

The Rapid Decline in Conference Attendance: Why It's Happening and How a High Quality Agenda Can Help

Conference attendance is on the decline due to corporate budget cuts, rapidly rising travel expenses, concerns over impact to productivity, and other issues. As a result, more and more event organizers are recognizing that a compelling, high-impact agenda is the key to drawing in a large crowd of qualified professionals. This report investigates the factors that are contributing to this alarming trend, and discusses how superior educational content can help, once again, generate excitement among audience members.

Overview

Events and conferences of all types, across all industries, are plagued by a rapidly declining number of viable participants. Overall attendance is down approximately 1.2 percent, according to Trade Show Week Magazine's Quarterly Report for the first quarter of 2008. And, a recent EXPO Magazine study demonstrates that since 1999, average trade show attendance has decreased from about 24,000 to just over 15,000, while average cost per square foot is up from approximately \$16 to more than \$24.

While some sectors are being harder hit than others – for example, the building and construction industry has been challenged to generate much interest in their events as the real estate and housing markets cool – conference planning firms, industry associations, and educational institutions across the board are experiencing a dwindling number of attendees.

And, many industry pundits are anticipating even greater declines in attendance this year. Bill Sell, a managing partner at Advisor Communications, a full-service marketing and communications firm, expects trade show attendance to drop between 10 and 15 percent in 2008, as participants choose to go to fewer events, and more carefully consider which ones will offer the best return on investment.

What issues are driving this downward trend? Corporate budget cuts, rapidly rising travel expenses, and concerns over impact to productivity are among the many factors that are causing organizations to keep their employees

home from the events that they traditionally were so eager to let them attend.

Compounding the problem is the emergence of Internet-based events, which offer attendees a more convenient – and far less expensive – experience. A recent survey conducted by Starch Research demonstrates that 53 percent of decision-makers consider the Internet – including Web-based research, training, and events – to be the most valuable information source. On the other hand, the number of those decision-makers that consider trade shows to be “very useful” has dropped from 60 percent to 56 percent in recent years.

This Special Report investigates the various factors that are impacting attendance at conferences and trade shows today, and discusses how focusing on a compelling and high-quality educational agenda can help show organizers once again attract a large target audience.

The Factors Behind the Downswing

A variety of factors and trends are contributing to the decline in trade show and conference attendance. Below are just a few of the primary reasons that organizations today are investigating other ways to keep their staff members up-to-date on the latest industry trends, such as “virtual” conferences, and other forms of education and networking.

Increased cost of travel

The cost of sending an employee to a trade show or event continues to grow at a rapid pace, making it harder than ever for businesses to justify the related expenses. In

fact, the National Business Travel Association (NBTA), in its 2008 US Business Travel Overview and Forecast Report, expects overall travel costs to increase between six and eight percent this year.

What's behind these rising expenses?

- Increasing fuel costs are driving airfare prices way up. The major airlines have hiked their rates an average of more than 6.2 percent for coach seats, and more than 12 percent for business-class seats, according to the Sabre Travel Network.
- Industry surveys show that the cost of a hotel stay has risen over 15 percent in the past three years. And, the NBTA predicts an additional hike of five to seven percent in 2008.
- Car rental rates are up almost seven percent, according to the NBTA.

Additionally, rising oil prices are making even local business travel cost-prohibitive for today's organizations. The University of Southern California's Lusk Center expects crude oil prices to remain between 50 and 60 per barrel for the foreseeable future. However, some analysts, including Frank Holmes, who manages the US Global Investors' Global Resource Fund, believe that 100 dollars per barrel in the near term is a very real possibility.

Corporate cost-cutting

As corporate operating budgets continue to experience major cuts across the board, many companies are looking at travel as the area that requires the greatest restrictions. While the amount of money spent on business travel had been experiencing some moderate growth, based on NBTA studies, that rate of growth has begun to level off significantly.

Kevin Mitchell, the chairman of the Business Travel Coalition, an association that represents corporate travel buyers, claims that "travel policies are tighter, and they're being enforced."

Mark Kozicki, vice president of commercial products for MasterCard, agrees, stating that companies are becoming far more diligent when it comes to monitoring and controlling their employees' travel-related expenses.

As a result, more and more activities that require travel – including trade shows and conferences – are being classified as "non-essential", and are being slashed from operating budgets.

But, travel isn't the only place that companies are looking to achieve savings. The budgets that are available for the types of products that companies evaluate and/or buy at the conferences they attend are also decreasing. For example, increases in IT spending are expected to be quite modest this year, while purchases of office equipment and furniture are expected to decline significantly.

Impact to productivity

With more and more companies initiating layoffs (headcount reduction plans were up as much as 18 percent at the end of 2007, based on a report by outplacement firm Challenger, Gray, and Christmas) and operating as "lean" as possible – employing just enough staff to cover all major functional areas – few have bodies to spare. When an employee leaves the office for several days to attend a trade show or conference, their job will either go un-done, or be forced on another worker who is likely already over-burdened.

But, the problem doesn't end there. A recent Airline Travelers Association report claims that the airline industry will continue to operate at or near capacity, cramming in as many flights as the Transportation Department will allow. This will exacerbate existing air traffic control problems, which already cause significant delays in air travel. Companies are concerned that these delays will result in additional loss of productivity, as employees may be out of the office even longer than originally anticipated.

Reversing the Trend: Attracting Attendees with Compelling Content

With more and more companies limiting the number of trade shows their employees attend, it becomes more important than ever for conference coordinators to clearly differentiate their events from the thousands of others out there. Today's attendees need a compelling reason to choose one specific trade show or conference over another – and it is up to the event organizer to give them one.

Many experts recommend hosting smaller events that are more targeted and more focused to appeal to a specific demographic, as opposed to the large-scale “one size fits all” approach many show planners like to take. Dedicated time for peer networking, such as industry- or job function-specific roundtable discussions, is also appealing to potential conference attendees.

While the perception of many is that some trade shows have become little more than multi-day sales pitches, designed to provide exhibitors with unfettered access to target buyers, many potential attendees still hold out hope that they will derive real value from the time spent at a conference, and will walk away with new tips and techniques that will help both themselves, and their organizations.

The reasons why people attend conferences and trade shows have shifted dramatically over the past several years. According to Ed Rigsbee, a renowned expert in trade association conferences, and author of *The Art of Partnering*, “golf and partying is not their motivation, but rather a desire to obtain new strategies, tactics, and the skills necessary to improve their business.”

A 2007 survey commissioned by Modern Media and conducted by survey programming and reporting firm Decipher supports this claim. Approximately 66 percent of conference participants polled cited the need to gather reliable and credible information as one of the primary reasons they attend industry events.

And, the Westerfield Group’s Trade Show Marketing Report concurs, stating that, “increasingly, conference audiences want something tactical they can benefit from immediately upon returning to their desks.”

Therefore, the solution to the current attendance problem is a simple one. By focusing less on vendor exhibits and other “hype”, and more on the educational content, organizers can develop the kind of high-impact agenda that will lend a sense of credibility, importance, and value to their event. As a result, potential attendees will be more likely to view the trade show or conference as one that is more than just a series of sponsorships and sales pitches, but as one that will empower them with new skills, knowledge, and insight into the issues that they care most

about. This, in turn, will help generate renewed excitement and lead to increased participation.

How can this be accomplished? Some of the best ways to develop superior conference content include:

- Soliciting and choosing knowledgeable, respected, and unbiased speakers, such as analysts or industry experts – not vendors or other exhibiting companies, who many attendees feel are simply giving sales pitches.
- Selecting innovative topics and ideas that relate directly to the issues and challenges that audience members face on a daily basis.
- Incorporating interactive sessions, panel discussions, and other new formats, instead of just traditional lecture-style presentations.

While the agenda is clearly one of the most important aspects of today’s events, there are other ways to help entice a larger, more qualified base of attendees. Once the content has been developed, the word needs to get out to the target audience. Embarking on aggressive promotional campaigns that include multiple channels (direct mail, telemarketing, trade press, the Web, etc.) can ensure that all potential attendees are made aware of the event and its benefits.



Maximizing Event Impact with VS Review™: Today's Most Easy to use and Flexible Abstract Management Solution

To overcome the challenges of ensuring high-quality content for their events, many conference organizers are turning to abstract management technologies. These powerful solutions streamline and automate all key tasks and activities involved in the entire abstract submission and peer-review process.

With VS Review™ in place, conference organizers can:

- Increase the number and quality of valid proposals
- Boost attendee satisfaction by providing content that offers the most value and impact
- Optimize the productivity of administrative staff
- Improve event attendance through enhanced image, reputation, and value
- Reduce overhead costs

VS Review™ is a powerful, feature-rich, fully-integrated abstract submission management system designed to boost the success of conferences and events. It delivers the advanced technologies conference organizers need to streamline, accelerate, and improve all facets of the abstract management process. From submission and peer review, through acceptance and publishing, VS Review™ is a comprehensive toolkit that enhances abstract management from start to finish.

VS Review™ is flexible enough to support any type of abstract management need. Whether you're an educational institution, professional association, or conference planning organization looking to manage presentation abstracts; a publication overseeing manuscript and article submissions; or a non-profit or government agency reviewing grant proposals, VS Review™ can help you increase productivity and cost-efficiency by accelerating all core processes.

Find Out More

VS Review™ is designed and developed by VS Communications Inc., a leading provider of innovative software solutions for information management. Other VS Communications offerings include applications for research survey management and personalized Internet portals.

Find out how VS Review™ can boost the impact of your conferences and events. Visit our Web site at www.vsreview.com for additional product information, to schedule an in-depth demonstration, or to sign up for a *risk-free* trial evaluation.

Contact Us

Please visit the VS Review™ website at <http://www.vsreview.com>

For more information, please contact:
Trevor Strome
VS Communications Inc.
#177, 240-222 Baseline Road
Sherwood Park, AB
Canada T8H 1S8

Email: trevor@vsreview.com
Phone: 204-333-5274