



EXAMINING THE FUTURE OF **MEDICAL** SHOWS

A Special Report by
Trade Show Executive

Sponsored by

Seattle
metronatural™

Seattle's Convention and Visitors Bureau

Where medical innovation takes root.



meet you there.

If you're looking for a prescription for a great event, there is no better place than Seattle. From portable defibrillators to breakthroughs in cancer and genetic medicine, Seattle inspires innovation. Seattle – it's your cure for the common event.

Seattle
metronatural™

Seattle's Convention and Visitors Bureau

www.visitseattle.org/meetings



Examining the Health of Medical Conventions

Despite economic and regulatory challenges in 2009, the prognosis for medical trade shows is expected to improve in 2010 and beyond

BY DANICA TORMOHLEN, CONTRIBUTING EDITOR

While medical shows are outpacing the performance of the exhibition industry overall, 2009 may have been one of the most difficult in history for the medical sector. Despite continued growth in health care spending, medical shows in 2009 saw declines in net square footage, exhibitors and attendance. The good news: The medical and health care sector is expected to grow 3.9% in 2010, fueled by the fact that it now represents the largest economic sector in the nation, according to the *Center for Exhibition Industry Research (CEIR) 2010 Index*.

In 2009, regulations from the Pharmaceutical Research and Manufacturers of America (PhRMA) and the Advanced Medical Technology Association (AdvaMed) put new restrictions on giveaways and medical convention sponsorships. Indeed, a number of major medical conventions felt the hit as exhibitors downsized and consolidated. Most

organizers braced for the impact and, after a year and half of compliance, the worst appears to be over.

"Last year was really the perfect storm for health care conventions, driven by the economic recession and new compliance guidelines from PhRMA and AdvaMed that took effect in 2009," says Eric Allen, executive vice president of the Healthcare Convention and Exhibitors Association (HCEA). "Based on anecdotal reports from members and organizers so far this year, medical conventions are rebounding in 2010."

Trade Show Executive analyzes the latest industry trends and research on health care exhibitions and talks to leading medical show organizers about how they're dealing with today's top challenges.



Eric Allen

Continued on page 4



Continued from page 3

Professional Attendance: On the Mend

HCEA reports that professional attendance at health care conventions and exhibitions grew for five straight years from 2003 to 2008, representing a total increase of 11.3%. In 2009, medical events changed course, with professional attendance down (5.6)%. However, it's important to put things into perspective. Looking at the exhibition industry as a whole during the same period, shows in industries ranging from architecture to woodworking faced a larger decrease of (8.3)% in attendance, according to the 2010 CEIR Index.

Most show organizers attribute the recent decline to the economy and cuts in travel budgets. For example, the *American Association of Critical-Care Nurses' National Training Institute (NTI) and Critical Care Exposition* drew a record attendance of 9,200 in 2008. The following year, attendance dropped (40)% to 5,500. "We attributed most of the decline to the economy and cuts in travel funds," said Randy Bauler, corporate relations and exhibits director for

AACN. In 2010, the event bounced back, drawing 7,500 attendees.

Quality and Quantity of Attendees Impacted

Not only did medical shows take a hit in quantity, but the quality of attendees also dipped.

Total buying plans for medical devices, equipment and/or supplies declined from 56% in 2007 to 38% in 2009, and net buying influences also decreased from 79% in 2007 to 72% in 2009, according to Exhibit Surveys, Inc. "The drop in buying plans is consistent with the economy, but it's magnified by the drop in buying influences," said Skip Cox, president and CEO for Exhibit Surveys.

He expects those indicators to return



Randy Bauler

to historical levels (total buying plans at 50-55%, and net buying plans at 75-80%) as the economy improves. "The health care legislation was a big question mark," Cox said. "Uncertainty can also lead to a drop in buying plans."

But most show organizers say despite quantity declines, attendance quality is up. "We're seeing a higher quality audience," said Alisa Wilke, group director, product development, M|C Communications, which produces 70 medical events annually.

"Surveys continue to prove that health care professionals prefer to get continuing medical education units (CMEs) at face-to-face events vs. online," said Allen. "CME is a powerful driver for health care shows, and CME is not going away."

Exhibit Hall Check-Up

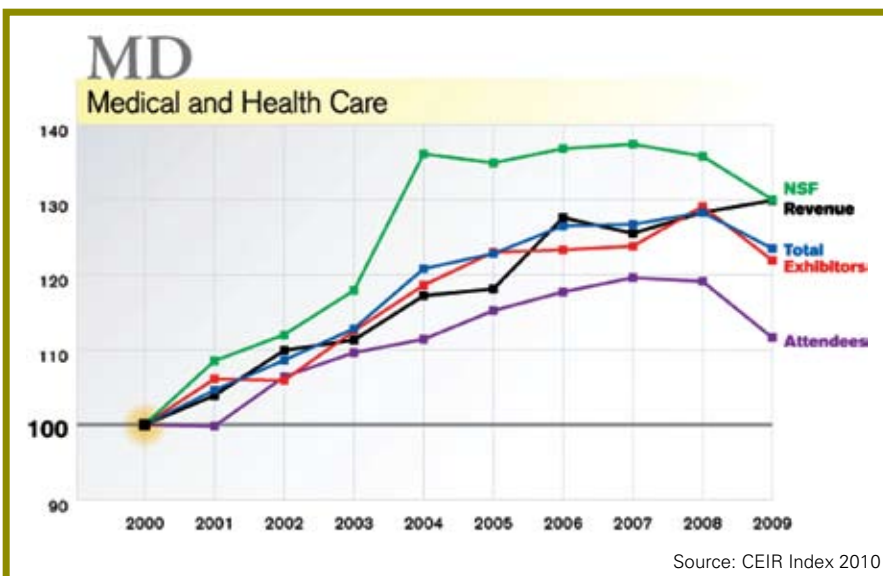
In 2009, the medical sector reported the number of exhibitors was down (4.2)% and net square feet was down (5.6)%, compared with the overall exhibition industry posting higher declines of (11.9)% for exhibitors and (13.9)% for nsf.

Consolidation, Rising Space Rates Led to Decline in Demand

In addition to the economic recession and new compliance guidelines, rising exhibit space rates may have contributed to the downsizing of exhibit booths in 2009. The average price for a 10'x10' booth increased 19.2% from 2007 to 2009, according to HCEA. During the same period, HCEA reports that the average square footage for a booth declined (7.3)%. "The reality is that increasing costs that much is not healthy," said Cox. "I think a number of associations and societies increased rates to improve revenue streams as an initial reaction to the downturn," said Allen. "But it's swinging the other way now. Organizers are realizing that everyone is under the same economic pressure."

"Tighter budgets have led to more consolidation among brands into a single

Down but Not Out. The weak economy and reduced travel budgets impacted medical shows in 2009 but not as severely as trade shows in other sectors, according to the CEIR Index. Another association, HCEA, is forecasting moderate growth by 2012.





Filling the Seats. Show management for the 2010 American Association of Critical-Care Nurses National Training Institute and Critical Care Exposition reduced attendees' registration fees and travel budgets by offering one and two-day passes to the six-day event with the goal of attracting a larger regional audience.

Softer Touch. Attendees say they aren't interested in a pure selling experience. *CHEST 2009 Experience at ACCP* offered presentations in a low-key but personal setting.

corporate booth. For attendees, this trend is positive since exhibitors have more space to be creative," said Wilke. "For example, adding components to the booth such as clinical games and speaker presentations makes the experience with attendees more engaging." At the seven larger regional conventions produced by Pri-Med, the number of exhibitors is about the same, but the top 30 pharma accounts make up the bulk of the show floor, Wilke said.

"As companies tighten their belts and watch their marketing dollars more closely, we're continuing to look at the value proposition we can offer our exhibitor partners," said Karen Malone, vice president, meeting services for the *Healthcare Information*

& Management Systems Society (HIMSS) Annual Conference & Exhibition, which reported a slight uptick in attendance and exhibitors in 2010. Compared with 2009, the 2010 show attracted 27,853 attendees, an increase of 2%, and featured 934 exhibitor companies, up 3.5%.

"We're not just selling exhibit space. We talk to exhibitors, especially our larger ones, about their goals and objectives and come up with a plan to assist them in accomplishing their goals at our conference." For example, HIMSS produced industry solution sessions, breakfast briefings, lunch and learns, hospitality rooms off the show floor and customized receptions that were co-branded and co-marketed with the society.

(*Read more on p. 7*). "The trend is toward more nontraditional ways for exhibitors to interact with the marketplace," she said.

Cracking the Compliance Code

"There's no question that new compliance guidelines led to a downturn in health care professionals visiting exhibit halls," said Allen. "But I think that forced a

number of organizers to take a fresh look at their halls."

At the *American Transplant Congress*, "we've moved as much as we can into the exhibit hall to draw attendees there," said Pam Ballinger, CMP, vice president of meetings and exhibits for Association Headquarters International, which manages the annual convention that attracts 4,500 attendees. "For example, we've moved registration, membership and the cyber café into the hall. And we're spending more on food and beverage."

In addition, show organizers are viewing the exhibit hall as an extension of their educational program. They're offering more product theaters, hospitality rooms, hands-on demonstrations and much more. (*Read more on p. 7*). "Organizers are rebranding the hall to emphasize that it's an extension of their educational training," said Allen.

"There was a perception that all industry involvement by medical and pharmaceutical companies was wrong," said Allen. "There's no question that the industry needs to be appropriately regulated. But it's an oversimplification to say that it's all wrong. I think an argument can be made that many of the medical advancements

Continued on page 6



Karen Malone



Pam Ballinger

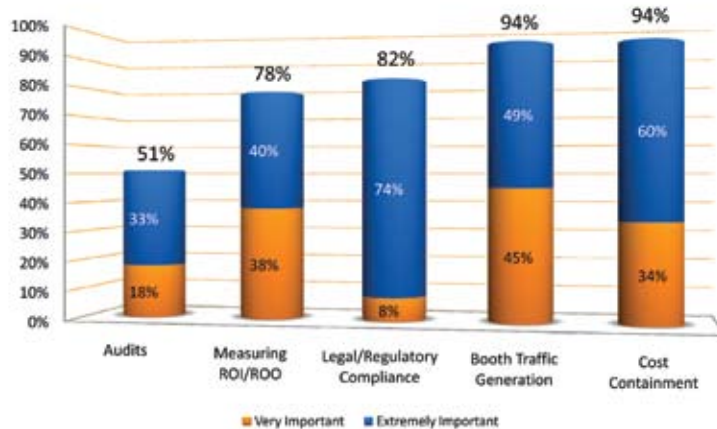


MEDICAL SHOW REPORT

Sponsored by

Seattle
metronatural™
Seattle's Convention and Visitors Bureau

Exhibit Program Plans for 2010 – Issues/Challenges



Source: HCEA & Exhibit Surveys

Exhibit Program Plans for 2010 - Budgets

Budget Change for 2010	HCEA Members	Pharma Members	All B2B
Marketing Budgets:			
Increase	20%	11%	39%
Decrease	35%	47%	13%
Exhibit Budgets:			
Increase	13%	5%	35%
Decrease	38%	55%	20%



Exhibit Budgets
Average Increase = 19%
Average Decrease = 20%

Source: Survey of HCEA members conducted by Exhibit Surveys (Dec 2009). All B2B results from BtoB Magazine's 2010 Outlook Survey (Nov 2009).

Source: HCEA & Exhibit Surveys

- HCEA members more likely to decrease budgets than all B2B companies.
- Disparity interesting considering that HC industry has realized more economic growth than most industries.
- Pharma members more likely to decrease budgets.

Continued from page 5

that have been made in North America and Western Europe were driven by commercial interests. The value of industry support and research needs to be recognized."

Projections for 2010 and 2011

HCEA is predicting that attendance in 2010 may see a slight decline, particularly in the first and second quarters, with a flat to slight increase in 2011 and moderate growth of 2% to 3% in 2012.

"For next year, we're budgeting for minimal growth of 3% on the attendance side and 3% to 4% on the exhibit side," said Malone. "I think we'll see more growth in the nontraditional areas."

Wilke couldn't agree more. "Developing measurable new sponsorships is what keeps me up at night," she says. "But rebookings are strong, and 2011 looks good so far. I think we've turned the corner."

Reach Eric Allen at (404) 252-3663 or eallen@kellencompany.com; Skip Cox at (732) 741-3170 or skip@exhibitsurveys.com; Karen Malone at (312) 664-4467 or kmalone@himss.org; Pam Ballinger at (856) 642-4439; Alisa Wilke at (617) 406-4243 or awilke@mc-comm.com

Exhibitor Challenges and Solutions. HCEA found that 38% of its members are working with budget cutbacks in 2010. Two of their top challenges are cost containment and generating more booth traffic. Exhibitors urge show organizers to extend booth hours and modify future show floor plans so that exhibitors are grouped by category.

What do medical show attendees want?

According to HCEA research, attendees identified these key features for the ideal exhibit hall:

- Organized exhibits by therapeutic area, since many find the current layouts confusing and difficult to navigate
- Large signage and/or information desks/representatives
- Multiple lounge and refreshment areas
- Wi-Fi accessible
- Extended hours – early morning and evening

Source: HCEA



IDEAS You Can Use

Show managers are experimenting with new ideas to increase attendance, revenue and exhibitor ROI. Here's what works.

BY DANICA TORMOHLEN, CONTRIBUTING EDITOR

As the saying goes, drastic times call for drastic measures. Faced with declining professional attendance and downsizing of exhibits, medical show organizers are experimenting with new solutions to attract attendees, increase exhibitor ROI and generate new revenue. Find out what's working now for major medical trade show players, who shared their strategies with *Trade Show Executive*.

• **Redesigning the show floor and grouping exhibitors by therapeutic areas.** In 2009, the American College of Chest Physicians (ACCP) rebranded its exhibit hall as the Clinical Resource Center, which was organized into specialty clusters dedicated to airways, cardiovascular, critical care, professional development, sleep, telemedicine and e-health. "We wanted to make it easy for attendees to identify their areas of interest

and navigate the center to make the best use of their time," said Dr. Dave Eubanks, senior vice president for ACCP. "The attendees loved it." But the transition for exhibitors wasn't quite as seamless. "Some exhibitors wanted to be in more than one cluster," said Kim Schrader, assistant vice president, exhibits. In addition, show management pushed exhibitors to offer an educational component in their booths by launching an awards program for outstanding education in each cluster.

• **Offering exhibitors more than space with unique opportunities, such as a hybrid suite.** "Attendees told us they were reticent to visit the show floor because they didn't want to be sold to," said Susan Kryz, director of expositions for the American College of Cardiology (ACC). "We wanted to create areas where attendees could learn in a less-threatening environment." To that end, the ACC.10 show created a hybrid

suite, where interventional and surgical procedures can be done in the same space, to allow meeting attendees, the majority of whom have never seen or worked in one, to have hands-on experience with the cutting-edge equipment on the show floor. With only a handful of these in the United States, attendees flocked to the area, which was sponsored by six companies. "Based on RFID (radio frequency identification), more than one-third of the attendees (about 4,500) visited the hybrid suite," said Kryz.

• **Selling exhibitors marketing solutions to fit their needs.** In 2010, the *Healthcare Information & Management Systems Society (HIMSS) Annual Conference & Exhibition* produced "The Meeting Place," which featured hospitality suites that catered to exhibitors and offered services such as recruiting firms. "It was designed like a red carpet club, with a receptionist to greet attendees and direct them to meeting rooms," said

Karen Malone, vice president of meeting services. "We had 25 meeting rooms, and we sold out." In addition, one of the show's anchor exhibitors held a client forum instead of a traditional booth. "They wanted more face time in an educational setting," said Malone. "We looked at what their expenditure was with us and came up with a proposal of products and services to fit their goals and objectives. In the end, their spend was close to what it was previously."

• **Providing non-traditional sponsorships such as product theaters on the show floor and classrooms off the show floor.** "One of the bigger growth areas we're seeing is the product theater on the show floor," said Alisa Wilke, group director of product development for *Pri-Med*. At *Pri-Med's* seven larger regional conventions, the walled-off areas feature seating for 150 to 225 attendees and offer 30 to 45 minute presentations by key opinion leaders. At *Pri-Med's* annual convention in Anaheim, the event offered classrooms off the show floor, featuring about 25 sessions over the course of the three-day event.

• **Offering daily passes to attract regional and local attendance.** After attendance at the *American Association of Critical-Care Nurses' National Training Institute (NTI)* and *Critical Care Exposition* dropped (40)% from 2008 to 2009, show management decided to combat the economic recession and decreased travel budgets with targeted

Prime Time. At the *American Pharmacists Association's 2010 Annual Meeting and Exposition*, exhibit-only hours during the day were made possible by scheduling educational sessions in the evening. That gave attendees time to attend both at the show.



Photo: Oscar Einzig © ACC

Back to School. Show organizers have been appealing to attendees' desire for knowledge by setting up learning environments on the show floor. Walled off areas, such as this Hybrid Cath Lab/OR Suite at the ACC.10 show, feature cutting-edge technologies and presentations by experts in various fields.

mailings and promotions to regional and local nurses. "We devoted significant time and effort to attracting a regional audience from about a 300-mile radius. We encouraged nurses to attend *NTI 2010* for one to two days, if not the entire six-day conference," said Randy Bauler, corporate relations and exhibits director for AACN. "By limiting their hotel and registration expenses, we hoped to increase the overall number of attendees. We also believed those who experienced *NTI* first-hand for a day or two would see the value in attending the

full six-day conference when the economy improves." Daily registrations increased, and *NTI 2010* attracted 7,500 nurses, a 35% increase over 2009.

• **Adding evening educational sessions and exhibit-only hours during the day.** For its *2010 Annual Meeting and Exposition*, the *American Pharmacists Association (APhA)* added evening classes for attendees. "We weren't sure how our attendees would respond, but they loved it," said Windy Christner, senior director of meetings and exposition for APhA. "Our attendees need their CPE to maintain credentials, and it allowed our exhibitors to have more time with clients during the day. Dinner was included. We're planning to do it again in 2011."



Contact Randy Bauler at (800) 394-5995 x366 or randy.bauler@aacn.org; Windy Christner at (202) 429-7513 or wchristner@aphanet.org; Kim Schrader at (847) 498-8307 or kshrader@chestnet.org; Dr. Dave Eubanks at (847) 498-8324 or deubanks@chestnet.org; Susan Kryss at (202) 375-6669 or skryss@acc.org; Karen Malone at (312) 664-4467 or kmalone@himss.org; and Alisa Wilke at (617) 406-4243 or awilke@mc-comm.com