



Medical & Healthcare Exhibition & Event Marketing Trends & Outlook



Skyline[®] **Tradeshow Week**
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An exclusive industry analysis by
Skyline Exhibits & **Tradeshow Week**



TABLE OF CONTENTS



I.	Introduction	3
II.	Executive Summary	4
III.	Trends Impacting the Medical and Healthcare Industry	6
IV.	How Medical and Healthcare Trends are Impacting Exhibiting and Event Marketing	7
V.	Exhibitor and Event Marketing Trends and Survey Results	8
VI.	Conclusion	15

INTRODUCTION

Skyline Exhibits and **Tradeshow Week** magazine have worked together to develop this exclusive report on the trends impacting the medical and healthcare industries and how these are changing exhibition and event marketing programs.

The data in this report was gathered from surveys and interviews with leading exhibitors in the medical and healthcare industry. Other information sources include **Tradeshow Week Executive Outlook**, **Tradeshow Week 200** as well as the U.S. Department of Labor, the Healthcare Convention and Exhibitors Association, and Plunkett Research.

The report is outlined as follows:

- Executive Summary
- Trends Impacting the Medical and Healthcare Industry
- How Medical and Healthcare Trends are Impacting Exhibiting and Event Marketing
- Exhibitor and Event Marketing Trends and Survey Results
- Conclusion

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

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The logo for Tradeshow Week features the letters "TSW" in a large, gold, 3D-style font. Above the "W" is the text "Tradeshow Week" in a smaller, red, sans-serif font.

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EXECUTIVE SUMMARY

- In 2006, the largest U.S. medical and healthcare conventions and exhibitions grew by 2.1% in net square feet, 2.9% in the number of exhibiting companies, and 2.8% in attendance. (Source: *Tradeshow Week 200*)
- The healthcare industry is predicted to add nearly 3.5 million new jobs between 2002 and 2012, an increase of 30%. (U.S. Bureau of Labor Statistics)
- From 2002 to 2012, ten of the 20 fastest growing occupations are projected to be concentrated in health services. These positions include medical assistants (59% growth), physician assistants (49% growth), home health aides (48% growth), and medical records and health information technicians (47% growth). (U.S. Bureau of Labor Statistics)
- *Tradeshow Week* conducted a survey of medical, healthcare and pharmaceutical exhibitors to develop this report. Some of the key issues impacting U.S. and Canadian medical and healthcare companies include:
 - Rising healthcare costs
 - Falling reimbursement
 - Aging population
 - Foreign manufacturing and healthcare alternatives
 - Staffing and continual training
 - Growth of the homecare market
 - Speed of technological advancements
 - More informed consumers
- The top three reasons why medical exhibitors participate in conventions and exhibitions are:
 1. Tradition, exhibiting in the same shows annually: 60% of exhibitors
 2. Attendee demographics: 57%
 3. Perceived ROI or ROO opportunity: 47%
- To reach attendees exhibitors are doing the following:
 1. Following up on leads more vigorously than in the past: 54%
 2. Increasing direct marketing before the show: 42%
 3. Showcasing company specific expertise: 40%
- The survey asked exhibitors how attendees have changed in the past year or two. The three most common answers were “attendees are spending LESS time in the booth” (40%); “attendees are MORE informed about our products and services than in the past” (31%); and “no change” (27%).
- Some of the key trends, themes and recommendations exhibitors said they are following to change their exhibits or exhibit design include:
 - “Much more open with space dedicated for demonstrations, medical information, R&D.”
 - “Cleaner, more professional looking exhibit.”
 - “Use of multi-media to make exhibit more interactive.”
 - “We’ve made the display more appealing and interactive.”
 - “More focus on technology and interactivity to educate and inform physicians.”
 - “Eye-catching colors, less words.”
 - “More booth space. Using more portable graphic panels to highlight different product groups.”



- The top “must have” feature in medical exhibitors’ booths today is considered to be “lead capture technology” according to 59% of the survey respondents. Other common features were found to be cutting-edge signs/graphics (51%), and bright lighting (43%).
- Below are some of the key categories or themes that medical exhibitors are using to draw doctors and medical professionals to their booth:
 - Interactive Booth demos/videos – “More interactive demonstrations.”
 - Education – “Offering educational presentation within the booth.”
 - Pre-show marketing – “Focusing more on pre-show direct mail.”
 - Giveaways – “Giveaways that encourage educational opportunities such as flash drives.”
- Twenty-seven percent of medical exhibitors are “highly confident” that their Return on Investment (ROI) and/or Return on Objectives (ROO) at conventions and exhibitions will increase in 2007. Forty-seven percent are “moderately confident” and 27% are “not confident.”



TRENDS IMPACTING THE MEDICAL AND HEALTHCARE INDUSTRY

Many of the key challenges and opportunities impacting the North American medical and healthcare industries are outlined below.

Rising Healthcare Costs, Falling Reimbursement

Increased healthcare costs have become the norm. By all accounts the costs will continue to escalate as consumers seek the best care powered by the newest technologies. Total U.S. healthcare expenditures are projected to increase from \$2.17 trillion in 2006 to \$2.88 trillion in 2010, with annual increases averaging about 7%.

Escalating costs are compounded by declining reimbursement from many insurance policies. Changes to Medicare and Medicaid options have become routine.

Aging Population

Medicare (the healthcare program established by the U.S. federal government for Americans age 65 or older) covered 42.9 million senior citizens in 2006. By 2030, the number of seniors covered will grow to 78.3 million. The increase is due to the tremendous number of baby boomers who will retire.

Foreign Manufacturing and Healthcare Alternatives

In recent years, medical manufacturing has opened to international players due to accepted benchmarks in product quality. Some countries have capitalized on lower price points in major product categories.

In addition to manufacturing, other aspects of healthcare are moving off shore with a reduced price tag. In some situations, Americans living near the border with Mexico are receiving less costly care in Mexico. Private health clinics offering first rate services are thriving in China and India.

Trends Impacting Senior Medical Industry Executives and Managers

Managers in healthcare need to have the management, coaching, and cultural competency skills to enable them to communicate effectively in an increasingly diverse work environment. Challenges and opportunities impacting senior medical industry executives and managers include: Filling the need for sustainable partnerships at national, state, and local levels; locating opportunities to leverage funding and other resources; using planning tools such as data, projections, and information systems; understanding policy issues, including those of regulation.

Staffing

Today, innovations in medical equipment continue at a rapid pace. Staffing for specialized tasks requires constant training. The need for more experienced and creative staff is required. Recruitment and retention are also key issues. Collectively the medical industry is focused on increasing available labor pool; increasing diversity and seeking workers from non-traditional labor pools; and reducing turnover.

Growth of the Homecare Market

Home healthcare can offer savings and convenience over institutionalized care. Patients often prefer the comfort of their own home. The main sectors of home healthcare include respiratory therapy, infusion therapy, home medical equipment and home nursing services. These sectors are likely to expand as the Baby Boomers continue to age.

Additional Factors

The list above touches on some of the key topics in the medical healthcare field. In addition, this diverse and growing field includes many of the same issues facing other industries. For example the speed of technological advancements continues to gain momentum. Products are becoming more complex and more companies are offering competing products. Consumers are more informed due to information available on the internet.



HOW MEDICAL AND HEALTHCARE TRENDS ARE IMPACTING EXHIBITING AND EVENT MARKETING

The medical and healthcare industry is expanding rapidly. The U.S. Department of Labor categorizes the medical and healthcare sector as a “high growth” industry. To this end, events and exhibitions in the medical and healthcare sector have seen solid growth across all three key metrics – number of attendees, number of exhibitors and total net square feet of exhibit space. In fact, professional attendance at healthcare meetings rose nearly 14% over the last four years, according to a recent report by the Healthcare Convention and Exhibitors Association.

More exhibitors often mean more competition on the show floor. Similar products have been flooding the market. As one exhibitor told us, “We have our work cut out for us in proving why we are the company to work with.”

Costs continue to be an issue in the medical and healthcare industry and lower price points may create a competitive advantage. One exhibitor said they “promote our newest top products at a competitive price.” Price point aside, face-to-face marketing opens unique opportunities to emphasize company strengths. For example, one exhibitor said they “make sure potential customers are aware of our advantages in this area, as well as the superior patient care of our products.” Another indicated they “focus more on reducing risks through education.”

Today’s climate calls for a targeted message. Products have become more complex and events are becoming more specialized. Ultimately, a new message is required for each show. One exhibit marketer said they use “updated graphics with more punch.” Bright colors and clear text are designed to call attention to specialized products in the booth or to announce who an exhibitor’s specialized clientele includes. Exhibit marketers are looking at their booth as a whole, creating themes rather than stand-alone graphic cards.

Marketing complex products require more training for booth personnel than in the past. Today, booth personnel are tasked with understanding the product features, advantages of working with their organization and the ability to qualify buyers.

In general the booths tend to have more open space than in the past. Most exhibitors describe the booths in today’s shows as larger, more high tech and upscale than in the past.



EXHIBITOR AND EVENT MARKETING TRENDS AND SURVEY RESULTS

Event Selection

There may be a shift in medical exhibitors' event selection criteria. For years "tradition" has been the guiding force in event selection for medical event exhibitors. This sense of loyalty has shown signs of erosion over the past two years. In a new research study of medical and healthcare exhibitors, 60% indicated they select events based on "tradition, we exhibit at the same shows annually." While this is still the number one event selection criteria, the result is lower when compared to a similar 2005 survey. In the survey conducted two years ago 68% of medical exhibitors indicated "tradition" was their key criteria.

A further comparison between these two surveys shows that "attendee demographics" and "perceived ROI or ROO opportunities" are gaining on "tradition."

Despite the rise in the number of medical and healthcare tradeshows, exhibitors are split almost 50/50 on whether too many shows actually exist for their industry. This may be further indication that medical exhibitors are willing to test the waters, looking for new shows that match specific demographics (buyers) and have a higher return on investment.

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

	2007 Medical & Healthcare	2005 Medical & Healthcare (2005 rank)
Tradition, we exhibit at the same shows annually	60%	68% (1)
Attendee demographics	57%	55% (2)
Perceived ROI or ROO opportunity	47%	34% (6)
Attendance numbers, projections	40%	53% (3)
Lead gathering opportunity	36%	53% (4)
Whether competitors are exhibiting or sponsoring	32%	47% (5)
Other	9%	5%



Budgets

Medical and healthcare exhibitors may see the largest slice of their tradeshow budget going toward exhibit space.

SURVEY QUESTION: What percentage of your 2007 tradeshow budget do you anticipate spending on the following?

	Medical & Healthcare (Average percentage of budget)
Exhibit space	29%
Exhibit design and production	17%
Show services	15%
Exhibit freight shipping	11%
Exhibit promotion and sales	11%
Exhibit staffing and training	10%
Other exhibit related items	7%

In general, exhibit marketers have seen their budgets grow at a slow pace. In a broader study of exhibitors conducted earlier this year, exhibitors collectively predicted a modest 1.8% budget increase for 2007. Medical and healthcare exhibitors have also felt the pressure to do more with less. If any tradeshow expenditures are at risk this year, “sponsorships,” “exhibit design” and “promotion” are most likely to see pull backs.



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

	Medical & Healthcare
Less than \$10,000	2%
\$10,000 - \$24,999	9%
\$25,000 - \$49,999	12%
\$50,000 - \$99,999	5%
\$100,000 - \$249,999	29%
\$250,000 - \$499,999	9%
\$500,000 - \$749,999	2%
\$750,000 - \$999,999	7%
\$1,000,000 - \$2,500,000	16%
More than \$2,500,000	9%
Average Annual Budget	\$686,336



Attendees

The aging U.S. population is going to impact the healthcare industry in general and possibly the exhibit and healthcare events sector as well. What impact will retiring baby boomers have on attendee levels at medical exhibitions? The final answer is still a few years off. Forty-one percent of medical marketers said, “Demographics are impacting our industry and shows but I’m not sure how it has changed attendee levels at this point.”

Exhibitors may not be certain about the impact of demographic changes on attendance levels, but attendee behavior is certainly changing. This year, 40% of medical exhibitors said, “Attendees are spending less time in the booth.” The same question was asked to exhibitors two years ago, and only 14% said attendees were “spending less time in the booth.” This is an important change in buyer behavior. It means marketers have less time to get their message across.

Exhibit marketers are amplifying certain tactics to meet the changing dynamic of attendees, based on the survey data:

1. Follow up on leads more vigorously than in the past: 54%
2. Increasing direct marketing before the show: 42%
3. Showcasing company-specific expertise: 40%
4. Qualify attendees as soon as they come into the booth: 33%

SURVEY QUESTION: How have attendees changed in the past year or two?

	Medical & Healthcare
Attendees are spending LESS time in the booth	40%
Attendees are MORE informed about our products and services than in the past	31%
FEWER attendees are higher-level executives and buyers	15%
Attendees are LESS informed about our products and services than in the past	10%
MORE attendees are higher-level executives and buyers	8%
Attendees are spending MORE time in the booth	6%
No change	27%
Other	8%



Exhibits and Staffing

In general, buyers at medical events today are more informed about products and services and are spending less time in the booth than in the past. Fifty-eight percent of medical exhibitors said they have changed the way they use exhibits and/or exhibit design to reflect industry and business changes.

More than half the exhibitors said that in the past three to five years booths have become more high tech, upscale, and showier than in the past. Most of the exhibitors taking part in the research study said they use a custom (full-scale) booth. Ninety-five percent of the medical exhibitors feel it is either “very important” or “moderately important” to use exhibit structures and properties that provide flexibility and ability to change out graphics or easily adapt for different booth sizes.

Below are some of the key trends, themes and recommendations exhibitors said they are following to change their exhibits or exhibit design:

- “Much more open with space dedicated for demonstrations, medical information, R&D.”
- “Changed to fewer banners - larger and fewer appears to gather more interest.”
- “Cleaner, more professional looking exhibit use of multi-media to make exhibit more interactive.”
- “We’ve made the display more appealing and interactive.”
- “We have recently updated all our trade show graphics to showcase new/popular products and to change the look of the booth.”
- “More focus on technology and interactivity to educate and inform physicians.”
- “Eye-catching colors, less words.”
- “More booth space. Using more portable graphic panels to highlight different product groups.”

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

	Medical & Healthcare
Lead capture technology	59%
Cutting edge signs/graphics	51%
Bright lighting	43%
Flat panel video screens	41%
Cool freebies	30%

One in three medical exhibitors say staffing the booth is currently an issue in their exhibit marketing plan. Properly training staff is a key concern. Booth personnel are facing attendees that are spending less time in the booth, and competitors who are literally next door.

Booth personnel need an understanding of company products as well as proper booth etiquette. Sales techniques developed in the booth are different than a regular sales call. Medical exhibitors tend to staff up with sales reps rather than senior executives.

In the past three to five years many exhibit marketers say they have “more personnel staffing the booth” (39%) and “more training for booth personnel today than in the past” (33%).

SURVEY QUESTION: Is your organization staffing the booth with more executives and senior management today than in the past three to five years?

	Medical & Healthcare
Yes	21%
No	79%



Marketing

There is a definite sense among medical exhibitors that it is harder to reach doctors, nurses and hospital and practice administrators at conventions today than it is was a few years ago. Many exhibitors noted it is the technologists who are visiting the booths. Doctors are often busy with the educational curriculum offered as a component at many medical events.

Medical exhibitors are adjusting their message to meet the increased competition for face time with buyers. Methods include demonstrating added value above and beyond the product price point. For example one exhibitor simply said they are “offering products that save time and money in the operating room.” Another exhibitor said, “We bring existing customers to work the booth and provide first-hand testimonials to show attendees/prospects.”

However, what happens inside the booth is just one stage of the sales process. Pre-show marketing has become more important and lead follow-up is crucial. For example, fifty-eight percent of medical exhibitors follow up their leads less than one week after the show.

SURVEY QUESTION: What are you doing differently this year to draw doctors and medical professionals to your booth?

Below are some of the key categories or themes exhibitors are using to draw doctors and medical professionals to their booth:

Interactive Booth Demos/Videos

- “More interactive demonstrations.”
- “Using video walls instead of hanging banners.”
- “Interactive booth activities.”

Education

- “Offering free educational demo kits of our products.”
- “Offering educational presentation within the booth.”
- “Education seminars.”
- “Educational presentations.”

Pre-Show Marketing

- “Direct mailing before and after the show.”
- “Better pre-show mailings, bigger raffle items, introducing new product.”
- “Focusing more on pre-show direct mail.”

Giveaways (Including Sample Products)

- “Giveaways that encourage educational opportunities such as flash drives.”
- “Free giveaways.”
- “Sample giveaway.”

Sixty percent of the medical and healthcare exhibitors said “no funds are being shifted” from their event-marketing budgets to alternative marketing mediums. While event marketing remains healthy, two-thirds of the medical exhibitors said senior management at their organization considers non-traditional event marketing “more important” or “equally important” today than they did two years ago.

Most of the exhibitors participating in the research study said their organization runs or participates in non-traditional events. The most common non-traditional marketing programs are:

1.	Sales meetings	70%
2.	Training programs	60%
3. tie.	Conferences	40%
3. tie.	Corporate sponsorship programs	40%
3. tie.	Incentive programs	40%

In the next few years 89% of medical exhibitors forecast that their organization will participate in “more” or “about the same number” of non-traditional events.



Return on Investment (ROI) and/or Return on Objectives (ROO)

About half the medical and healthcare exhibitors taking part in the research study said their organization formally tracks either Return on Investment (ROI) or Return on Objectives (ROO). This response is virtually unchanged over the past two years.

Ninety-three percent of medical exhibitors who formally track ROI and/or ROO said their measured returns either "increased" or "stayed the same" in 2006 vs. 2005. Typically sales leads, actual sales gathered at the event, and the number of booth visitors are used to gauge ROI and/or ROO.

SURVEY QUESTION: What is your confidence level that your Return on Investment (ROI) and/or Return on Objectives (ROO) at tradeshows will increase in 2007 vs. 2006?

	Medical & Healthcare
Highly confident	27%
Moderately confident	47%
Not confident	27%



CONCLUSION

Event marketing is commonly seen as a microcosm for the larger industry it supports. Key industry issues like staff training and healthcare costs will be mirrored on the show floor. Booth personnel will need more training and, costs associated with booth space and onsite labor will likely rise. At the same time, buyers/attendees will have more information about products and less time to spend in the booth.

Most exhibitors agree that change in the healthcare industry is impacting exhibit design and practices. One of the key influences on current booth design is the increased competition for face time with decision makers. Most exhibitors believe attendees are spending less time in the booth; so grabbing attention fast is paramount. Some features that are becoming more important to exhibit marketers include interactive booth demos/videos, education in the booth, pre-show marketing and freebies (including sample products and not just trinkets).

Almost every medical exhibitor indicated it is either “very important” 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.

Today, fewer exhibitors are selecting events based on “tradition.” New events in the medical and healthcare field are launched each year. This fragments the market into distinct verticals. Exhibitors are becoming more interested in “attendee demographics” and “perceived ROI or ROO opportunities.”

Exhibit marketers further their sales process by “following up on leads more vigorously than in the past” (54%) and “increasing direct marketing before the show” (42%).

Despite the challenges in event marketing, three out of five medical and healthcare exhibitors said “no funds are being shifted” from their event-marketing budgets to alternative marketing mediums. While medical exhibitors predict the same or greater participation in non-traditional events, they also indicate “tradeshows provide a higher ROI” than private events.

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 medical and healthcare exhibitors conducted in 2007. The report was developed to help exhibitors in the diverse medical and healthcare industry understand the trends impacting their industry and event marketing programs. **Skyline Exhibits** and **Tradeshow Week** have developed the Medical & Healthcare Exhibition & Event Marketing Outlook as part of a series of reports. Three additional reports have been developed. These other reports focus on the Manufacturing & Industrial, Information Technology, and Professional & Business Service industries. To access these reports, please go to www.skyline.com/whitepapers.



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