

**VOL. 2**

*September 16, 2021*



# THE RETURN TO IN-PERSON

Your guide to navigating trade shows  
& events in 2021 and beyond.



As we continue to ramp up to the full return of trade shows and events, economic shifts, global shortages, and new variants of COVID-19 are presenting trade show and event planners with significant challenges. This second version of our [\*initial Return to In-Person guide\*](#) takes it a step further to help you plan and budget accordingly as you prepare to attend upcoming shows.

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# **COST DRIVERS INFLUENCING THE TRADE SHOW INDUSTRY**

The repercussions of the pandemic have presented trade show and event planners with a new set of challenges. Labor shortages paired with pent up demand and rising prices are causing significant shifts in the way we plan and budget in a post-pandemic world. In our efforts to be our clients most relevant and result-driven partner, we've outlined some of the biggest considerations your team will need to take into account when planning for your next exhibit or event in order to get the most out of your marketing dollar.

## TRANSPORTATION

### Things that need to be taken into consideration:

- Due to COVID concerns, the transportation industry has seen many drivers retire early, while simultaneously experiencing limited availability in new driver training; therefore, leaving the industry with a shortage of more than 200,000 drivers
- With a driver shortage, less than truckload (LTL) freight carriers have seen an increase in transit time year-over-year. In some parts of the country, the increase can be as much as three (3) additional days.
- Diesel gas prices have steadily climbed over the past eight (8) months, with a year-over-year comparison showing a \$0.90 increase per gallon

### What this means for your trade shows:

- Transportation providers are facing labor shortages, increased training needs, and higher operating costs, which has led to unpredictable schedules and more expensive shipments
- Up to 40% increase in shipping rates, especially for full truckloads (FTL)
- Providers are not able to guarantee next day or second day shipping for partial or LTL

### Our Recommendations:

- Book freight with the carrier as early as possible to ensure drivers and equipment are available and delivery schedule is confirmed
- When able, using FTL transit is a safer option as it can be more consistent and reliable for on-time delivery
- If LTL is the only option, the typical transit time needs to be doubled (if normally four day, you'll want to plan for eight)
- Trans-shipments between shows have a high probability of being delayed, so tight time frames should be avoided
- Shipping to the advance warehouse with a 7 to 10-day window for delivery. In addition to your freight arriving on-time, this practice will also reduce long waits for delivery direct to venue.



ESPECIALLY FOR FULL TRUCKLOADS

## RAW MATERIALS

### Things that need to be taken into consideration:

- Various climate change-related concerns have depleted the lumber supply, especially in Canada – the largest exporter of lumber to the U.S.
- Lumber prices are up almost 400% year-over-year (with regional variations) due to labor shortages, transportation delays, and high demand.
- Rail yard congestion has impacted the ability to receive raw materials in a timely manner
- Closures of some southern China ports have created delays in receiving imported raw materials. Under normal conditions, roughly 30,000 containers leave the port each day but current conditions are only allowing for 500 daily.

### What this means for your trade shows:

- Delays in the supply chain are driving price increases and impacting some of the most commonly used materials in our industry, such as PVC, acrylic, fabric, LED lighting, and laminates.
- Whether building new or repairing existing exhibit properties, the prices for raw materials will be higher in comparison to previous years and should be taken into consideration during budgeting
- Lead times for securing raw materials is longer, which means the planning period for your exhibit should start sooner.
- Short-term price swings can occur throughout the course of a project and in some cases, may come with a change order



### Our Recommendations:

- Work closely with your Derse team to develop show budgets that are reflective of the economy today
- Consider a hybrid approach to your exhibit by using a combination of rental exhibit components and new build items
- Have a clear understanding of our change order policy as it relates to the fluctuating prices of raw materials
- Share this economic impact report with your leadership team to help you establish a contingency budget for your events program.
- Be proactive with your planning. Consider starting your exhibit planning earlier than normal.

## SHOW SERVICES

### Things that need to be taken into consideration:

- Labor shortages due to an aging workforce. The pandemic has forced many union employees to take an early retirement. While this was a challenge pre-pandemic, COVID has exacerbated this situation ten-fold in cities across the country.
- Labor shortages due to inconsistent work. The pandemic has forced many events to cancel or scale back, thus requiring less union or skilled workers to produce an event. As a result, the low demand for this type of workforce has forced many union or skilled workers out of the events industry and into employment situations that are more stable.
- Labor shortages due to challenging recruitment environment. Union halls no longer have the work to promise new recruits a steady paycheck, and apprenticeships through the union often require hands-on experience.
- General Contractors are rebounding from deep cutbacks due to the pandemic, meaning their workforce (both union and non-union) are smaller and tasked with more responsibility on show site

### What this means for your trade shows:

- Wait times for all onsite services have increased, but most notably, freight loading and unloading times, while unpredictable, they tend to be very long
- Exhibit installs are taking longer and more difficult to predict an onsite production schedule with accuracy
- Material handling costs have increased 25% to 30% in comparison to pre-pandemic costs at the same show and same venue
- In general, I&D labor rates have increased 15% to 20%

### Our Recommendations:

- Be mindful of discount deadlines when reviewing proposals to ensure you're getting the lowest possible rates for your onsite services
- Pay close attention to communications from the General Contractors. Often times, as the exhibitor, you will receive notifications regarding critical show floor information in advance of your EAC. Be sure to pass along those communications to your Derse team so they can advise on potential cost impacts.
- Collaborate with your Derse team on a comprehensive install schedule. Be sure to level set expectations for when your exhibit needs to be show ready so labor and services can be planned for accordingly.
- Consolidate your shipments. If you tend to send multiple one-off shipments of product and literature, work with your Derse team to help you consolidate to avoid lost or delayed packages and save on material handling costs.

With overall higher costs to execute and manage your show needs, proactive planning and proper budget allocations will better prepare you for these fluctuations.



As our clients' trusted advisor, we are doing our due diligence to ensure the reliability and financial health of our vendors. When we commit to our clients, we ensure that not only the services you receive from us are of the highest quality, but also the services and quality we seek from our vendors.

We are proactively doing everything we can to mitigate these new and significant challenges that are arising—and we do so through transparent and consistent communication with you.



# THE POSITIVE IMPACT OF SAFETY MANDATES





As state and local authorities revisit their healthcare guidelines in respect to the emergence of COVID-19 variants, it's important to recognize the impact of safety protocols on the trade show and event industry. Associations are issuing updates regarding health & safety mandates for attending their show, and this is largely focused on an increase in vaccination and negative test requirements for entry. According to the CDC, as of September 14, 54.2% of the United States is fully vaccinated.

***However, there is positive data that supports the safety of large in-person events.***

Epistemix, a computational modeling software company that develops simulations to understand disease and inform policy, recently published research that supports the safety of attending large in-person events due to high attendee vaccination rates and a willingness to adopt additional health and safety protocols.

In the report it concluded the following:

**95%**

In recent August events, infection rates were as much as 95% lower than the U.S. at large

**8X** LESS

Risks of infection at events can be as high as eight-times less than the metro area

**ABOVE  
80%**

Vaccination rates are above 80% for in-person attendees

**OVER  
90%**

Over 90% of attendees and exhibitors are not opposed to additional health protocols to continue to gather safely

## WE'RE HERE TO HELP.

If you have questions or concerns about the cost implications the pandemic has imposed on your program, we encourage you to reach out to your dedicated Derse contact. Also, don't hesitate to reach out to us on our website and we will align the appropriate subject-matter expert to support you.

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