level of contact with your exhibitor. If your ONLY point of contact is with the exhibit manager ... you've got BIG trouble. This person has lots of responsibility and little, or no, authority. Remember our new VP of Marketing? Well, the trade show just didn't have contact that high up. And that is a fact you can't get away from. If you don't have a solid relationship with people at the highest level of an exhibitor customer, then you are in constant danger of having the same fate happen to you. Somebody new comes in and ... poof ... you are gone.

**Third**, is to recognize that this is a permanent and on-going process. It never stops.

You MUST create enormous and easy-to-measure value for your show. Once you do that, you will NEVER be cut out of the budget. Any marketing tool that shows ongoing, clear and measurable value to a corporation will scream to the top of the list ... and stay there.

The key here isn't to become the best trade show they go to ... it's to become the best **MARKETING TOOL** they use. Better than direct mail. Better than trade ads. Better than the Internet. Better than individual, face-to-face sales calls.

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By the way, speaking of VALUE. What's the value of your show to you and your organization? What would happen if your exhibitor base decreased? What would happen to your organization if your show went away? If you're serious about solidifying your trade show's future, give us a call. Find out how organizations like the National Housewares Manufacturers Association, the Food Marketing Institute, the Society of Automotive Engineers, and the Food Processing Machinery & Supplies Association have enhanced their shows with our help.

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Steve Miller, Kelly's Dad and a strategic director, works with both show management and corporations worldwide, advising them on competitive advantage and innovation. He also speaks to business groups around the world on corporate strategy. His website is [www.theadventure.com](http://www.theadventure.com).

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