



Valid questions, right? But let's be honest: what you REALLY want to know is,

Are trade shows worth it **FOR ME**?

Are trade shows a waste of **MY** time?

And we don't blame you for wondering, especially if you're new to exhibiting – you want your investment to pay off.

Speaking of investments, one of the fundamental rules of investing is "be prepared." The same rule applies to trade shows. But how can you be prepared if you have no idea what's coming?

Thankfully, the team at *EXHIBITOR* magazine – whose focus is on "best practices in trade shows and events" – publishes an Economic Outlook Survey each year, which breaks down other exhibitors' expenses as percentages of their total trade show budgets. It's a fantastic resource to **use as a baseline** for constructing **your trade show budget**.

But before we get to that, let's discuss...

## THE ELEPHANT IN THE ROOM

A **huge factor** in trade show planning is something that many – especially your show's event management – are reluctant to mention: **hidden costs**. But here's why hidden costs matter: not only do they add up painfully fast, they'll **destroy your budget** in no time flat.

If you understand how to allocate your resources, and if you know where extra costs hide and their relative impact, you can:

- Decide whether investing in a trade show will pay off
- Promote yourself effectively to potential clients
- Plan for unexpected fees and expenditures

Essentially, the answer to the “Big Question” (Are trade shows worth it FOR ME?) depends on the answers to 3 “Small Questions”:

### THE “SMALL QUESTIONS”

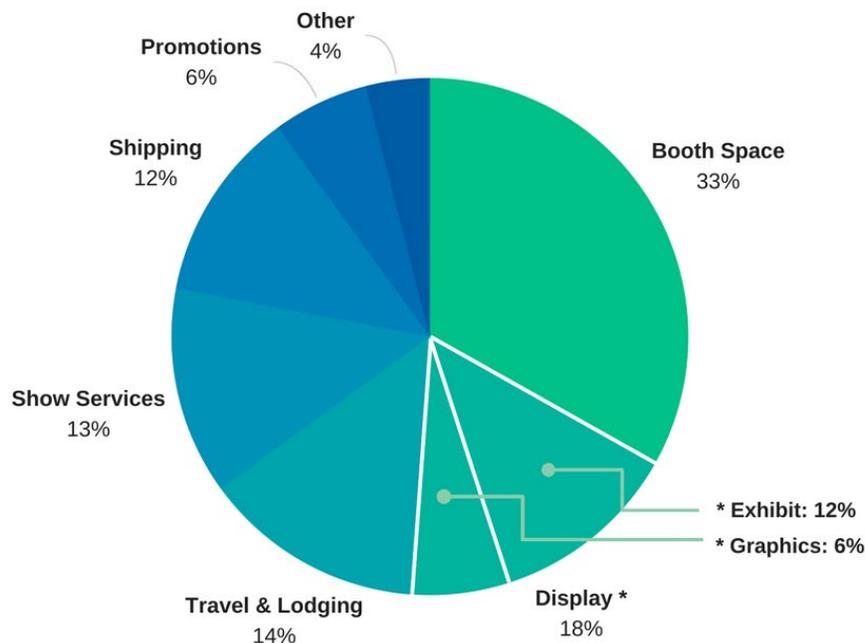
- 1) Will it be **affordable**?
- 2) Will I be able to **present myself effectively** to my target audience?
- 3) Have I flushed out **hidden costs** that will affect me?

To help you answer these questions, we need to peel back the layers of the proverbial trade show onion, look at how the numbers stack up, and point out where those hidden costs lie. Once you have a better idea of where your dollars are going, you’ll be better equipped to determine whether a trade show is worth your time and effort. Let’s do this!

### CRUNCHING THE NUMBERS

Remember that Economic Outlook Survey we mentioned a couple of paragraphs ago? Below, you’ll find *EXHIBITOR*’s numbers for 2017.

### HOW YOUR TRADE SHOW EXPENSES BREAK DOWN



Now, we'll take it one step further and break the expenses down into subclasses, which we'll call **Entrance Fees, Promotional Costs, and "Gotcha!" Expenses.**

## I. ENTRANCE FEES

This portion of your budget represents the **minimum amount** of money it will cost you **to participate** in the event. Entrance fees are your ticket in the door, and they require the biggest investment of your trade show dollars. Let's dive in and take a closer look at the numbers, shall we?

### BOOTH SPACE - 33%

The **single biggest expense** of your show will be the cost of **your exhibit space.** To determine whether a trade show is good fit, start by figuring out how much your floor space is going to cost you. The average booth footprint is typically 10' x 10' or 10' x 20', and fees are priced by the square foot. These costs can range anywhere from \$10.00 to \$43.00 (or higher) per square foot, so let's do the math for a 10' x 10' space:

$10' \times 10' = 100$  square feet;  $100$  square feet  $\times$  \$10/square foot = \$1,000

If the price per square foot is on the higher end of the range, the total jumps to \$4,300 – and that's just the cost of your spot on the floor!

To estimate your total trade show budget (and we're assuming that you want to conform to industry averages), multiply the price of your booth space by 3. Keep in mind that multiple factors affect your total cost, including your event's date and location.

What will that kind of outlay deliver for you? The show organizers can give you information regarding the number of attendees and their roles, so you can determine whether there will be enough prospects in the exhibit hall to make your investment pay off.

### \$ MONEY-SAVING TIP \$

Read your exhibitor service manual. Often, you'll find "early-bird" discounts that will save you hundreds (sometimes thousands!) of dollars.

### ! HIDDEN COST ALERT !

Again, **read your exhibitor service manual!** If you violate a regulation (like having an improper booth height), you'll be forced to shell out a small fortune in fines.

Read on to learn where the rest of your money will go.

## STAFF TRAVEL & LODGING - 14%

According to *Business Travel News's* 2017 Corporate Travel Index, travel costs (aka per-diem rates) – including accommodations, food, and car rental – are roughly **\$322 per person, per day**. Over the course of a weekend, that bill will add up quickly; **even more so** when you're traveling **with multiple people**.

U.S. per-diem rates vary widely from city to city, with New York topping the list at \$549/day, and Bakersfield bringing up the rear at \$242/day. Outside of the U.S., Tokyo led the pack at \$489/day; Johannesburg rounded out the lower end at \$174/day.

### \$ MONEY-SAVING TIP \$

To find the best deals, start monitoring hotel and airfare rates 4-5 months before your event.

### ! HIDDEN COST ALERT !

**Little things really add up:** airline surcharges, room service and Wi-Fi access at your hotel, parking fees, and currency exchange rate fluctuations if you're exhibiting overseas.

## BOOTH FURNISHINGS - 12% (from the "Display" segment of the pie)

**Your exhibit is the focal point** of your booth. Your showstopper. Your *pièce de résistance*. And, combined with your booth graphics (see below), the second-most-expensive share of your trade show expenses.

While it's important to have a display that helps you present yourself professionally, your **main objective** should be to **create a memorable experience** that resonates with your target audience – one that they will easily **associate with your brand** later on.

### \$ MONEY-SAVING TIP \$

If you're planning to exhibit just 2 or 3 times a year, rent your display; you can save up to two-thirds off the cost of a comparable exhibit. If you're set on purchasing an exhibit, consider buying used.

## ! HIDDEN COST ALERT !

The shorter your turnaround time, the greater the likelihood that you'll rack up hundreds of dollars in production rush charges and expedited shipping fees. (So, don't procrastinate!)

## THE FINAL WORD ON ENTRANCE FEES

To determine whether a trade show is worth it for YOU, **do your homework!** After you've figured out what you want from the trade show (good networking opportunities, more brand visibility, etc.), find the event that will help you best achieve your goals – at a price you can afford.

## II. PROMOTIONAL COSTS

This segment of your budget represents the dollars you should devote to (1) **promoting your presence** at your event – before, during, and afterward – and (2) **connecting with your target audience** on the show floor. Now, let's take a closer look at each category.

### EXHIBIT PROMOTION - 6%

Lots of different things are lumped into this group, from pre- and post-show marketing materials (postcards, fliers, landing pages, etc.), to booth giveaways (iPads, knick-knacks emblazoned with your company's logo).

The key thing to keep in mind is that your promotional materials should work together to **attract your target audience** and help you **achieve your trade show objectives**. If you're trying to build awareness of your company or product, lower-budget items may do the trick, but if you're trying to woo a handful of VIPs, you may want to invest a bit more money to set yourself apart.

## \$ MONEY-SAVING TIP \$

If it makes sense, buy in bulk. If your messaging is universal, you can use leftover materials at future events. You can also look at items that do double duty, like a flash drive. Put company literature on them ahead of time, and you'll save on printing costs to boot!

## ! HIDDEN COST ALERT !

All kinds of hidden costs lurk here, from set-up charges for printing to, of course, rush fees. If you have a multi-color logo/design, many vendors will assess “run charges” for each additional color. Order 1-2 months ahead of your event, and you’ll have time to say, “No thanks!” to suppliers who want to nickel-and-dime you to death.

### BOOTH GRAPHICS & GRAPHIC DESIGN - 6% (from the “Display” segment of the pie)

Graphic design is the process of combining images and text to convey a specific message; this results in booth graphics, the printed pieces that are mounted to your exhibit hardware.

A critical part of your event marketing, your graphics should reflect your company’s personality and what your brand stands for. Your design also needs to be effective, meaning that it can convince someone (in about 3 seconds) that you’re worthy of their time.

## \$ MONEY-SAVING TIP \$

Stick to more general messaging on your booth graphics, and supplement with digital content. That way, you can reuse your graphics at multiple shows, while customizing your messaging for each show with digital marketing.

## ! HIDDEN COST ALERT !

Design time = your money. Every minute spent on artwork prep adds up, especially when you have to go back and make revisions. Review your exhibit provider’s artwork requirements ahead of time; that way, when you order, you won’t have to waste money resizing or redesigning your graphics.

### THE FINAL WORD ON PROMOTIONAL COSTS

If you **don’t promote yourself effectively** to your prospects and clients, then you’re **missing the point** of the trade show altogether. Spend the time and money to come up with a captivating, compelling, and cohesive message, and you’ll be rewarded with profitable results.

### III. “GOTCHA!” EXPENSES

This fragment of your budget represents costs that, if you don’t stay on top of them, can leave you with a bitter taste in your mouth. Frequently, these fees are the last things on exhibitors’ minds;

however, they **should be at the forefront** of your trade show planning. Read on for the blow-by-blow breakdown.

## SHOW SERVICES – 13%

As far as budgeting is concerned, this is often the **most complex** part, so we'll try to make things a little clearer. Here's a rundown of the services you'll be paying for at your show:

**Booth Accessories** – Having tables and chairs, flooring, and even wastebaskets can give your booth some extra flair, but none of it is free.

**Drayage** – Also known as material handling, “drayage” is a term used to describe the process of moving your booth materials to the show floor and back, including receiving your freight, removal and storage of extras (like shipping crates) during the show, and loading everything on an outbound freight vehicle for its eventual return to you. You don't do it; you must pay a contractor (usually hired by show management) to do it. *(Note: These are separate from shipping costs, which we'll cover in more detail below.)*

While drayage has its place (chiefly, decreasing chaos on the show floor), it's usually one of the most confusing – and aggravating – trade show expenses.

**Electricity** – If your booth has lighting, a flat-screen TV, or anything else that requires power, it's going to cost you to plug in.

**I&D (Installation and Dismantling)** – If you need help with set-up and tear-down, this is the cost of hiring professionals to get the job done. At many venues, you're not allowed to stand on a ladder or even plug in your lighting!

**Internet** – While the convention center may have a Starbucks, that's the extent of the free Wi-Fi.

**Lead Retrieval Systems (aka Badge Scanners)** – If you want to save time on data entry and organization on the back end, you'll need to pay for this perk up front. On the plus side, renting a badge scanner will free up valuable time, which you can devote to your prospects and customers.

### \$ MONEY-SAVING TIP \$

The most important thing you can do is read your exhibitor service manual (sound familiar?) to avoid missing critical discount deadlines.

### ! HIDDEN COST ALERT !

Hidden costs lurk in every nook and cranny here, from overtime charges and “special handling” fees to rigging and booth cleaning costs. Review your invoices with a fine-tooth comb so that you can dispute any errors that crop up.

## SHIPPING COSTS - 12%

Unless your show materials are small enough to carry with you, you'll have to pay to have them transported to and from your show.

You'll usually have two options: **advance warehouse** or **direct-to-show**. With advance warehouse, your show materials are shipped to an off-site storage facility, where they're kept until your event. If you opt for direct-to-show shipping, your show materials will be delivered directly to your event site; the catch is that they must be delivered within a very narrow window. **Advance warehouse** is preferable, as it's **less costly** and **minimizes opportunities for mishaps** to occur.

### \$ MONEY-SAVING TIP \$

Be a "lightweight"; consider a portable display that you can stow in your carry-on luggage, eliminating shipping and drayage costs altogether!

### ! HIDDEN COST ALERT !

**Know your deadlines!** If you miss the advance warehouse cut-off date (usually 30 days prior to your event), your shipping options will be limited, and your expenses will soar.

## MISCELLANEOUS EXPENSES - 4%

Murphy's Law is a given when it comes to trade shows! Build some breathing room into your budget by earmarking a small portion for a few more expensive surprises that we didn't cover above.

## THE FINAL WORD ON "GOTCHA!" EXPENSES

No one likes learning at the end of a project that its total just increased by 25%; however, these obscure (but, oftentimes, unavoidable) costs can easily do just that. **Keep these expenses on your radar**, and you can **avoid being in the red** once your show has ended.

## THE FINAL FINAL WORD

Before you decide to add trade shows to your marketing arsenal, you need to know that you're going to get the best return on the resources you invest.

So, let's review our 3 "Small Questions":

1) **Will it be affordable?** (registration fees, travel expenses, overall cost of your exhibit)

2) **Will I be able to present myself effectively to my target audience?** (promotional items + booth aesthetics)

3) **Have I flushed out the hidden costs that will affect me?** (trade show services, shipping, and miscellaneous expenses)

When your next trade show looms on your calendar, remember these questions; their answers mean the **difference between a successful show and a financial disaster**. But with advanced planning and a sound marketing strategy, we're confident that you'll be able to answer those 3 "Small Questions" – and the "Big Question" (Are trade shows worth it FOR ME?) – with a resounding YES.

*Displayit has helped thousands of exhibitors achieve their desired trade show outcomes. Whether your show is next week or next year, we're ready to help you, too. We offer the top-selling exhibit designs and accessories at great values, and our selection can't be beaten! Let our 5-star customer service team help you raise your exhibiting game; give us a call at (800) 207-0311.*