

What's Holding the **Event** **Industry** Back?





Business everywhere is changing. New technologies, business models and customer preferences are foisting changes upon whole industries, often without their consent. In the exhibitions and events industry, opinions differ on whether the industry should innovate, what aspects of the business require refurbishment and whether or not change should come in the form of incremental tweaking or a complete overhaul. But some long-held assumptions and sacred cows might have to go.



BY MICHELLE BRUNO

Industry Experts Speak Out

Trade show industry veteran Alan Meckler, chairman and CEO of MecklerMedia, has been organizing exhibitions since 1975. He describes trade shows as “one of the few industries that, other than the hair-styles and clothing, is the same as it was 50 years ago.” But rather than decry the lack of change in the basic structure of shows, he sees “the beauty of human contact” and the “electricity that happens when people come together,” instead of a platform ripe for disruption.

Not everyone feels the same way.

“The whole notion of men and women standing in 10’x 10’ booths begging for you to talk to them in exchange for a light-up ice cube seems archaic,” says Kim Rivielle, the former head of the marketing and business strategy division at Institute for International Research (IIR) USA, a subsidiary of Informa. It’s clear to Rivielle, who has spent 25 years in the business-to-business events industry, that trade shows and conferences could use some modernization.

Meetings are less effective for educating attendees than they used to be. Part of the problem is the way in which content is positioned in meetings—as information rather than as a starting point “to activate brands and ideas; shatter silos in generations, culture, thinking, experience

and expertise; and solve challenges and trigger real outcomes,” Rivielle explains. “Years ago, conferences were able to unveil content for the first time. Today, people are reading about things as they’re happening.”

There are also those who believe that meeting formats are stagnant. Tony Compton, managing director of Chicago-based GettingPresence, an executive communication and coaching consultancy, has organized and attended corporate meetings for decades. “All of these event formats have become commoditized. They are two- to three-day events in a nondescript hotel meeting room, down to the pot of coffee in the hallway,” he says.

Signs Of The Times

Despite some positive numbers about the growth in events and the power of events for stimulating business development, attendance at many third-party, for-profit trade shows and conferences is plateauing. Time is at a premium and attendees have a lot of options, including corporate events. “Attendees are re-evaluating the value proposition of live events,” Rivielle says. “They can meet like-minded people in a LinkedIn group and there’s a TEDx around the corner for \$25. They can go to a one-day industry summit planned by a

chapter for \$100 or decide that they already have access to the same content somewhere else.”

Revenues are declining, too. Even for organizers adept at “putting together the right mix of inspiration, information, connectivity and things to boggle the mind,” Rivielle says, “the challenge is to garner the top price points.” And rather than wait for or invest in organic growth, many event organizers are buying up other successful companies. “It’s a huge gobble fest out there. People are leaving to start companies, hoping their old company will buy them,” she adds.

It’s no longer news when an anchor exhibitor leaves an established trade show to focus on its own corporate event. “Brands are starting to ask, ‘Why am I a small piece of a big show? I want it to be all about me and I’m not worried about profit,’” explains Greg Topalian (formerly of Reed Exhibitions), president of LeftField Media, an organizer of events “rooted in contemporary culture and shared fan passion” based in Norwalk, Conn.

But enterprise event organizers don’t have all the answers either. Bringing in tens of thousands of attendees to a corporate event is a spectacular accomplishment for a firm whose intention is to create brand awareness, launch a new product, impress analysts or grow its reputation. For an attendee caught in the middle of the chaos,

that places planners at a disadvantage from an innovation perspective. “It makes planners resistant to change because the KPIs on how they are evaluated aren’t changed to reflect innovation, so now they have yet one more thing to think about in addition to getting the job done,” Rivielle says.

Another reason for reluctance on the part of many organizations and planners to avoid innovating processes is the “if it ain’t broke, don’t fix it” mentality. If customers aren’t demanding it, the status quo is being met and even exceeded or leadership isn’t inclined to pursue a strategy of innovation for innovation’s sake, there’s little reason to change. “How do you change the mindset from just getting the job done to introducing innovation at every touch point?” Rivielle asks.

Leaders aren’t compensated for innovation. In many event companies, senior executives and the heads of business units are



the way through its life cycle. I think you have to build a brand from scratch if you want it to look very different and feel very different,” Rivielle says.

Event organizations aren’t structured for innovation. While there are a few for-profit event organizers and enterprise event marketers (mostly in the technology sector) that take pride in being innovative, the event industry in general isn’t as future forward as many other industries. “There’s no research and development department for the industry and most organizations don’t have a separate team to work on innovation. There is no investment or dedicated resources and innovation isn’t a true priority,” Rivielle explains.

The metrics for success need revamping. Simply counting the number of attendees, exhibitors, square feet, leads, growth percentage or bottom-line profit isn’t enough according to Shawn Pierce, president, strategic event management division of MCI USA. “Those are the metrics that have driven the industry since time immemorial,” he says. “To drive a certain type of audience and experience on the floor, you also have to look at the who, the why and what they’re coming for, not just the overall numbers.”

Event technology is both satisfying and mystifying to event planners and organizers. The sheer volume of new applications, devices and platforms to choose from has made innovation all the more difficult. In addition, planners have to manage multiple

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the experience can be less compelling. “Successful enterprises are getting masses of people, but what are they doing to reach individuals?” Rivielle says. With scale and size comes the challenge of “managing the intimacy, facilitating dialogues or meaningfully connecting people.”

Change Is Hard

Planners are already under a lot of pressure to do more with less. The Winter 2016 *Meetings Outlook* report from Meeting Professionals International cited a projected increase in spending for meetings of 1.6 percent alongside a projected increase in prices of 4.1 percent. It’s a continuing trend

compensated with a base salary and a share of profits from the events they manage. Even if innovation is encouraged, there is not only no financial incentive to innovate, but a disincentive should the innovation fail or take years to bear fruit. Either the innovator takes a financial “hit” or the failure goes on his record. The KPIs on how leaders are measured need updating in order to see innovation happen at the most senior levels.

Many event brands are so deeply entrenched in the experience they have created, what the brand stands for and what the expectations are for event participants that change is extremely difficult. “It’s hard to alter the DNA of an event three quarters of

vendors to execute the event. “You have the technology that it takes to run the event day to day. You have the technology required to sell the event and you have contracts with the various big vendors, such as registration. It’s very fragmented and a model that is ripe for a little disruption,” Shawn Pierce explains.

meet those needs better,” he explains.

For innovation to become a priority in companies that organize or host events, compensation models may have to change. In the for-profit event sector, Kim Rivielle suggests rewarding managers for innovation and setting aside funds and resources for

Innovation can also be outsourced. Swiss company MCI has opened up a strategic event management operation—primarily targeting trade associations—in the U.S. Under the direction of Shawn Pierce, the firm will provide financial resources, manage technology, mitigate the risk, mine event data, determine the strategy and manage the logistics of association events from a holistic perspective using the infrastructure, experience and resources it brings from Europe. “We are looking at the event management model that is in place in the U.S. to see where we can make a difference,” Pierce says.

Innovation in any industry requires leadership, risk and an affinity for change. Greg Topalian believes it also requires an acceptance of failure—a pill that has been hard to swallow for event organizers. “Sometimes the net of losses is less than the scale of acquisition costs,” he explains. Whatever the formula, it’s becoming obvious that an industry, which in many ways hasn’t changed much in

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Keys to Innovation

To combat what he refers to as “cookie cutter events in a zombie age,” Alexander Garay, managing director and CEO of NextView-Events in Orlando, recommends changing things up—the format, agenda, speakers, layout or “whatever it takes”—regularly. Crafting an event with “pizzazz” means thinking about it year round, looking at the culture of the company, building profiles of audience members and using data to understand attendee behaviors and preferences. “There should always be room for innovation. If the company is against innovation, that’s a red flag,” he says.

Greg Topalian advocates going against some commonly held assumptions in order to reach new audiences and appeal to the changing opinions of exhibitors. “It used to be that the trade buyer was worth millions [to exhibitors at a business-to-business trade show] but the consumer buyer was worth zero,” he says. Now, technology has empowered consumers and brands are putting a lot of money into getting their attention. Consequently, trade show organizers are reevaluating end-users and, in some cases, thinking about how to leverage the public at trade events.

Innovation requires asking the right questions, Topalian advises. “If we only ask [exhibitors and attendees] ‘How satisfied are you with the show?’ instead of ‘What do you really want?’ we’ll never understand their challenges enough to solve their problems,” he says. Topalian uses the analogy of the impact that the ride-sharing service Uber unexpectedly had on the taxi industry to illustrate his point. “If we [in events] are the taxi industry and are still asking customers, ‘How satisfied are you with the taxi ride?’ we’re not asking about their transportation needs and we run the risk of someone else coming along to

implementing new ideas and shoring up failures rather than penalizing innovators. **Tony Compton supports compensating corporate event marketers based on the number of “revenue opportunities” that are derived from the live events they produce.**

Compton also believes that event hosts can be instrumental in making meetings more effective by taking specific steps to convert the attendees at corporate sales events into evangelists and loyalists. First, he suggests curating audiences by working closely with account managers “to get the right people into the room.” Next, he envisions working with attendees to not only help them understand the challenges, solutions, content and case studies at the event, but actually train them “to be fantastic storytellers and great communicators so they can tell the world about your product,” he says.

Shawn Pierce believes that data and metrics are integral to making events more effective and profitable. “It’s time to think about an event in its totality—measuring the KPIs for the attendee, providing him with a recap of where he went and what he did at the show so he can prove the value of attendance to his boss or telling exhibitors how they performed against their peers and what they can do to improve their performance and grow their brand experience,” he explains.



decades, needs to engage in some self-examination or risk being upended by an Uber and forced to swallow the bitter pill of obsolescence. ■

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