

DELIVERING VALUE 2012

Maximizing Return on Investment

An Industry White Paper

Presented by



White Paper: 2012 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 and new product distribution.

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 2011, the Show counted nearly 2,000 exhibitors from 35 countries.

Leadership and Show Attendance from a Retailer Point of View

The Show staff annually visits with US retailers such as Walmart 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.*
- ✓ *95% say the Show was successful at helping them meet their objectives up 3% from 2009.*
- ✓ *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.*

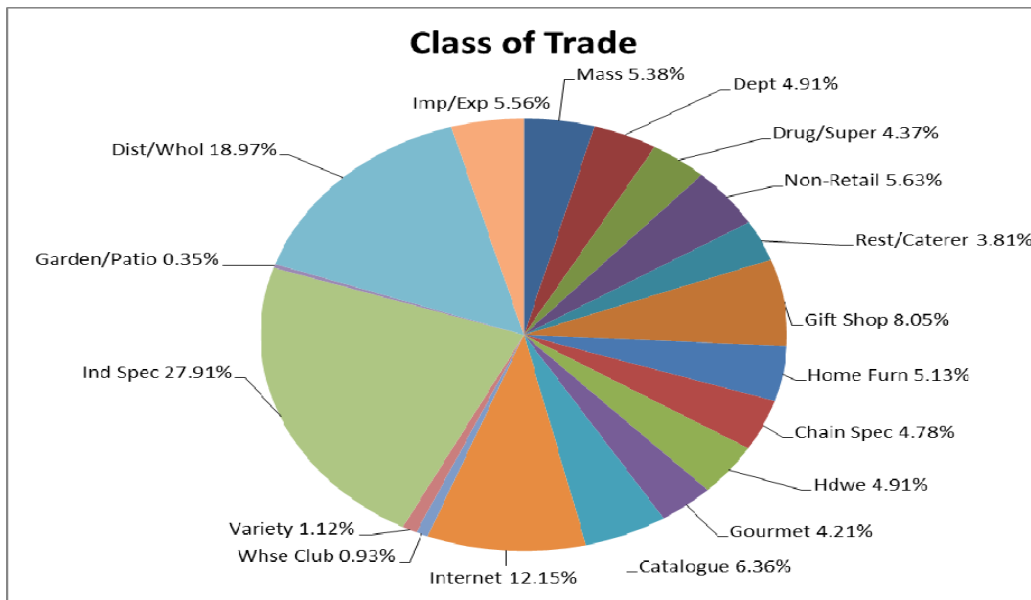
Retailer Participation

The global housewares market totaled US \$288.4 billion in 2009, according to the *2010 IHA State of the Industry Report*. For 2011, the Show registered 1,700 individuals from its key retailer list and 99% of the top 150 retailers were represented at the Show. The International Home + Housewares Show attracts a significant share of both U.S. and global senior executive retail decision makers.

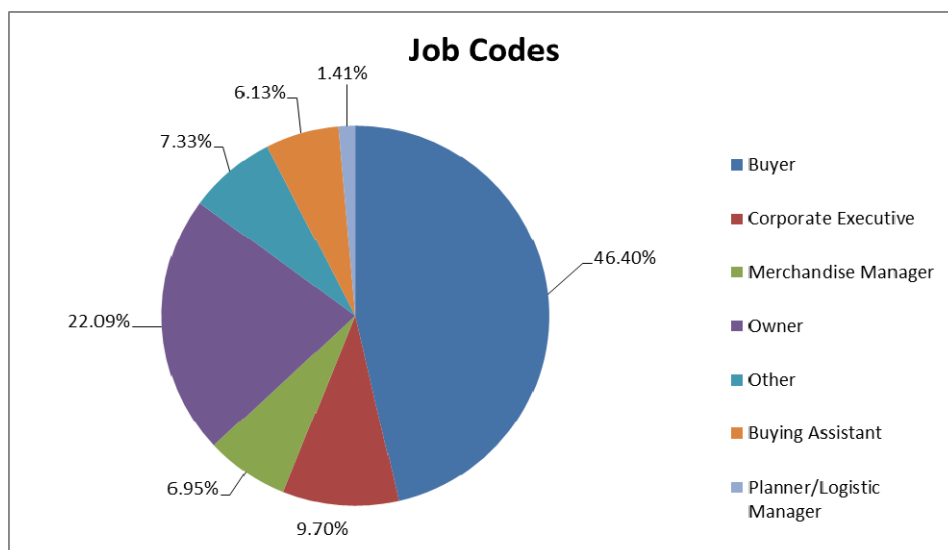
For 2011, the International Home + Housewares Show registered 14,900 US buyers and 6,200 buyers from outside the US. In addition to a free contact list of all registered buyers from the previous year's Show, **a complete listing of all registered buyers along with their contact information is available to all exhibitors** about a month after the conclusion of each year's Show.

The Show focuses on its effort to attract and support retailers from the specialty classifications. This group now makes up 77% 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 2011 US retail buyer mix:



Decision makers attend in significant numbers. Over 38% of all buyer attendees are senior executives or owners in addition to the 46% who are buyers. Here is a breakdown of registrants by responsibility:

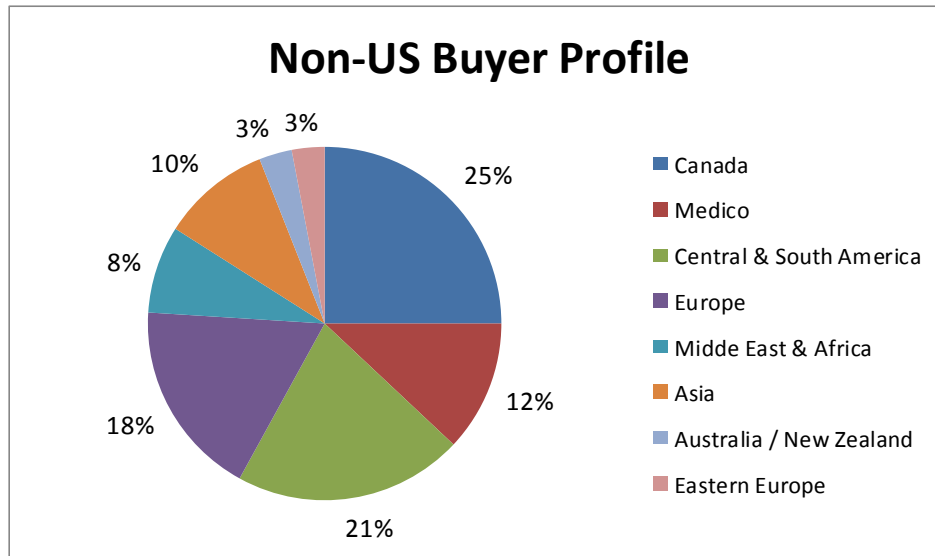


Low Cost International Reach

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 \$288.4 billion in 2009. The US contributed nearly \$66 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.

In 2011, retailers from outside the United States made up nearly **31% of all attendees**, representing over 125 countries.



International Home + Housewares Show Exhibitor Experience

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

- ✓ **92%** of exhibitors rated the Show as **excellent or good**.
- ✓ **70%** of exhibitors reported having 51 or more buyer meetings in their booth. 4% of those exhibitors reported having over 250 buyer meetings.
- ✓ **86%** of exhibitors reported developing new leads with US specialty buyers.
- ✓ **76%** of exhibitors reported developing new leads with US chain buyers.
- ✓ **80%** of exhibitors reported developing new leads with non-US buyers.

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. Mr. Jones' components 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 (37% 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.

Defining Your Costs

The total amount an exhibitor spends on participation in the International Home & Housewares Show is made up of a number of components. A sample exhibitor cost evaluation pro forma may break down as follows:

Core Exhibiting Costs (such as):

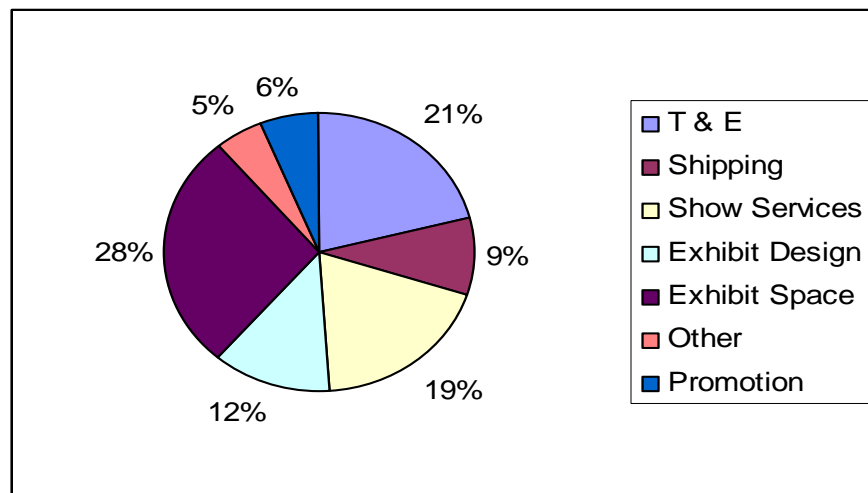
- ✓ Booth space fees-*The size of your exhibit is elective.*
- ✓ Booth storage costs
- ✓ Drayage-*This is variable but is based directly on the size and content of your booth.*
- ✓ Installation and dismantling
- ✓ Booth security
- ✓ Utilities
- ✓ Amortization of booth structure costs
- ✓ In-booth food service
- ✓ Miscellaneous costs (floral, photography, cleaning, etc.)

Variable Costs (such as):

- ✓ Sales meeting expenses (*as compared to the cost of holding separately*)
- ✓ Attendee travel costs
- ✓ Attendee local transportation costs (buses, taxis, etc.)
- ✓ Attendee hotel costs
- ✓ Attendee and staff entertainment costs

How Exhibit Dollars Are Spent

According to CEIR exhibiting companies spend nearly \$21 billion annually on exhibiting primarily because “exhibitions are more effective in achieving sales and marketing objectives.” A four-year average of the Trade Show Exhibitors Association Data shows the following breakdown in direct exhibitor dollar expenditures:



Note: Drayage is included in the total for “Show Services.”

The **International Home + Housewares Show’s booth space costs are significantly below the industry average**. Please note in the CEIR statistical analysis, the average show exhibitor spends 28% of their total expenditures on booth space. Your percentage will be much lower.

Use the chart below to calculate your company’s expense breakdown for the International Home + Housewares Show:

Expense Category	Your Expense Dollars	Your %	Avg. %
Travel & Entertainment	\$	%	21%
Shipping	\$	%	9%
Show Services	\$	%	19%
Exhibit Design	\$	%	12%
Exhibit Space	\$	%	28%
Other	\$	%	5%
Promotion	\$	%	6%
Total	\$	100%	100%

Saving Money

Current exhibitors offered these tips on cost management:

- *“Build modular booth structures that can be used at more than one event.”*
- *“Create structures that are easily installed (such as one story vs. two story structures).”*
- *“Manage the amount of product that must be shipped to the booth.”*
- *“Select the appropriate space. Don’t take too much just because it’s inexpensive. Bigger isn’t always better.”*
- *“Separate variable costs such as T&E from exhibiting costs to make an accurate ROI assessment.”*
- *“Read your invoices carefully to be sure your EAC is charging show rates.”*
- *“Bring only necessary personnel. Measure the cost per person and compare that to sales potential and rate need to attend on that basis.”*
- *“Work with your show contractors to maximize your savings. They are perfectly willing to help.”*
- *“Make sure your EAC delivers and installs your booth on straight time.”*
- *“Focus on what you want to sell; not everything you have in your warehouse.”*
- *“Compare the cost of having a sales meeting at the show versus having one at your facility.”*
- *“When selecting booth construction materials and their weight, keep in mind the cost of shipping heavier materials.”*

- ❑ “Exhibitors may wish to store their booth or parts of their booth locally rather than incurring shipping costs.”
- ❑ “Save on transportation costs by having your staff use complimentary buses and Metra trains.”

Paying For Extras

Some shows charge for incidentals such as badges, meeting rooms, transportation, directory listings, email access and show educational events. In comparing show costs, please recall that the International Home + Housewares Show supplies these incidentals at no charge. **FREE services** include:

- | | |
|---------------------------------------|--|
| Buyer + News Media Lists | Email Access |
| Buyer Connect/Lead Retrieval | Educational Events |
| Printed Directory Listing | Product entry in Colorwatch by Pantone |
| Online Show Listing | Product entry in Design Directions: |
| Educational Webinars | Going Green Display |
| Assigned Exhibitor Website | Design Defined (North Building only) |
| Buyer Invitation Postcards | New Product Information for the News |
| New Product Signs | Media |
| Shuttle Service between major | Specialty Retailer Program |
| hotels and Convention Center | Show News Online |
| Exhibitor Badges | Show News Center/Press Kit Placement |
| Exhibit floor meeting rooms | |
| Special Events/Product Demonstrations | |
| Information | |



Find Exhibitors & Do Business Year Round

This free tool will help your company increase your search ability before the Show to 49,000 buyers and the half million annual visitors to our website.

Buyers and sellers embraced HC365 as a marketing vehicle.

- 295,000 searches for companies using the tool
- 800 catalogs were uploaded
- 3700 product images were uploaded
- 26,500 new products were promoted

Additional Resources for Maximizing Your Investment

The Show also offers aid and instruction for new and veteran exhibitors with an exhibitor education website. On this site you can view informative brochures, watch webinars and review instruction materials that will save your company time and money.

All Free Services

- ❑ *Bring Buyers Home to Your Booth – promotions overview brochure.*
- ❑ *Creative Booth Presentations*
- ❑ *How to Attract Buyers + News Media*
- ❑ *News Center Services Overview*
- ❑ *How to Put Together a Media Kit*
- ❑ *How to Create a News Release*
- ❑ *How to Conduct a News Conference*
- ❑ *How to Create a Lead Sheet*

International Home + Housewares Show Exhibitor Growth

Among the 502 new companies present at the 2011 Show, key housewares exhibitors returning after an absence or exhibiting for the first time included these well-known companies:

Clean + Contain

Adesso	Taymor Industries
Cosco	The Onecare Company
Olivet Intl'l	Star Maid Int'l

Dine + Design

Gio' Lifestyle	Swiss Army
Kehe Food Dist.	Waechtersbach
Kavalier	Stonewall Kitchen

Discover Design

Black + Blum	Robert Welch
Blomus	Stelton
Kahla Porcelain	Vynebar

Wired + Well

Haier	Ligo Electric
iRobot	Spectronics
Kids Line	Twin-Star Int'l

Extensive Consumer & Trade Press Impact

In 2011, the Show will reach 300 million U.S. 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.

In the six weeks following the 2011 Show, Burrelles/Luce reported that the International Home + Housewares Show generated in excess of \$8.3 million dollars of free exhibitor coverage based on ad purchase equivalents. The average print media hit was over 409,325 impressions with an ad-purchase value of \$13,353 per hit.

2011 US Print & Internet Coverage – 211,080,167 million circulations as of 6/26/11.

2011 US Broadcast Coverage – based on Cision Premium Broadcast Monitoring Reports: 16.1 million estimated audience as of 6/26/11.

National Print Media & Syndicates:

Dow Jones Newswires (The Wall Street Journal)
UPI
Agence France-Presse
Bloomberg News Service
Content That Works
Kitchen Gadget Gals
Tribune Media Services

Network /Cable/Live Television Broadcasts:

CBS The Early Show – in-studio
NBC Today Show – in-studio segment later in the week
All local Chicago TV (ABC, NBC, CBS, WGN, CLTV, WCIU)
Nightly Business Report (PBS)
The Rachael Ray Show
Scripps Productions

Other Newspapers & Syndicates:

Arkansas Democrat-Gazette
Boston Globe
Chicago Tribune
Chicago Sun-Times
Daily Herald
Daily Southtown
El Paso Times
The Houston Chronicle
McClatchy Tribune News Service
Milwaukee Journal Sentinel
The New York Times
Northwest Herald
Pittsburg Post-Gazette
Rockford Register Star
St. Petersburg Times
Times of Northwest Indiana
Think Glink Publishing
Toledo Blade
The Korea Daily

Internet:

About.com
Apartment Therapy.com
Apartment Therapy Re-Nest
Angry Julie Monday
Blondies Cakes
Blue-kitchen.com
Chicago Foodies
Chicagoist.com
Chicagonista
ConsumerSearch.com
Cook Like Jackie
Cookingfordads.net
Cooking with Caitlin
Cook with Tom/ABC 4
Core77.com
The Culinary Cellar
Cupcakes and Crablegs.com
Dadlabs.com
The DailyBasics.com
The Daily Buzz TV
DesignApplause
EatnListen.com
Entertainingmorsels.com
Examiner.com
Familyeats.net
Food For My Family.com
FoodieIndisguise.com
The Foodie Forkful
Inhabitat.com

Iron Cupcake
Jabbering Jessi.com
Jolly Mom
Kitchenboy.net
Kitchens.com
KitchenwareToday.com
The Knot Inc.
LisaReviews.com
Little Locavores
MakeItBetter.com
Marketwatch/Wall Street Journal Digital
MocoLoco.com
Mommy PR
MomReviews.net
Moveable Feast
Mr. Gadget
Ochef.com
On The House Media
BillyParisi.com
Rave and Review
The Savvy Host
Secondcitysoiree.com
Simple Organized Living
Spatulatta.com
TheStreet.com
Swa-Rai Fashion & Lifestyle Blog
Terry's Spa, Beauty & Wellness to Go
The Trend Curve
Tribune Interactive
Urban Suburbanite

Radio Coverage:

Handyman Productions
WGN-AM
Restaurant Radio—WIND

National Magazines, Women's & Shelter Books:

<i>Better Homes & Gardens</i>	<i>Crain's Chicago Business</i>	<i>Midwest Outdoors</i>
<i>Bride's Magazine</i>	<i>Elle Decor</i>	<i>O-The Oprah Magazine</i>
<i>Chicago Home + Garden</i>	<i>Fine Cooking</i>	<i>Parents</i>
<i>Chicago Splash</i>	<i>Food & Wine</i>	<i>Readers Digest</i>
<i>Chloe Magazine</i>	<i>Food Network Magazine</i>	<i>Saveur</i>
<i>Coastal Living</i>	<i>Fresh Home/Readers Digest</i>	<i>Spirit of Women</i>
<i>Consumer Reports</i>	<i>Good Housekeeping</i>	<i>Taste of Home</i>
<i>Consumers Digest</i>	<i>Goodheart Wilcox Publishing</i>	<i>Time Out Chicago</i>
<i>Cooking Light</i>	<i>InStyle</i>	<i>Toy Tips</i>
<i>Cooking Pleasures</i>	<i>La Cucina Italiana</i>	<i>Traditional Home</i>
<i>Cooks Illustrated</i>	<i>Meredith Corporation</i>	<i>Vine Times</i>
<i>Country Living</i>	<i>Michigan Avenue</i>	<i>Where</i>

2011 US Trade Press Coverage – For the 2011 Show, all key trade press were in attendance. *HFN, HomeWorld Business* and *Kitchenware News* published Show dailies. Other key trade press representation included: *Appliance Design, Broom, Brush & Mop, Dairy Foods, Fancy Food & Culinary Products, Food Processing, Gift & Home Today, Gifts & Decorative Accessories, Giftware News, Gourmet Business, Gourmet Insider, Hardware Retailing, Home Fashion Forecast, Housewares Executive, Kitchenware News & Housewares Review, The Licensing Letter, Manufacturing Today, Plastics News, Response, Supermarket News, The Gourmet Retailer and VDTA.*

International Trade Press Coverage – Coverage from trade journals outside the U.S. includes *HSV Group* (Argentina), *Australian Giftguide* and *Edge Custom Media* (Australia), *Argus* (Belgium), *Grafite* (Brazil), *Gifts & Tablewares, HomeStyle* and *Retail News* (Canada), *Furniture & Interior Design* (China), *DesignBase Magazine* (Denmark), *Forma & Furniture* (Finland), *AvantGarden* and *Offrir International* (France), *Hausrat Zeitung* and *Stil & Markt* (Germany), *Steel Market Info* (India), *Casastile* and *Edifis* (Italy), *AIK Co. Ltd* and *Senken Shimbun* (Japan), *Al Detalle* (Mexico), *Gemengde Branche* (Netherlands), *New Zealand Gift* (New Zealand), *Ambiente* (Poland), *Posuda Magazine* (Russia), *Retail Asia* (Singapore), *CJO Shopping* (South Korea), *Glas Och Porcelain* (Sweden), *El Mag* (Switzerland), *Zucaciye* (Turkey), *Cookshop Housewares and Tabletop* and *Progressive Housewares* (UK). In total, publications from 25 countries are present.