

DELIVERING VALUE 2010

Maximizing Return on Investment

An Industry White Paper

Presented by



White Paper: 2010 International Home + Housewares Show

Market Leadership

Market leading suppliers enjoy and maintain a high market visibility. The most cost-effective, high-profile method of establishing or increasing market presence is through participation in the primary industry marketplace.

The International Home + Housewares Show gives your company the opportunity to demonstrate who it is in the marketplace in the presence of its peers. Not only can a company present its best to all current customers, it also brands itself for and gains low-cost access to the fast-growing segment of US specialty and independent retailers and key retailers from Europe, Asia and South America. These retailers represent the possibility of future growth, creativity and a new product distribution opportunity.

Globalization of the Industry

Since 1993, the percentage of non-US exhibitors at the International Home + Housewares Show has more than tripled. Clearly, housewares product makers from around the world recognize both the value of the US market and of exhibiting where their local buyers are shopping.

In 2009, the Show counted nearly 2,000 exhibitors from 35 countries. Including pavilion participants, non-US exhibitors totaled over 35% of all exhibitors.

Leadership and Show Attendance from a Retailer Point of View

The Show staff annually visits with US retailers such as Wal-Mart and Target along with visits to key regional and independent retailers to make certain we have an up-to-date reading of the opinions and needs of this extremely important group of Show attendees. In addition the Show welcomes two Retailer Advisory Councils who help insure the value of the Show to the entire retail community.

Seeing value in being able to see the complete vista of the industry including nearly 2,000 current and potential vendors in one location, these retailers have proved extraordinarily loyal to the International Home + Housewares Show.

Attending Retailer Input on Show Value

As a component of our assessment of the needs of retailers attending the International Home + Housewares Show, we continuously survey our broader audience concerning the value of trade shows to them. Here are a few findings of recent survey work:

- ✓ *Our average attendee has 4+ trade shows annually on his or her calendar.*
- ✓ *48% of our attendees have been at the Show for the last 6 years or more, with more than 33% claiming to have attended for over 10 years.*
- ✓ *92% say the Show was successful at helping them meet their objectives. Only 1.1% say the Show was "unsuccessful."*
- ✓ *62% of all buyers at the Show say that their number one goal at the Show is to "find new products, programs or ideas."*
- ✓ *17% of all buyers at the Show say that their number two goal is "seeking new suppliers."*
- ✓ *In interviews with retailers they also tell us that a vital component of Show attendance is the ability to "see a vista of the entire industry" at one time. Also with sometimes-rapid buyer turnover, many new buyers get their first complete view of the industry they are buying at the Show.*
- ✓ *In addition, retailers report that the Show is a key opportunity to meet directly with senior management at each supplier and to introduce their own company's senior management to the products and programs of their suppliers.*

Retailer Participation

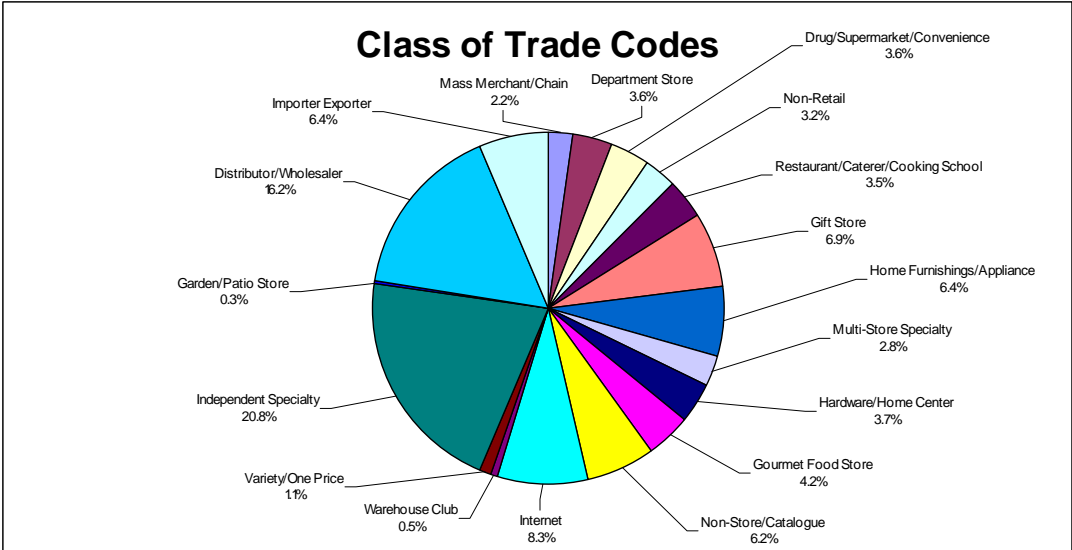
The global housewares market totaled US \$301 billion in 2007, according to the *2008 IHA State of the Industry Report*. According to *HomeWorld Business* magazine, the top 100 retailers in the US accounted for \$85 billion in 2007 compared to \$36 billion in 1995. The International Home & Housewares Show attracts a significant share of both U.S. and global housewares professionals.

For 2009, the International Home + Housewares Show registered just over 15,000 US buyers and just under 6,000 buyers from outside the US. In addition to a free contact list of over 20,000 housewares buyers from the previous year's Show, a complete listing of all registered buyers along with their contact information is available to all exhibitors about a month after the conclusion of each year's Show.

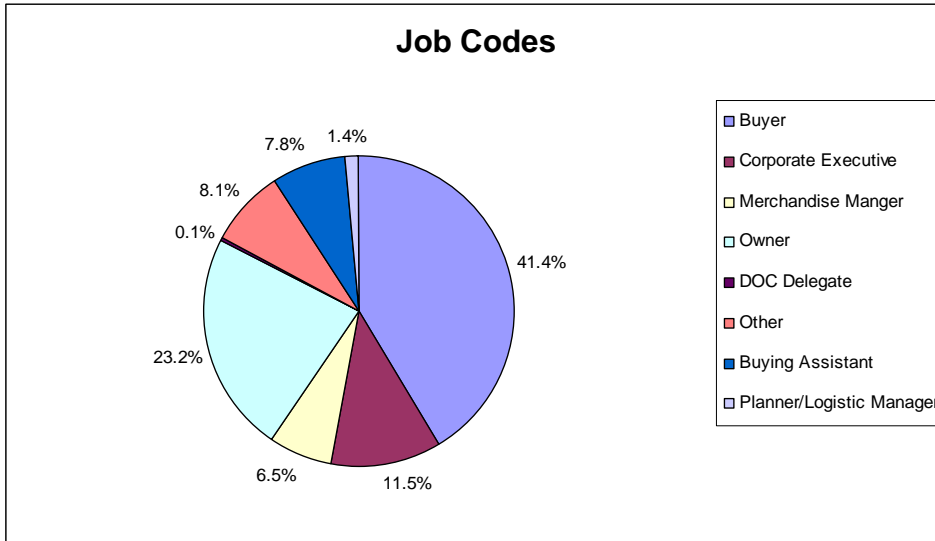
For 2009, the Show also registered over 1,700 individuals from its key retailer list and 99% of the top 150 retailers were represented at the Show.

In 2002, the Show began a broad-based effort to attract and support retailers from the specialty classifications. This group now makes up 75% of the individual US retail buyers who register and is an important component in the profit mix of many exhibitors.

Here is a snapshot of the makeup of the 2009 US retail buyer mix:



Decision makers attend in significant numbers. Over 40% of all buyer attendees are senior executives or owners in addition to the 41% who are buyers. Here is a breakdown of registrants by responsibility:

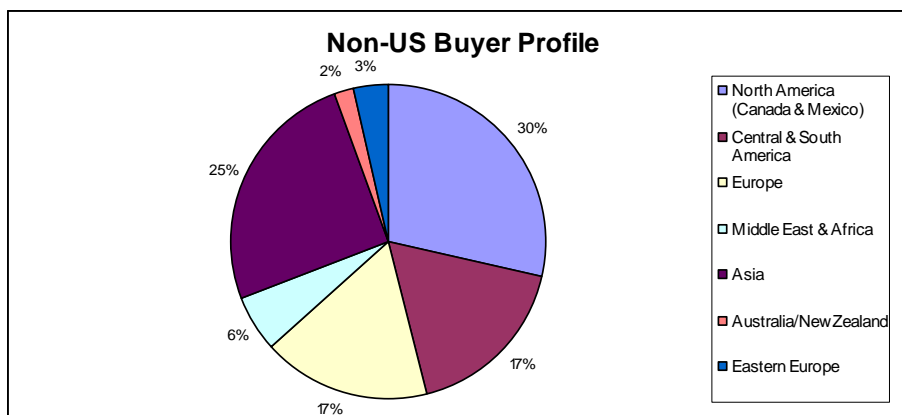


Low Cost International Reach

The Show's international audience continues to provide value to exhibitors that would not otherwise be available without extraordinary expense. As we learned above, global housewares volume was \$301 billion in 2007. The US contributed nearly \$76 billion, leaving a significant opportunity for those who wish to address the broader market.

At the Show, IHA provides exhibitors ample opportunity to meet with and do business with these international visitors. Members of IHA's Housewares Export Council receive advance registration lists that allow them to send special invitations to these buyers. The International Reception, held on the second night of the Show, offers networking opportunities and hosts over 1,000 attendees. After the Show, a database of complete contact information is available free of charge to all exhibitors.

In 2009, retailers from outside the United States made up nearly 30% of all attendees, representing 100 countries.



International Home + Housewares Show Exhibitor Experience

Based on post-Show survey results, this is what exhibitors report:

- ✓ **86%** of exhibitors rated the Show as **excellent or good**.
- ✓ **64%** of exhibitors reported having 51 or more buyer meetings in their booth. 7% of those exhibitors reported having over 250 buyer meetings.
- ✓ **83%** of exhibitors reported developing new leads with US specialty buyers.
- ✓ **72%** of exhibitors reported developing new leads with US chain buyers.
- ✓ **80%** of exhibitors reported developing new leads with non-US buyers.
- ✓ **77%** of exhibitors reported generating new business with US specialty buyers as a result of meetings at the Show.
- ✓ **68%** of exhibitors reported **generating new business with US chain buyers** as a result of meetings at the Show.

Trade Shows as Cost Effective

Based on recent research by the Center for Exhibition Industry Research (CEIR), participating in a trade marketplace is significantly more cost effective than any other method of reaching sales goals. For instance:

- The total cost of closing a sale without trade show participation averages \$1,140 compared to \$705 for a show generated lead.
- The cost per contact for a sales prospect at a show is \$212 compared to \$308 which is the average cost of a field contact.
- It takes an average of only 1.6 personal sales calls to close a sale with a show-generated lead compared to 3.7 sales calls made without a show-generated lead.

Trade shows clearly offer the more cost effective method of reaching prospects.

Return on Investment

In a recent article in a leading trade show publication, trade communications expert Ed Jones, president of Constellation Communications, outlined four components which should be a part of every exhibitor's calculation of return on investment. They include:

- New Revenue Development (near and long term).
The near term calculation is the most frequently used measure of success but longer term revenue development is often neglected.
- Customer Partnership and Relationship Management.
The opportunity to meet with senior managers and owners (40% of the Show's buyer attendance) should be a key consideration when estimating return on investment.
- Retention and Growth of Current Revenue (including profitability improvement and cost-savings achieved through event-related activities).
As noted above, participation in the International Home + Housewares Show or other trade event offers significant cost savings over direct sales efforts.
- Promotion Value accomplished through event activity.
Whether brand building through multiple no-cost or low-cost Show site options such as free participation in the Pantone ColorWatch display or through TV or print media coverage generated by the Show, exhibitors have the opportunity to leverage their participation through a variety of channels all of which add to their return on investment.

International Home + Housewares Show Exhibitor Retention

Based on our most recent information, 94% of the top 100 housewares exhibitors in 1998 who left the Show between 1998 and 2008 were either acquired or are out of business. Of the 6% that did leave the Show and are still in business, most have returned including industry leaders such as Rubbermaid, Jarden and World Kitchen.

Extensive Consumer & Trade Press Impact

In 2008, the Show reached over 150 Million US Consumers with a combination of print, Internet and broadcast media through a five-month pre-Show public relations effort. The results of that effort bring potential consumer exposure for every Show exhibitor.

2009 results are still being compiled but early indications are that the Show generated **between 150 and 200 million consumer impressions.**

In the four weeks following the 2009 Show, Cision reported that the International Home + Housewares Show generated in excess of \$4.5 million dollars of free exhibitor coverage based on ad purchase equivalents. The average print media hit was **over 215,000 impressions with an ad-purchase value of \$17,400 per hit.**

2009 US Print & Internet Coverage – 103,104,712 million audience as of 5/19/09.

2009 US Broadcast Coverage – based on Cision Premium Broadcast Monitoring Reports: 65.4 million estimated audience.

National Print Media:

Associated Press

UPI

week

Newsweek

ThomsonReuters

Gadget Gals

Content That Works

Network /Cable/Live Television Broadcasts:

CBS The Early Show – in studio

NBC Today Show – live plus studio segment later in

QVC – 3 hour live broadcast

All local Chicago TV (ABC, NBC, CBS,

FOX, WGN, CLTV)

Other Newspapers & Syndicates:

Arkansas Democrat Gazette

Chicago Tribune

Chicago Sun-Times

Daily Herald

El Paso Times

The Houston Chronicle

Lee Newspapers

Milwaukee Journal Sentinel

Northwest Herald

Rockford Register Star

Times of Northwest Indiana

Think Glink Publishing

The Washington Post

The Korea Daily

Internet:

Marketwatch

Familyeats.net

Cooking.com

ApartmentTherapy.com

Housekeeping Channel

Savvymommy.com

Spatulatta.com

About.com

Technodad.tv

Cookingfordads.com

Blue-kitchen.com

CookwithAloha.com

Core77.com

Foodieindisguise.com

Foodloveswriting.com

Ochef.com

Shop.com

Trendbites.com

The Rustic Kitchen

The Knot

The Nest

Radio Coverage:

Handyman Show

WGN-AM

WBBM-AM

WJOB-AM

KOMO

CKLW—Windsor, Canada

NPR—National Public Radio

New Horizons Radio/1240 AM WSBC

Restaurant Radio—WIND

National Magazines, Women's & Shelter Books:

<i>Bridal Guide</i>	<i>Good Housekeeping</i>
<i>Bride's Magazine</i>	<i>Goodheart Wilcox Publishing</i>
<i>Café Magazine</i>	<i>House Beautiful</i>
<i>Chicago Magazine</i>	<i>Martha Stewart Living</i>
<i>Chicago Splash</i>	<i>Meredith Corporation</i>
<i>Chloe Magazine</i>	<i>Midwest Outdoors</i>
<i>Coastal Living Magazine</i>	<i>Modern Bride</i>
<i>Consumers Guide</i>	<i>O-The Oprah Magazine</i>
<i>Consumer Reports</i>	<i>Prevention</i>
<i>Consumers Digest</i>	<i>Readers Digest</i>
<i>Cookie Magazine</i>	<i>Spirit of WomenVine Times</i>
<i>Cooking Pleasures</i>	<i>Taste of Home</i>
<i>Cooks Illustrated</i>	<i>Time Out Chicago</i>
<i>Country Living</i>	<i>Toy Tips & Parenting Hints</i>
<i>Cuisine Capers</i>	<i>Traditional Home</i>
<i>Elegant Bride</i>	<i>Vegetarian Times</i>
<i>Fine Cooking</i>	

2009 US Trade Press Coverage – For the 2009 Show, all key trade press were in attendance. *HFN*, *HomeWorld Business* and *Oser Communications* published Show dailies. Other key trade press representation included: *Appliance Magazine*, *Broom*, *Brush & Mop*, *Electronic Retailer*, *Fancy Food & Culinary Products*, *Farm Show*, *Food & Drink*, *Food Industry News*, *Food Processing*, *Giftware News*, *Gourme Insider*, *HomeFashion & Furniture Trends*, *Home Lighting & Accessories*, *Housewares Executive*, *Kitchenware News & Housewares Review*, *License! Global*, *Marketing News*, *Packaging Design*, *Plastics News*, *Product News Journal*, *Response*, *Specialty Food Magazine* and *The Gourmet Retailer*.

International Trade Press Coverage – Coverage from trade journals outside the US includes *Cas Y Fasa*, *Supermercados Y Autoservicios* (Argentina), *Australian Giftguide* (Australia), *Vitrine* (Austria), *Argus* (Belgium), *Electrohogar Integracion Impresaria* and *HG Casa* (Brazil), *Gifts & Tablewares* and *HomeStyle* (Canada), *Tecnomercado* (Chile), *Furniture & Interior Design* (China), *Correo de Fenalco* (Colombia), *Forma & Furniture* (Finland), *Offrir International* and *Table & Cadeau* (France), *Electromarkt*, *Hausrat Zeitung* and *Stil & Markt* (Germany), *Steel Market Info* (India), *Casastile* (Italy), *Al Detalle* (Mexico), *Gemengde Branche*, *Huishoud Electro* and *Trade Channel* (Netherlands), *Wares* (New Zealand), *Gave & Interior* (Norway), *Ambiente* (Poland), *Posuda Magazine* (Russia), *Retail Asia* (Singapore), *Arte Regalo* and *Menaje* (Spain), *El Mag* (Switzerland), *Zucaciye* (Turkey), *Mpererwe Electrical Supply* (Uganda), *Progressive Housewares* and *Brush Expert* (UK). In total, publications from 27 countries are present.