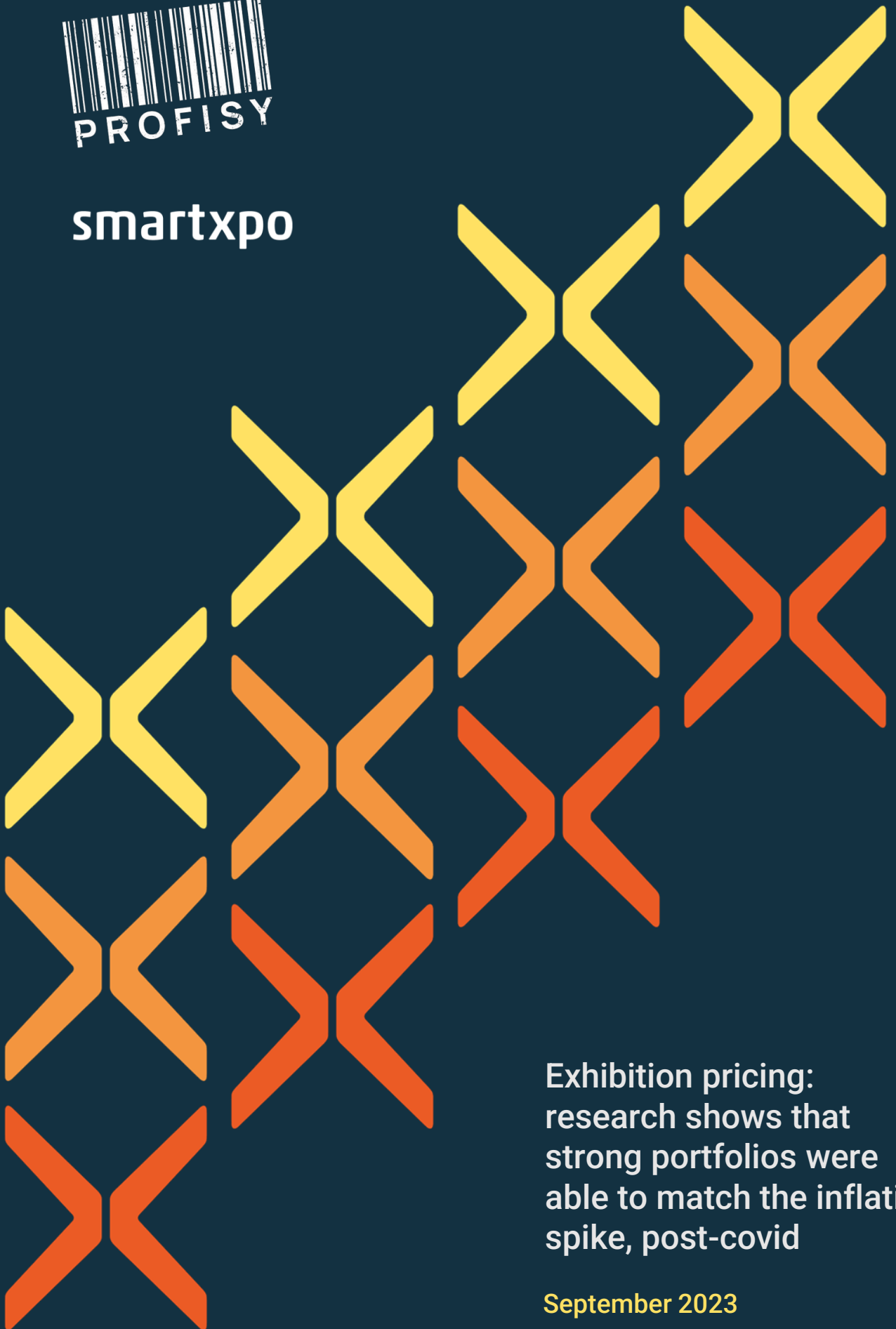




PROFISY

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Exhibition pricing:  
research shows that  
strong portfolios were  
able to match the inflation  
spike, post-covid

September 2023

# Foreword

September 2023

The Covid pandemic posed an existential threat to the Professional Events and Exhibitions industry. The resurgence of demand for face-to-face business activity provoked relief and euphoria, but market conditions remained challenging. Staff shortages and supply-chain disruption unlocked inflationary pressures not seen in the industry for decades, dramatically worsening after the Russian invasion of Ukraine.

Figuring out how to respond has not been easy for Event Organisers, and none were immune to the painful impact of inflation on their businesses. All were conscious of the need to balance the strong demand for their events with empathy for their loyal exhibitor and visitor base, many of whom had allowed the Organiser to roll forward fees already paid on postponed events (often for two or even three editions).

At Smartxpo, we help Organisers find the optimal price point using our Profisy pricing engine. It is an approach that uses Artificial Intelligence to generate a data-driven answer to the unique challenge Event Organisers face when setting prices. As a result, we have been analysing the impact of inflation on event pricing long before it mattered (or anyone cared).

This brief document summarises some of the insights we have gathered during our work in the past two years. We profoundly believe in treating each event brand as unique and needing a pricing strategy that reflects its circumstances. But we hope this aggregated and anonymised analysis will offer some directional guidance to Organisers as they seek to address their unique circumstances.

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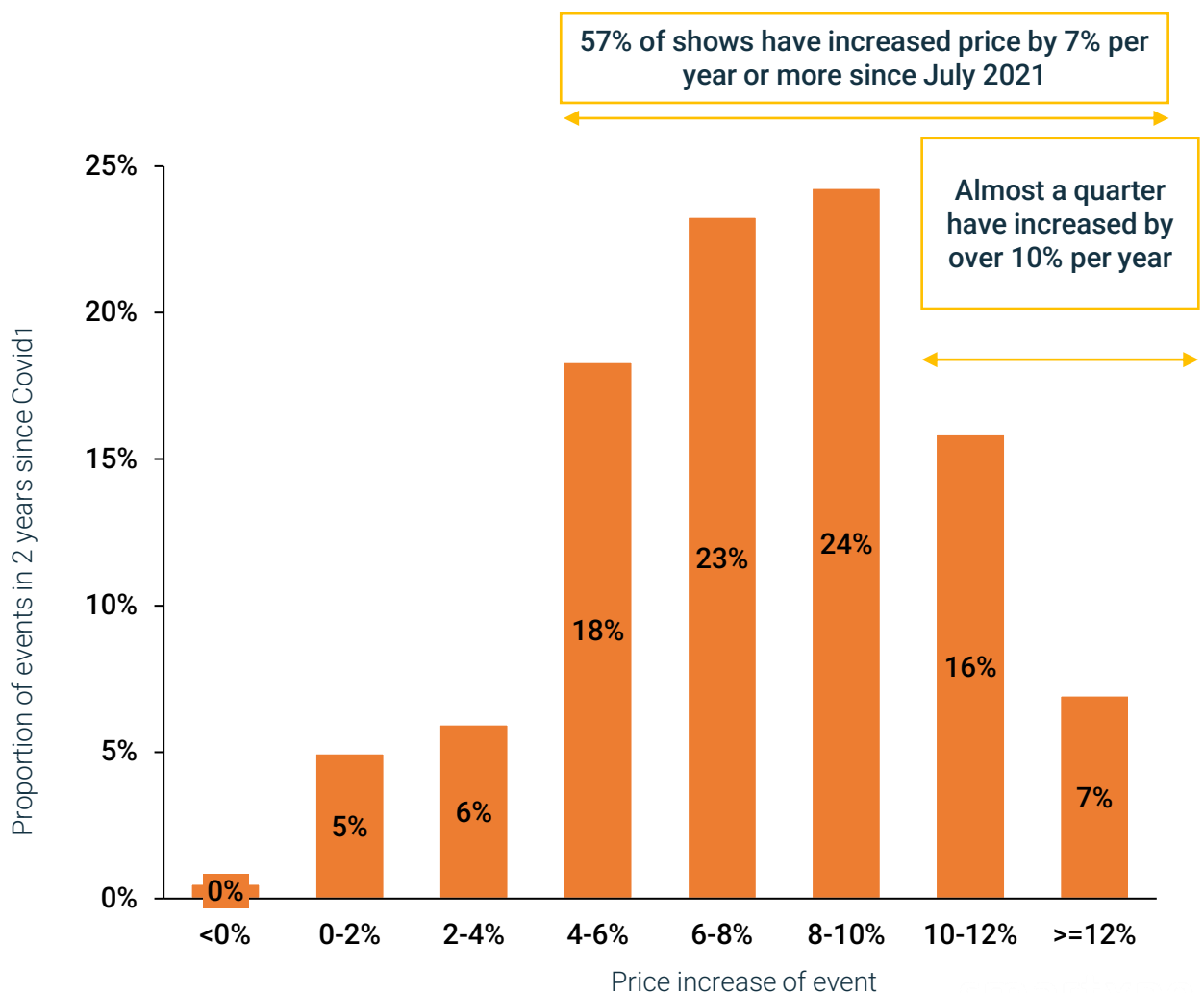
# The Events industry has proven to be resilient in the face of inflation

Post-pandemic, we are moving into our second full year of data with some significant findings for an industry that has balanced resurgent demand with substantial cost inflation.

Of 230 events that have provided sufficient data for this analysis, most (57%) shows have achieved 7% annual price rises out of Covid, significantly greater than pre-Covid price increases.

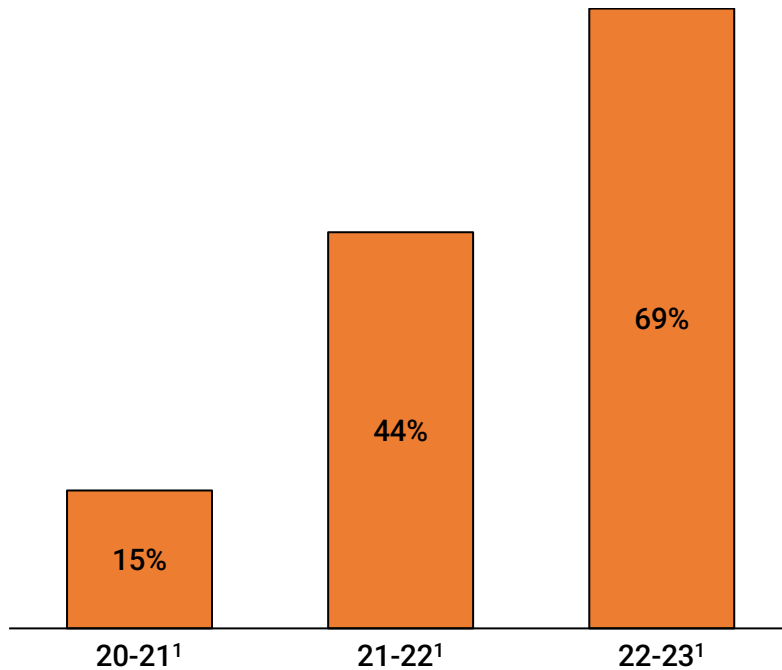
The majority of shows have been able to achieve greater than 7% annual price rises out of Covid

## Breakdown of price increases of events since July 2021



The proportion of shows increasing prices by over 7% has raised significantly post-covid

Percentage of shows in a year with a recorded price rise of greater than 7%, 2020 - 2023

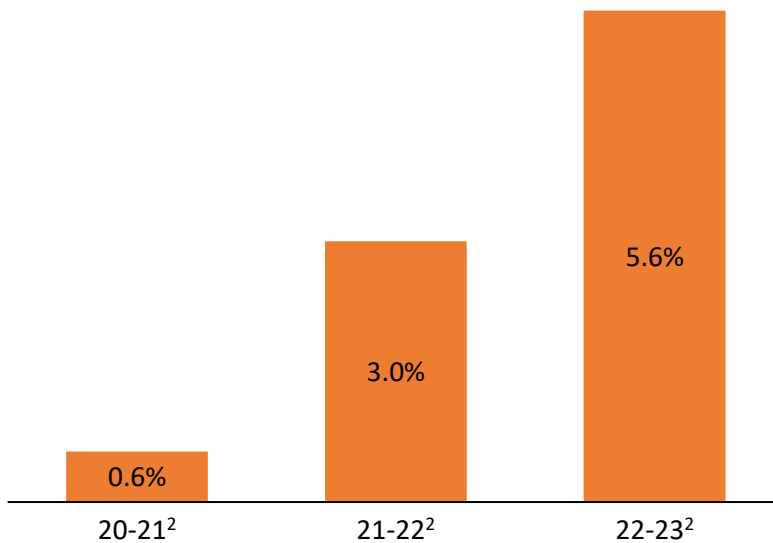


- In most countries, it has been possible to match inflation. However, there have been vital exceptions, such as in Turkey, where customers have not been able to absorb the 50%+ increases that would have been necessary.
- Weaker shows have been able to achieve over 5% annual increases. (The bottom quartile). Top quartile events have been able to raise prices by more than 10% each year since the pandemic
- As the graphic (above) illustrates, the majority of shows initially held back price increases, but these are now accelerating post-Covid
- It is interesting to note that a significant minority of organisers continue to hold back price increases below 7%, often displaying empathy with hard-hit clients. We aim to closely track how well these events "catch up" to their full pricing potential next year and in the following editions

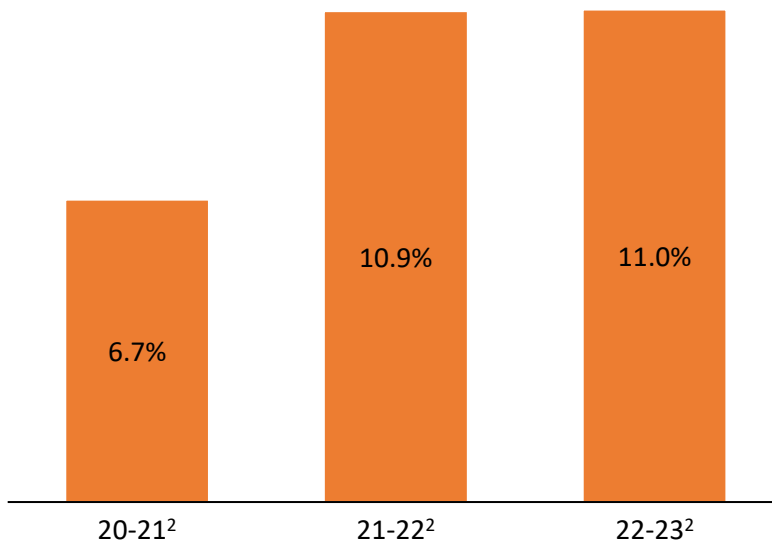
Top quartile events have been able to raise prices by over 10% each year, whilst prices, even in weaker shows, have also increased by around 6%

Average price rises for each quartile have increased significantly since July 2021, indicating solid post-Covid recovery.

### Median price increase of bottom quartile events



### Median price increase of top quartile events



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## What are the implications for events?



### Matching inflation is not enough

The analysis suggests a healthy portfolio should see a range of outcomes, with some shows comfortably exceeding a 10% price increase, even if sub-inflationary increases are appropriate for weaker events. A uniform policy of inflation 7% increases would damage some shows while leaking value in many others. And over time, simply matching inflation is rarely good enough to create long-term value



### Smaller, incremental price rises are better than large, occasional ones

It is possible to "catch up" for shows lagging behind inflation, but we expect it to get harder each year when the gap widens. Our Profisy pricing engine analysis shows that smaller incremental price rises are typically accepted more readily than large, occasional ones



### Predictors of pricing power

Industry vertical, event quality and macroeconomics (and, therefore, geography) are often the strongest predictors of pricing power. Demand, sales momentum, retention rates and customer sentiment also have a meaningful impact



### NPS alone is not a helpful guide for pricing

There is no statistically significant correlation between NPS and pricing power. Show survey feedback is essential and can tell us many things. But NPS alone is not a helpful guide for pricing. Analysis of retention rates alongside broader measures of customer experience, intention to return, and value-for-money ratings can unlock exhibitor lifetime value data and support price modelling.

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