

Exhibition Game

Trade shows can be worth the sometimes high expense – if, that is, you're smart about them - **By Sarah Needleman**

For small-business owners trying to navigate the economic downturn, spending money on trade and consumer shows might seem like a luxury better reserved for more prosperous times.

Not so, say many experts, who believe that exhibiting at—or at the very least attending—these events is one of the smartest things that a small-business owner can do, regardless of the state of the economy. Not only do exhibitions provide critical exposure to potential buyers, they also are essential for learning about unfamiliar markets, building personal relationships and getting an up-close look at the competition.

Conventions will always be one of the most valuable things you can do, says Andy Birol, owner of Birol Growth Consulting Inc., a business-coaching firm in Solon, Ohio. “There’s simply a consolidation of buyers in one place. They have money to spend and buying authority to exercise.”

Yes, exhibitions can be pricey.

In addition to the cost of renting a booth or showroom space, exhibitors’ expenses typically include fees for shipping products and display materials. Many convention centers charge for drayage and access to resources such as electricity, phone lines and the Internet. Out-of-towners need to factor in transportation, lodging and dining expenses.

Such costs, combined with the bad economy, are leading some exhibitors to pull back. A recent survey of 240 corporate exhibitors found the number of conventions and trade shows they plan to participate in this year will decrease on average to 26 from 31 in 2008, reports *Tradeshow Week* magazine.

But that can be good news for small businesses, which are likely to see less competition at the shows this year. Plus, there are ways to minimize some of the costs that shows bring—and avoid others altogether.

Pick Your Battles

First, do some research to find out which shows are likely to offer the best prospects. Review sales figures from events you have attended in the past, including transactions that resulted from leads you obtained, recommends Jayme Broudy, founder of Contractor’s Business School LLC, an advisory firm in San Luis Obispo, Calif.

For new events, ask the registrars what kind of crowds

they normally attract and how many of the attendees are actually buyers. Also request referrals to past exhibitors and buyers from within your industry and ask them about their experiences.

In general, if you must choose between an industry or a consumer show, Mr. Birol recommends targeting industry. Consumers are unlikely to spend big money in this economy, he says, and many go to shows just to have fun. For example, people who attend Comic Con, a comics convention held annually in New York and San Diego, commonly go there just to get artists’ autographs or to dress up like their favorite characters.

Once you know which shows you want to attend, consider offering to split the cost of an exhibit space with another firm in a different market. In January, toy distributor Rocket USA Inc. of Forest Park, Ill., partnered with a jewelry company

to rent a showroom for a year at an Atlanta convention center. For \$14,000, or half the total bill, Rocket USA will be able to exhibit at four shows and use the space for client meetings at any time during the year, says Cesar Vargas, vice president.

The discount on the yearlong lease, in addition to the partnership, resulted in a significant savings for Rocket USA, which Mr. Vargas says would have had to pay about \$13,000 per show to rent its own

booth. And the company will only have to pay to ship its display materials once each way for all four events, resulting in additional savings.

Mr. Vargas says that he connected with one of the jewelry firm’s executives at a gift-shop industry-association meeting. He suggests contacting trade associations, small-business groups and other organizations that cater to entrepreneurs and using networking sites such as LinkedIn.com to get the word out that you want to share a space.

When it comes to outfitting your booth, consider used display materials, says Aaron Rasmussen, co-founder of Harcos LLC, Santa Monica, Calif., the maker of Mana Energy Potion, an energy drink for gamers. In September, he spent \$950 on a used backdrop that normally sells for \$1,100 new. “Some companies buy them, use them once and return them,” he says.

He also recommends buying furniture for your booth

from a discount store such as Ikea instead of renting it from the show operator. Not only are you likely to spend less, but you’ll be able to use whatever you buy more than once, he says. And be creative. At a trade show last year, Rocket USA displayed its products on the boxes it used to ship the items to the event.

Exhibiting isn’t the only way to find buyers at shows. You could skip the event and host get-togethers in a nearby hotel suite, says Mr. Birol. Many shows list registered attendees on their Web sites and in marketing materials in advance. Promote the opportunity as a chance to break from the noise and stress of the show and sit down in a private, relaxed environment, advises Mr. Birol. If you plan to introduce buyers to a new product or service, describe the meeting as a sneak preview.

Lend Your Voice

If your company sells services rather than products, offering to be a guest speaker at an exhibition is another effective way to win the attention of potential buyers without having to incur steep expenses related to exhibiting. You might even get paid for lending your voice.

Rebecca Morgan, president of Cleveland-based Fulcrum ConsultingWorks Inc., regularly speaks at industry events, earning about \$1,000 to \$5,000 per engagement. “My business is all about having credibility and being respected by people who are authorized to spend money,” says Ms. Morgan, whose firm advises companies about how to improve their operations. She adds that buyers often approach her about her services after she’s done speaking.

Before landing paid speaking gigs, you may need to get some experience doing it at no charge. Ms. Morgan recommends volunteering to speak at events hosted by local groups. Also, many shows line up speakers months in advance, so be sure to express your interest early on, she says.

As a last resort, you can always just walk the floors of an exhibition and introduce yourself to buyers. Also be sure to bring some product that you can give away to “anyone with a camera or microphone,” says Mr. Rasmussen. At a comic-book industry convention earlier this year, Mr. Rasmussen handed a sample of his company’s energy drink to video producers for *The Review Zoo*, an entertainment Web site. The crew responded with an on-the-spot interview request, and he happily obliged.

One final caveat: If your only goal is to be seen by your competitors, don’t bother attending a show at all, asserts Mr. Birol. “If you didn’t go, it used to be that the rumor mill would circulate and suggest that you’re not doing well,” he says. Today, this is no longer the case, because most businesses have a constant presence online, he explains.

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