

BIG SHOW ENVY



Virtually, every home show producer in Chicagoland (and probably everywhere) is quick to talk about how **BIG** their shows are, or will be. "The largest - the biggest - the greatest ever." One of the *Other Guys'* web sites states:

"...we have now added on several events on a much more massive scale to once again raise the standard by which home improvement shows are judged in the Chicagoland area."

They promote halls with "**400 booths**" and "**500 booths**" and even, "**OVER 500 BOOTHS.**" One Arlington show was "*Billed as the area's largest and most complete spring home improvement show, the event features more than 400 booths offering everything . . .*"

It was the last show they produced. Then, another of the *Other Guys* jumped in and here we go again . . .

HOW BIG IS BIG 'NUF ?

Okay so when is "BIG," big enough ?

At The Home Show_S, we prefer "BIG shows in small halls." For example, one of the largest halls — the new Lake County Fairgrounds building — has 88,000 square feet. The way I see it, that's three times what we need.

Why? Follow me . . .

EXHIBITOR : : ATTENDEE RATIO

There's this thing I call the Exhibitor to Attendee Ratio (E :: A). This will stop you cold, once you understand its simplicity.

Consider a show with 3,000 attendees and 100 exhibitors. The ratio is 30 attendees for every exhibitor. If that promoter jumps to a hall that's twice the size they has to double the booths - what do you think he/she/its gonna do first? The *Other Guy's* gotta sell twice as many exhibitors to fill the floor. It's a cost-of-rental thing. Ya gotta pay the hall - the landlord.

Assume they get the extra 100 exhibitors they need. Now, instead of having 3,000 attendees spread over 100 exhibitors, the spread is 200 exhibitors, and the ratio becomes 15 attendees for each exhibitor - half the noses to keep exhibitors happy.

On a *straight-line* basis, they must double the attendees. Can they? Is it possible? Have you or anyone you've ever known doubled your customers in a single year?

RULE OF UNINTENDED CONSEQUENCES

We're not done yet. It gets worse.

The next problem the *Other Guys* face is finding enough exhibitors to sell on their "largest - biggest - greatest ever" home show. This is the tricky part.

I need to preface the scenario with a few attitudinal and educational facts.

The vast majority of tradesmen and construction firms are small businesses - venturing a guess, 95%. As such, they tend to operate with a limited marketing and advertising (M&A)

background. I'll go further and say the M&A education they gain was by working with others - like YOU - and, eventually becoming independent contractors. What they learned about M&A is what you, or someone like you, taught them.

If you're an exhibitor, then you taught them well - less than 2% of all small contractors and tradesmen in N-E Illinois exhibit at shows. [It should be way higher because shows produce better than 5 times the results of traditional media (direct mail/fliers, newsprint, yellow pages, radio and cable) - the *affordable* advertising that's available.]

Let's split this hair a little further. I've counted approximately 37 different contracting trades and specialties. Of that, there's every primary trade from carpenters and roofers, to specialties of foundation underpinning (concrete) and sewer back-up valves (plumbing).

However, specialty trades seldom exhibit at home shows (even though they need advertising more than others to educate consumers). But, when a producer's looking to max out a floor plan, primary trades are targeted and specialty trades are avoided - the extra hundred booths they have.

The 'unintended consequence' of this vast new empire the *Other Guys* are trying to build is the primary trades population grows, while specialty trades disappear. Specialty trades that do exhibit, drop out more rapidly. Why?

The few specialty trades that did exhibit, drop like flies after they realize the proportions — "me, versus 200 other exhibitors" — these are proportions that kill attendee interest in any show. Exhibitor competition rises, becoming offensive, compared to laid-back attitude in smaller halls.

The attitude of the *Other Guys* is, "*Bigger is better. What's good for me, is good for you, and I gotta be BIGGER than any other show in the market.*"

Really? Is what's good for a producer always good for exhibitors? When the size of the show grows to the point that attendees turn zombie-like, traipsing through the hall with their minds going numb, do ya really think the show's gonna produce leads or sales? Q: "Was it good for YOU?"

LAW OF DIMINISHING RETURNS . . . KER - PLUNK

We're not done yet. It gets *worser*. This is just the front half of the conundrum known as the Law of Diminishing Returns.

Filling space is the priority. So, the *Other Guys* sell to anyone at any price: "\$500 for a booth — can't take that? — \$250 a booth — still no? — How'z about \$100 ?"

Low-ball prices attract: astrologists; car-wash products; books; pet products; sunglasses; candles; popcorn; cooking accessories; mops; chamois; lotions; lingerie; table pads; investment clubs; diet centers; chocolates; and, my favorite: "Crap Customers - DOT - com." *No really!? Why not just slap every attendee who comes to the show at the front gate. "Welcome ... (SLAP)."*

There's nothing wrong with ancillary booths. But sometimes, these booths rule the show turning it into a "flea market." Exhibitors end up competing for every customer. Contractors selling a \$20,000 remodel are competing with the Tupperware lady and the Zodiac Reader for attention. (*Whoa! Don't wanna be caught in that crossfire.*)

And then — AND THEN — dickering and dealing crosses over to the real exhibitors (primary and specialty trades). They refuse to exhibit until the *Other Guys* drop their prices 'cause their shows stink.

The exhibitors that "worked a really, really good deal," because ... well, "a deal's a deal" ... they get stuck in a booth where they can't be seen or heard. Ker-plunk goes the "deal."

Traffic? Well, that's the real burn. Deals ('negotiated pricing') obliterate a producer's revenue. With worsening revenue comes declining traffic because there's no ad budget — and it's

back to counting noses for the E :: A Ratio.

The E :: A plummets because there's no show advertising. The deals the promoter makes are sinking the show for lack of funds to promote the show. Every exhibitor suffers - even *deal-makers*.

THE FAT LADIES ARE SINGING

The Home Builders Assn. of Greater Chicago began show marketing with a blush of enthusiasm:

“...a 3-day Consumer Show destined to be the premier sales environment for those who sell home-related products and services. Quite simply, no other show in the country connects you with so many potential buyers...” (underscore added)

On April 24, 2008, less than 2 months after their show, the HBA-GC show(s) went “ker-plunk.”

Subject: Midwest Home & Design Show & Chicago Home & Garden Show
“HBAGC voted ... in light of the current saturation of home and garden type shows in the Chicagoland market, it is no longer feasible or financially sound for the HBAGC to continue to produce this type of event.” (underscore added)

HISTORY LESSON: Show Technology dropped it's Schaumburg home show last year — 'dmg' cancelled its venture into Schaumburg — Prairie Stone in Hoffman Estates went 'poof,' was picked up by another; dumped again and may be raised once more — Schaumburg Tennis Club disappeared after a couple years — College of Lake County fell into a black hole — several in Naperville have tanked — Odeum is off the schedule — along with Lincolnshire — and another of the many Renaissance shows.

*Hint to Exhibitors: If you read the Other Guy's dates are "To Be Announced " (TBA),
Expect the show to be dumped.*

BIG SHOWS IN SMALL HALLS

The *Other Guys* have somehow come to think when they pitch a HUGE / MAMMOTH / GIGANTIC facility, you're gonna be impressed. Are you now? Now that you know the 'BIG' picture?

The Home Shows likes producing BIG shows in small halls.

I offer my opinion to help you understand bigger hall means lower ROI for each exhibitor. Sure, there are exceptions. There's also fantasies. Given the present-day economy, it's best to stick with small realities than base exhibiting decisions on a huge castle of dreams someone's pumping you.

When you see the *Other Guys* promoting ...

300 BOOTHS
400 BOOTHS
500 BOOTHS
OVER 500 BOOTHS

... toss the illusions they're selling out with the trash.
Their pipe dream doesn't have to be your nightmare.

Lil' Johnny

That's my opinion. What's yours?

Send comments to

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SOURCE: www.ChicagoHomeShow.Net/LiJ

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... baby steps to success.