



Press Release

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Recession and its affect on the cost of exhibiting – Industry Comment from ITTFA

With the recession biting hard and companies from all industries making cut backs, we look at how this has affected exhibition organizers and what they can do to keep momentum for their events.

There is no doubt that in recession marketing budgets get tightened and companies avoid activity that is perceived as extravagant or unnecessary. Standing at exhibitions falls into this category, although the benefits of continuing to uphold a strong public image are even more important in hard times and exhibitions should still be high on the agenda. Recession has therefore forced businesses to look closely at the cost of exhibiting and the rationale behind it.

Under these circumstances, venues and organizers need to analyse their markets even more carefully, look at what they are offering and what is being provided by their supply chain in order to better understand how they can adapt to fit client needs in such challenging times. Focusing on these needs and aiming to be as flexible as possible will mean they can give better support to clients and add value. It is these elements that exhibitors will take into account when choosing if, and where, to exhibit.

Exhibitors, particularly in the travel industry, have a vast choice when it comes to selecting an event to exhibit at. The opening up of the global marketplace presents opportunities in most countries of the world and companies have to do their homework thoroughly, even in the best of economic times. So when finances are tight, it may be the smaller, lesser known events that suffer.

ITTFA member Maria Badakh, Event and Sales Director Travel Division, ITE, comments on their travel events. “Our biggest event, MITT (Moscow International Travel & Tourism Show) didn’t suffer at all this year, and we didn’t introduce discounts, as the space was sold out. But it is fair to say that in the past two years, when the budgets have been limited, companies have focused on the main events in each market – for example they stayed at MITT in Russia but cancelled other events.”

Many events have however felt the need to make changes in pricing structure and offerings in order to remain competitive and to retain key exhibitors.

Increasing profit is one of the biggest worries for organisers. With a reduced demand and high competition, many companies have opted to keep price increases to a minimum and indeed to keep last years’ rates or even reduce costs. Value for money is perhaps the most important

priority for exhibitors at the moment and organisers who can run an efficient operation, recognise the financial constraints on their clients and thus aim to maintain affordable packages, will continue to do well.

Long term ITTFA member TTG Incontri, held in Rimini, Italy, has for example, frozen its rates for 2010. "We understand that the global crisis doesn't bypass tourism companies, so, although we are continuing to invest in TTG Incontri 2010, we have kept the same rates as 2009 as well as offering some extras," explains Antonio Dell'Aquilano, Exhibition and Event Manager and current President of ITTFA.

"One of the added benefits we offer our exhibitors is a complete exhibiting package which includes exhibiting space, hotel and meal vouchers. On the one hand the prices we offer are competitive, as we negotiate thousands of bedrooms with hotels in Rimini, our rates are better than the ones obtained by most of our exhibitors, booking on an individual basis. On the other hand, offering such packages, we save our exhibitors time; they don't have to worry about booking hotels as we do the job for them. "

Event venues can also play a vital part by looking at how their offerings can be more cost effective for organisers. The NEC venue recently decided to introduce a two-tier pricing structure for use of electricity at the facility, offering a new tariff with 2.5 per cent discount for event organisers who choose to use the fully Plug and Play system, using their own cables and isolators. This method can offer reduced installation times, cost savings and added safety benefits. The cost savings can then be passed on to the exhibitors.

Other venues are helping exhibitors with costs by keeping expenses to a minimum. For example The Bournemouth International Centre (BIC) has chosen to freeze its electrical mains tariff for the second year running, absorbing the increasing cost of energy rather than passing this on to event organisers. BIC has also introduced green initiatives such as switching off the heating and hot water system over the summer to make the venues more energy-efficient and therefore save the facility money.

Eco-friendly practices may possibly be the way to go for the events industry as show costs can be reduced by introducing sustainable stands and again these savings passed on to the exhibitor.

Recession has indeed meant that both organizers and exhibitors have to look long and hard at the costs of exhibiting and relating this to value for money. A combination of meeting exhibitor needs in the most efficient manner along with offering an easy, client-friendly and well run package will sustain savvy organizers through these difficult times.

ITTFA is dedicated to the continual development of the travel trade show industry, increasing participation and setting high standards worldwide. For details on all our members visit us at www.ittfa.org

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