



# Information Technology

## Exhibition & Event Marketing Trends & Outlook



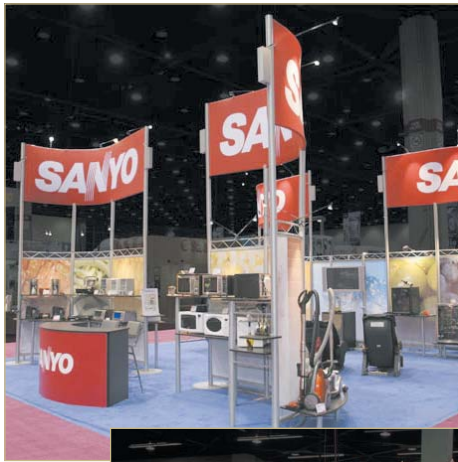
**Skyline**® **Tradeshow Week**  
**TSW**

An exclusive industry analysis by  
**Skyline Exhibits** & **Tradeshow Week**



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# INTRODUCTION

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**Skyline Exhibits** and **Tradeshow Week** magazine have worked together to develop this exclusive report on the key trends impacting exhibitors and event marketers in the information technology (IT) industry.

Exhibitors in the IT industry are faced with new opportunities and challenges, including commoditization, the pace of emerging technologies, and more exhibitions and conferences, but many exhibit managers are unsure how these changes will impact their event marketing programs. This report analyzes the trends that are impacting their exhibit programs and exhibit designs.

The data in this report was gathered from surveys and interviews with leading exhibitors in the IT industry. Other information sources include **Tradeshow Week Executive Outlook**, **Tradeshow Week 200** as well as the U.S. Department of Labor and Educause.

The report is outlined as follows:

- Executive Summary
- Trends Impacting the Information Technology Industry
- How Information Technology Trends Impact Exhibiting
- Exhibitor and Event Marketing Trends and Survey Results
- Conclusion

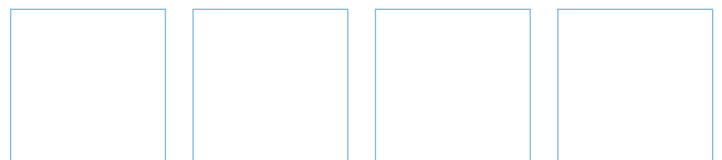
The report will help IT exhibitors analyze the trends that are impacting their exhibit programs and exhibit designs.

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## EXECUTIVE SUMMARY

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- According to a survey of IT exhibitors, the primary focus in the booth is on:
  1. Displaying current company products: 89% of exhibitors.
  2. Unveiling new products: 68%
  3. Emphasis on personnel in the booth/human contact: 45%
- Some of the most common themes in terms of new exhibit design and usage by IT exhibitors include:
  - “More focus on theater presentations that explain and showcase our compatibility”
  - “Increased live demonstration of individual product lines”
  - “Changed booth designs to be more innovative, colorful, sleek”
  - “Designed sections of our booth to reflect our verticals”
  - “We have less equipment close to the aisle, making the booth more open and removing things that might serve as a barrier to entering the booth.”
  - “We are using smaller, more portable exhibits”
  - “Aligned our exhibit experience by matching it to our marketing strategy across segments”
  - “Lighter, easier to handle exhibits”
  - “Updated our booth; incorporate video and audio into our general booth presentation”
  - “Reduced the amount of LIVE product that we have at the shows because attendees are spending less time in the booth. Also have focused on lifestyle presentation areas to demonstrate how products will change the way we work and do business”
- According to the survey of IT exhibitors, the three most common “must have” features in IT booths are:
  1. Lead capture technology: 77%
  2. Flat panel video screens: 65%
  3. Cutting-edge signs/graphics: 60%
- The primary strategies IT exhibitors are using to reach attendees are:
  1. Qualify attendees as soon as they come into the booth: 57%
  2. Follow up on leads more vigorously than in the past: 56%
  3. Increasing direct marketing before the show: 52%
  4. Spending more time in the booth with attendees who are interested and have buying power: 52%
- IT exhibitors primarily select events based on:
  1. Attendee demographics: 76%
  2. Perceived ROI or ROO opportunity: 60%
  3. Lead gathering opportunity: 53%
- Eighty-seven percent of IT exhibitors forecast either “high” or “moderate confidence” that their ROI and/or ROO will increase in 2007 vs. 2006.



## **TRENDS IMPACTING THE INFORMATION TECHNOLOGY INDUSTRY**

This section of the report provides an overview of the key challenges and opportunities impacting the North American IT industry with a focus on event marketing issues.

### **Industry Overview**

The Department of Labor categorizes the IT sector as a high growth industry. Information Technology (IT) is the fastest growing sector in the economy with a 68% increase in output growth rate projected between 2002 and 2012. (U.S. Bureau of Labor Statistics.)

Employment opportunities are expected to be good in the IT industry as demand for computer-related occupations increases due to rapid advances in computer technology, continuing development of new computer applications, and the growing significance of information security. (U.S. Bureau of Labor Statistics)

Ninety-two percent of all IT workers are in non-IT companies, 80% of which are in small companies. (Information Technology Association of America)

### **Workforce Issues**

More than 90% of IT workers are employed outside the IT industry, which makes it necessary for them to have both IT and complementary training in their respective business sectors such as healthcare, manufacturing, or financial services.

Employers are also looking for well-developed soft skills, transferable IT skills and adaptability in their workforce.

IT remains a critical aspect of work in all industries and sectors, as well as an industry in its own right. However, the U.S. continues to suffer from a shortage of qualified IT workers with flexible and portable skills who can readily adapt and respond to ever-changing IT demands and processes.

### **Security and Identity Management**

Organizations are interested in sharing content across corporate divisions or with the public.

### **Funding**

Corporate IT budgets are under closer scrutiny; product selection is increasingly stressful due to rapid changes in technology capabilities/advancement.

### **Staffing**

Shortage of qualified IT workers; most IT employees work in companies that are not considered IT firms, i.e., professional services, healthcare, etc.

### **Commodization**

Competition in product offerings; certain products become indistinguishable from others like it and consumers buy on price alone.

### **Disaster Recovery**

Organizations need to protect themselves against disasters that could result in a critical loss of data.

### **Emerging Technologies**

Mobility, larger bandwidth, VoIP, Internet viruses...

## HOW INFORMATION TECHNOLOGY TRENDS IMPACT EXHIBITING

New technologies routinely create new product lines, and it usually doesn't take long for a new tradeshow to launch with the goal of becoming "the event" to showcase hot products in the new market. The result is more IT events; and they're increasingly specialized or niche.

In this highly segmented environment event selection is both challenging and critical. One event exhibitor told us, "As more shows are added, we don't have the visibility to find out when/where they are to target our key verticals". If the exhibitor plan is to demo products, they have to select the right events. Exhibitors are doing more research than before to find the right shows. They're studying attendee demographics more carefully, enhancing their pre-show marketing, and arriving at the show floor with a plan.

The risks of exhibiting at a show have never been higher. Niche events tend to pack exhibitors with similar products onto the same show floor. Commoditization is an increasing concern for today's exhibitor. One exhibitor said they "Need to showcase the benefits of our products to out-shine the competition". Another told us, "We have to show more hardware and operating system compatibility - our product must be much more flexible". In the end, exhibitors need to focus on the uniqueness of their product and services if they are going to stand out versus a competitor's product located 20 feet away.

Buyers today are working under tighter budget constraints. Exhibitors are meeting resistant buyers with better trained show staff who know how to qualify attendees. However, in some circumstances the exhibit is the best place to introduce a client to products and services. One exhibitor said they are, "Trying to be less sales driven and do more customer relationship building". Lead follow up is becoming an art unto itself, as some exhibits go with a "soft sell" approach that emphasize people-centric initiatives, and an opportunity to see new products in a theater presentation.



## EXHIBITOR AND EVENT MARKETING TRENDS AND SURVEY RESULTS

In a recent *Tradeshow Week* survey, exhibitors in the IT industry outlined the trends and challenges that are having the greatest impact on their exhibition and event marketing strategies. The following themes emerged as key points of interest:

- IT exhibitors are continuing a trend to exhibit at smaller niche events.
- Hands-on demos and theater presentations are aimed at introducing clients to new products in a soft sell, informative atmosphere.
- Exhibits feature enhanced graphics, often text-based with short, targeted messages.
- In the next two years exhibitors are expecting to take part in more private, corporate events with exhibits.
- More IT shows are launched each year, and exhibitors are concentrating event selection based on attendee demographics.
- Pre-show marketing is becoming increasingly important.
- Attendees are more informed about products and services before they reach the exhibit.

### IT Exhibits

Perhaps more than any other exhibitor category those in the IT industry must be ready to meet changes on the fly. Short product life cycles and company mergers can play havoc on a company's marketing message. Almost every exhibitor taking part in the research survey (96%) said it is either "Very" or "Moderately important" to use exhibit structures and properties that provide flexibility and the ability to change out graphics or easily adapt for different booth sizes.

About one-third of the IT exhibitors currently use a "custom (full-scale)" booth or "lightweight custom, hybrid exhibits (incorporating both custom and modular elements)".

Strategies behind booth staffing seem to have little consistency from company to company. There's an almost equal emphasis on "more executives and senior management staffing the booths" (27%) as there is on exhibiting companies bringing "fewer executives and senior management staffing the booths" (24%).

About two-thirds of the exhibitors taking part in the survey (63%) have changed the way they use exhibits and/or their exhibit design to reflect industry and business changes.

### **SURVEY QUESTION:** In your organization, what is the focus in the booth?

	Information Technology
Displaying current company products	89%
Unveiling new products	68%
Emphasis on personnel in the booth/human contact	45%
Showcasing next generation products with target dates	32%
Using computers to show the organization's web sites	16%
Other	10%



**SURVEY QUESTION: If you have changed the way you use exhibits and/or your exhibit design, please describe what you have done.**

The bullets that follow are write-in responses directly from the exhibitors:

- “More open environment. No presentations, conference rooms, large walls, etc”
- “More focus on theater presentations that explain and showcase our compatibility. We demo on many different machines with different operating systems”
- “We update our exhibit design every year to reflect current trends and display only the newest products at shows”
- “Increased live demonstration of individual product lines”
- “Updated booth graphics and complementary collateral”
- “Changed booth designs to be more innovative, colorful, sleek”
- “We now only participate in select, product-specific shows. We no longer have large booths but small booths with meeting rooms. Meetings are the main focus and are very structured”
- “Downsized and scaled back – doing smaller more targeted shows”
- “Designed sections of our booth to reflect our verticals”
- “We built a large theater in the back of our larger booth so we could do more exhaustive product demos”
- “Added a professional speaker in theater to give overview then hand people to proper sales person”
- “We have less equipment close to the aisle, making the booth more open and removing things that might serve as a barrier to entering the booth”
- “More user-friendly displays”
- “We are using smaller, more portable exhibits. Our graphics are more straight-forward than they used to be”
- “We use flash animated videos now”
- “Smaller booth space, sometimes in favor of more high-profile sponsorships”
- “Aligned our exhibit experience by matching it to our marketing strategy across segments”
- “Graphics redesigned to reflect solutions to the perceived security issues”
- “Lighter, easier-to-handle exhibits”
- “More text-based graphics, less cliché graphic photos. Very show-specific messages. More lounge area to sit and talk with customers”
- “Updated our booth; incorporate video and audio into our general booth presentation”
- “Reduced the amount of LIVE product that we have at the shows because attendees are spending less time in the booth. Also have focused on lifestyle presentation areas to demonstrate how products will change the way we work and do business”



“Lead capture technology” is most often selected by IT exhibitors as the “must have” feature in their booth today. Pre-show marketing and lead follow up are taking on new importance as competition rises. Almost four out of five exhibitors say their lead follow up time after the show is within one week of the show.

**SURVEY QUESTION:** What are the “must have” features in your booth today?

	Information Technology
Lead capture technology	77%
Flat panel video screens	65%
Cutting edge signs/graphics	60%
Bright lighting	47%
Video presentation	42%
Wireless Internet connection	35%
Cool freebies	28%
Deluxe carpeting	23%
Music	0%
Other	12%



**Attendees**

In the past two years there has been a shift in buyer attitudes and responsibilities at trade events. In general, exhibitors suggest attendees are more informed about their products and services than in the past. However, attendees are also spending less time in the booth.

**SURVEY QUESTION:** What are you doing differently to meet the changing dynamic of attendees?

	Information Technology
Qualify attendees as soon as they come into the booth	57%
Follow up on leads more vigorously than in the past	56%
Increasing direct marketing before the show	52%
Spending more time in the booth with attendees who are interested and have buying power	52%
Showcasing company-specific expertise	46%
Outlining the ROI (Return on Investment) our organization offers	28%
Other	6%

It remains to be seen exactly how the changing demographics in the U.S. will impact attendee levels at IT tradeshows. The retirement of the baby boomers and the influx of generation Y into the workforce would seem to have a direct impact in the IT sector. Still, 46% of exhibitors say, "Demographics are impacting our industry and show but I'm not sure how it has changed attendee levels at this point." About one-quarter of the exhibitors feel the demographic change will have no impact.

**Event Selection**

Almost all the exhibitors who participated in the research survey believe the IT events industry is still shifting to niche events and conferences more than large horizontal tradeshows. For example, 79% percent of the exhibitors feel there is no need to launch a new horizontal enterprise IT show to take the place of the defunct COMDEX Las Vegas.

Fifty-two percent of IT exhibitors believe "private events provide a higher ROI" than tradeshows. Only 21% feel "tradeshows provide a higher ROI". The rest believe ROI is about the same at either type of events.

This data matches findings from a similar survey conducted in 2005. In that survey, 55% of IT exhibitors said "private events provide a higher ROI" than tradeshows. The value IT exhibitors place on private events is much higher than exhibitors in other industries like manufacturing or healthcare.



**SURVEY QUESTION: How do you select which events to exhibit at?**

	Information Technology
Attendee demographics	76%
Perceived ROI or ROO opportunity	60%
Lead gathering opportunity	53%
Attendance numbers, projections	47%
Tradition, we exhibit at the same shows annually	44%
Whether competitors are exhibiting or sponsoring	44%
Other	7%

**Tradeshaw Budgets**

Over the past two years exhibitor budgets have seen little to no growth. Internal budget issues are often regarded as the number one issue currently facing exhibitors. Other high ranking cost concerns include drayage fees and on-site labor.

**SURVEY QUESTION: What percentage of your 2007 tradeshow budget do you anticipate spending on the following? (The total should equal 100%)**

	Information Technology (Average percentage of budget)
Exhibit space	36%
Show services	16%
Exhibit freight shipping	13%
Exhibit design and production	12%
Exhibit promotion and sales	9%
Exhibit staffing & training	8%
Other exhibit-related items	6%

**SURVEY QUESTION: What is your company's 2007 tradeshow budget?**

	Information Technology
<b>Less than \$10,000</b>	<b>0%</b>
<b>\$10,000 - \$24,999</b>	<b>7%</b>
<b>\$25,000 - \$49,999</b>	<b>5%</b>
<b>\$50,000 - \$99,999</b>	<b>5%</b>
<b>\$100,000 - \$249,999</b>	<b>23%</b>
<b>\$250,000 - \$499,999</b>	<b>21%</b>
<b>\$500,000 - \$749,999</b>	<b>5%</b>
<b>\$750,000 - \$999,999</b>	<b>9%</b>
<b>\$1,000,000 - \$2,500,000</b>	<b>23%</b>
<b>More than \$2,500,000</b>	<b>2%</b>
<b>Average Annual Budget</b>	<b>\$701,104</b>

One-quarter of the exhibitors taking part in the survey have 2007 budgets exceeding \$1 million. The bulk of the exhibitor budgets fall between \$100,000 to \$499,999 (44%).



**Return on Investment (ROI) or Return on Objectives (ROO)**

Confidence in ROI and/or ROO has been strong over the past few years in the IT sector. About 75% of exhibitors track either their ROI or ROO. In 2006, three-quarters of those IT exhibitors that track their results said ROI and/or ROO “increased” or “stayed the same” versus 2005.

Those findings are positive for IT exhibitors and confidence levels remain high going forward. Eighty-seven percent of IT exhibitors forecast either “high” or “moderate confidence” that their ROI and/or ROO will increase in 2007 vs. 2006.

**SURVEY QUESTION: Which of the following factors do you use to determine tradeshow Return on Investment (ROI) or Return on Objectives (ROO)**

	Information Technology
Sales leads gathered at the event	93%
Number of booth visitors	62%
Number of meetings at the show	45%
Press coverage resulting from exhibition	38%
Web site hits	34%
Number of brochures distributed	3%
Other	21%



**Alternative Marketing**

Alternative marketing continues to have its place in the IT sector. About half of the exhibitors feel senior management in their organization believes alternative marketing is as important today as it was two years ago, and a full 30% say it is “more important”

Over the next few years, three out of four IT exhibitors anticipate organizations in their industry will participate in “more” or “about the same” number of non-traditional events. Looking back over the past year or two, most exhibitors believe there has been an increase in private, corporate events with exhibits.

Considering the interest in non-traditional marketing programs, it is not surprising that many IT exhibitors indicate their organization runs or participates in sales meetings, conferences, road shows and other training programs. The most common non-traditional marketing programs for IT exhibitors are:

- |           |   |            |
|-----------|---|------------|
| <b>1.</b> | <b>Sales meetings</b>                         | <b>78%</b> |
| <b>2.</b> | <b>Conferences</b>                            | <b>74%</b> |
| <b>3.</b> | <b>Road shows</b>                             | <b>59%</b> |
| <b>4.</b> | <b>Training programs</b>                      | <b>57%</b> |
| <b>5.</b> | <b>Client appreciation events</b>             | <b>41%</b> |
| <b>6.</b> | <b>Corporate sponsorship programs</b>         | <b>41%</b> |
| <b>7.</b> | <b>Private corporate events with exhibits</b> | <b>39%</b> |

Most IT organizations indicate that “No funds are being shifted” from their event-marketing budget to alternative marketing mediums. The exception is web sites. While only one-quarter of the IT exhibitors say funds have shifted to their web sites, this response is a bit deceiving. In many ways an organization’s web site can be utilized as another tool to support the event marketing plan. Web sites are widely regarded as the number one reason that today’s attendees are already familiar with an organization’s products and services when they reach the exhibit booth.



## CONCLUSION

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Arguably, exhibitors in the IT industry face stiffer competition and greater risks than exhibitors in other sectors. IT events continue to fragment into smaller niche sectors, creating more events to choose from. All of this is compounded in an industry where cutting-edge is expected rather than an option.

Competition in product offerings is leading to commoditization. In the booth, exhibitors are relying on short, straight-forward text and graphics to drive their message home. In part this plays into the belief that attendees are spending less time in the booth. Virtually all exhibitors in the IT sector use exhibits that allow flexibility and the ability to change out graphics easily. Displaying current products is still a mainstay in the booth, but exhibitor focus seems to be trending toward client contact.

Nurturing long-term client relationships has added importance today. Upstart competitors are flooding the markets with low-cost alternative products and services. Drawing attendees to the booth has become more challenging. Targeting the exact buyer demographic is more challenging in this fractured event landscape, yet it is key to an exhibiting firm's success. Matching products to buyers is starting before the show even begins. Firms today are doing more pre-show marketing. The buyers who reach the booth are often well informed about the company's products and services. Staff in the booth must be able to qualify attendees as well as comprehend their product's value vs. a competitor's.

There are more IT shows each year. IT exhibitors have favored smaller niche events over the past few years, and this trend is likely to continue. IT exhibitors indicate private events provide a higher ROI than broader tradeshows.

Many booths are including meeting space or theater style demonstration areas. The critical leap is not just showing off emerging technologies but demonstrating a product's practical business impact. How does the product fit in with a company's business strategy or a consumer's lifestyle?

Despite all the variables facing IT exhibitors, their confidence in Return on Investment (ROI) and/or Return on Objectives (ROO) remains strong. Most IT organizations indicate that "No funds are being shifted" from their event-marketing budget to alternative marketing mediums.

The data and analysis presented in this special report has been developed jointly by **Skyline Exhibits** and **Tradeshow Week**. The majority of the source data has been provided from a survey of hundreds of Information Technology exhibitors conducted in 2007. The report was developed to help exhibitors in the diverse information technology industry to understand the trends impacting their event marketing programs. **Skyline Exhibits** and **Tradeshow Week** have developed the Information Technology Exhibition and Event Marketing Trends and Outlook as part of a series of reports. Three additional reports have been developed. These other reports focus on the Medical & Healthcare, Manufacturing & Industrial, and Professional & Business Service industries. To access these reports, please go to [www.skyline.com/whitepapers](http://www.skyline.com/whitepapers).



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