

Steve Miller's Ramblings

(www.theadventure.com)

Would You Do Business With You?

I was called to consult for a major national association's exhibit department. In preparing for our first meeting, I studied all the materials they felt were pertinent to my work. Included in the pile was a beautiful ten page, four-color brochure explaining all about the association, its departments, governmental affairs, important projects, key people, and future plans. It was, needless to say, an impressive document.

But there was something missing in the piece. Something so glaring and so obvious that I was frankly confused after first read-through.

The Exhibits Department wasn't there.

Not a word. Nada. Zip. Zero. No mention of the Exhibits Department and the trade show they produced for the association.

I knew that the exhibits department and all six people in there represented over 65% of the annual revenues of that association (not unusual). And I also knew those revenues represented 100% of the annual net profits, which means that the Exhibits Department basically supports the rest of the association overhead (also not unusual). That also means that a lot of people's *jobs* are dependent on the annual trade show, even though their own job has nothing to do with it. Yet, nowhere was the Exhibits Department even mentioned.

I spoke with the executive director by phone and asked, "What's wrong with this picture? Aren't you neglecting your best customer?"

She squirmed a bit, but responded predictably. “We’re an association for our members. The exhibitors are not members. They’re suppliers. We need to stay focused on our members.”

Yeah, well, that may be true ... but if the trade show goes away, what happens to the association? Hey, let’s be honest. The members will find another way to communicate and get together. They’ll move on with their lives, but the association will be dead, buried, and gone.

Maybe the members were the major financial support at one time, but the trade show eventually became the 800 pound gorilla. And when that happens, their primary customer changed. It’s no longer the member. It’s the exhibitor. Oh sure, the member is the ultimate beneficiary of all that trade show revenue, but the member isn’t the primary customer anymore. The association needs to recognize this fact and begin doing a better job of taking care of BOTH their exhibitors and their members equally.

In spite of my argument, our executive director of the above example just didn’t get it. She kept coming back to the, “But the exhibitors aren’t our members,” broken record.

I shared this opinion with another executive director, this time from a state association. Her eyes got real big with understanding. “I’ve been focusing our resources on getting our membership to increase, when I should be working on cutting down our exhibitor turnover and growing that part of the business!” She’s right.

Of course, there are variations of this scenario. There are plenty of shows where the exhibitors *are* the members. But are they doing any better? Not really. In many of these cases, too much of the focus is on the members' wants and not on the show attendees. They’re going too far the other direction, when there needs to be a balance.

I’ve been a trade show marketing consultant for twenty now. Our office has done extensive surveys of show managers. I regularly consult for associations and put on seminars for boards of directors, association staffs, as well as exhibitors. And I have to tell you, my conclusion is that this industry has big problems. Trade shows that are growing and succeeding today believe the magic will never end, get arrogant with their success, and don’t bother to plant nuts for the winter. Not until

the pain of inevitable change slaps them on the face do they pay attention. In most cases, that's too late.

Several years ago, a manager of an ex-top trade show called me to look into our consulting services. As I do with anybody, I explained that my philosophy of developing a successful show involved heavy commitment and investment in their exhibitors. His response was indignation. "It's not our responsibility to invest in our exhibitors! They're responsible for their own success." Needless to say, The Home Center Show and I didn't work together.

What do the names Sears, Eastman Kodak, General Motors, and Xerox have in common, besides being household words? All five were among the top ten largest companies worldwide as little as ten years ago. NONE ARE EVEN IN THE TOP TWENTY NOW. Their heyday is over and do any of us think they will return to the prominence they enjoyed? No way. And are we so arrogant to think we can't fall from grace like these once-well respected corporate giants?

Ten years ago, I was predicting that Comdex was a dinosaur, which brought a lot of laughter. But the fact is, Comdex is in BIG trouble and I'm not sure they still get it.

Believe me, it didn't take a mental giant to see Comdex's problems. Exhibitors have been unhappy with them for years. The grumblings have just gotten louder and louder about the mistreatment and scorchingly high prices to be a part of that show. Show management says they've always heard the grumblings, but what do *you* think? They say they've worked hard to provide a great product, but what do *you* think?

So put yourself in your exhibitors' shoes and ask the big question:

Would you do business with you?

Would you really? Are there grumblings going on that you're not hearing? Or not listening to?

If a trade show is to survive into the next century, then I believe it must put itself through a very thorough, and potentially hard-to-swallow, self-examination. An examination that isn't based on old, worn-out norms and commonly accepted business practices. In today's world, we're all traveling at the speed of time. And time is bringing change on a daily basis.

Is your show being managed based on accepted business practices established twenty years ago? Ten years ago? Or even five years ago? If so, then you may be losing ground, or you may be setting yourself up for the big fall experienced by so many before you.

Is your show successful right now? Any successful business that doesn't continually re-invent itself will eventually die. Either it will go into the Decline Phase, as we discussed in our previous publication, or it will be copied (which is exactly why the barracudas, oops, I mean show management companies, are succeeding). You need to have a healthy appetite for revolution, not just enhancing and repackaging.

Do you have a space allocation system that's over five years old? Have you considered the possibility of being sued for restraint of trade by a savvy corporation who either can't get space or can't get a space equal in size and location value to their competition? Doesn't that possibility make you want to run home and hug your teddy bear?

Do you have a convention hall full of satisfied customers? Well, satisfied customers leave all the time when they're offered a better and newer opportunity. Remember the post office? Then UPS? Then Federal Express? Then fax machines? Now email? Weren't we all satisfied customers to each of those?

Do you treat all exhibitors the same? That may be a big problem. Our studies have revealed there are usually at least three separate and distinct groups of exhibitors within your show, all three of which require a different strategy and relationship-building plan.

Do your exhibitors perceive your show to be a "necessary evil;" unable to accurately measure any real R.O.I.? Can you hear the death knell in the distance?

Have you made a long-term commitment to thoroughly educating your exhibitors as to the true value of your show and how to get the most out of it? Exhibitors are your life blood and one-shot "boothmanship" seminars, loosely promoted, just don't cut it. Organizations like the Golf Course Superintendents Association of America and IMTS have made complete commitments to their exhibitors' success for many years now, with strong documentable results.

Who is your corporate exhibitor contact for the trade show? If you're like most shows, that exhibit manager/marcomm manager/marketing assistant/somebody's secretary has a lot of responsibility and almost no authority. If you're going to truly help your exhibitors, that relationship MUST move higher up the corporate ladder. Working with an actual decision-maker brings several obvious advantages. A good relationship with that person can insulate your show from future cutbacks or withdrawals. In addition, the turnover rate is lower higher up the ladder. Having a 20% turnover of exhibit managers is exactly like having a 20% turnover of exhibitors. You're re-establishing a new relationship every year.

Do you act like you did when your show first started? Hungry? Eager to please? Constantly talking with your customers, listening to their needs and concerns? Or are you a little bit fat? A little bit comfortable? A little bit deaf?

If you can't tell, I'm trying like crazy to send what I consider to be a necessary wake-up call to the industry. We're like a bunch of processionary caterpillars, eyes locked on the one in front, following obediently wherever he/she goes. Every time I read an article about the "future of trade shows," it's always tactic related, infrastructure-related, or (yawn) global-related. It's time we get strategic and get back to business, and the purpose of business is to create and maintain long-term customer relationships.

So I ask you to once again put yourself in your exhibitors' shoes.

Would you do business with you?

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.

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