

Trade Show Executive

News, Views and Tools for Trade Show and Event Executives

March 2014

Medical
Trade Shows
in Stable
Condition in
Second Half
of 2013

PAGE 19

GROWTH STRATEGIES

Why Independent
Organizers are
Bullish on 2014

PAGE 48

PARDON OUR DUST:
18 Centers Under
Construction; 32 More
Under Consideration

PAGE 28

Beauty MARK

How this Duo is Keeping
Cosmoprof Dynamic

ERIC HORN

DANIELA CIOCAN

Special
SISO
Issue

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Table of Contents

MARCH 2014 // VOLUME 15 NUMBER 3



COVER STORY

40 Power Lunch with Eric Horn and Daniela Ciocan

Cosmoprof North America has become a must-attend event for the beauty industry and has grown steadily since its launch in 2002. Show Director Eric Horn and Marketing Director Daniela Ciocan spoke with *TSE* to share their views on making their show a rising star in an already crowded and competitive business sector.

Special Insert

TSE's Semi-Annual Medical Show Report

Medical meetings continued to hold their own in the second half of 2013, but there was no miracle cure for the sluggish performance of the entire year.

PAGE 19 >

28 Pardon our Dust

Expansion projects and upgrades at U.S. convention centers have been gathering momentum as the economy slowly improves. But tepid predictions of revenue growth have some cities remaining cautious when it comes to adding large amounts of exhibit space.

48 Growth Strategies

How will the major independent show organizers keep their upward momentum going this year? Organic growth, launches and acquisitions are all part of the game plan to make 2014 a breakout year for the exhibition industry.



PAGE 48 >



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POWER LUNCH





Photos by Van Weingart Photography

Beauty MARK

How this Duo is Keeping Cosmoprof Dynamic

Despite a crowded market with numerous regional and national competitors, *Cosmoprof North America (CPNA)* has quickly made its mark in the beauty industry since its launch in 2002. The 2013 show, which ranked No. 94 on the *TSE Gold 100*, spanned 198,271 net square feet of exhibit space and drew 26,000+ attendees.

Led by Eric Horn, CMP, show director for CPNA and associate executive director of business development for the PBA, and Daniela Ciocan, director of marketing for CPNA, the show continuously tests new marketing concepts and special programs that are new to the trade show industry.

In fact, Ciocan won *The Marketing Genius Grand Award* from Trade Show Executive in 2013 for creating some unique programs — like *Discover Beauty*, *Live TV Open-See*, and the *Boutique Sampling Bar* — that others are now emulating. The 2012 CPNA earned a spot on the *Trade Show Executive Fastest 50*, growing exhibiting companies by 12.3% from 2011 to 2012.

Both Eric and Daniela are clearly passionate about the beauty industry and driven to lead change and innovation at their event. Eric has steered the association and its events through a major transformation and rebranding effort since joining the organization in 1995. Daniela brings her expertise as a successful marketer with deep connections in the beauty industry to CPNA, and many entrepreneurs have her to thank for helping them to launch and grow their businesses to become multi-million-dollar beauty brands that can found on the shelves of Sephora or seen on QVC.

As the show ramps up for its 12th edition in July, Eric and Daniela are busy getting ready to produce what will likely be the largest event in the show's history. They recently took time out of their schedules to discuss some of the innovative ideas they have tested and successfully implemented, serving as a source of inspiration for *TSE* readers.

BY DANICA TORMOHLN, *editor-at-large*

DANICA: Launched in 2002, *Cosmoprof North America (CPNA)* produced its largest show in 2013. Last year's show ranked No. 94 on the *Trade Show Executive Gold 100*. What has made the show so successful so quickly?

ERIC: CPNA was born out of the former *Beauty and Barber Supply Institute Trade Show (BBSI)* which was launched in 1904. At its most recent show in 2001, the show spanned 140,000 net square feet of exhibit space and drew 7,500 attendees. The BBSI show had been very successful, and we had a strong base of exhibitors and attendees that represented the distributors in the beauty industry. We incorporated the BBSI show into the launch of *Cosmoprof North America*, so we started out of the gate with a good portion of the show already in existence.

DANIELA: My background and area of expertise is in the beauty industry. Before joining CPNA eight years ago, I oversaw the brand management for a luxury specialty beauty product. So from my perspective, I think the reason the show has been

so successful is because we have so many programs that specifically respond to the needs of the beauty industry. We have created a lot of value-added options that exhibitors can tap into. For attendees, it's cost-effective to attend one event that represents all sectors of the industry under one roof. That's unique in the U.S. market.

DANICA: Tell us about the transformation and rebranding of the association and show.

ERIC: The branding is ongoing. Old habits die hard, and you will still hear some of the long-time exhibitors and attendees call it the BBSI show. BBSI was built on distributors only, but today the Professional Beauty Association (PBA) represents manufacturers, distributors, major salon owners and salon professionals. In the beauty industry, the manufacturer sells to the distributor who sells to the salon owner who sells to the hairstylist. CPNA serves the entire chain of distribution and is the largest true B-to-B beauty show in North America.

DANICA: CPNA is produced by North American Beauty Events LLC, a joint venture between PBA and BolognaFiere Group, a leading trade show organizer based in Italy with an impressive portfolio of 80 exhibitions. How and when did your joint venture with BolognaFiere come about?

ERIC: It's a funny story. *Cosmoprof Bologna* has always been known as the flagship show for the beauty industry worldwide, and it's the show that everyone in our industry emulates. *Cosmoprof Bologna* attracts 193,842 attendees over four days and features more than 2,390 exhibitors from 69 countries and 90,000 net square meters of exhibit space (about 968,742 nsf) in 36 different buildings. I had never been to the show, so in 2001, our executive director, two board members and myself flew to Italy to see it for ourselves. When we walked the show we were impressed. On a whim, we went to the show management office to see if they would be interested in producing a show in the U.S. As we were walking up the stairs to the office, a peer in the industry was coming out. We met with the owner who told us he was interested in launching a show in the U.S. market and was already meeting with potential partners. Immediately, we went into sales mode to convince him that BBSI would be the best partner. Two weeks later, he called to say they wanted to partner. Then we had to convince our board. After months of negotiations, we signed a joint venture agreement with a 50-50 split. To this day, I still wonder where we would be if that trip didn't take place. I wish I had a more strategic story to tell, but I think it was fate.

DANICA: What role is played by BolognaFiere and PBA?

DANIELA: BolognaFiere handles sales outside of North America, and overall event marketing, advertising, special events and attendance promotion. PBA oversees the show management and operations, as well as exhibit sales in North America. The process usually goes this way: I conceptualize the ideas and get the industry's support and endorsement. Once I receive confirmation from all parties involved, I hand it over to Eric



Ever-Changing Looks. The marketing strategy for *Cosmoprof* is rarely the same each year. (L-R) Daniella Ciocan, Eric Horn and Paolo Landi, the show's PR director, keep the approach as fresh as the Spring's latest hair styles.

and his team who then implements the logistics on the show floor. We really have a ying-and-yang relationship.

ERIC: We don't work in a silo, and that's what makes the partnership work so well. Daniela doesn't produce a single marketing promo that doesn't go to me first for my opinion, and I don't produce anything at the show without calling and asking her what she thinks. We've never said, "That's your job" to each other.

“The show has been so successful because we have so many programs that specifically respond to the needs of the industry. We have created a lot of value-added options that exhibitors can tap into. For attendees, it's cost-effective to attend one event that represents all sectors under one roof.”

Daniela Ciocan, DIR. OF MARKETING

DANICA: How big is your team and how is your department structured?

ERIC: PBA has 31 employees who all work on the show on site. We have two teams — one for sales and one for operations. There are eight staff members, including me, who work on the event full-time.

DANIELA: There are eight people who work on the event in the BolognaFiere SoGeCos headquarters in Milan. I am based in Las Vegas, and I have two people who work with me here on the event.

DANICA: What percentage of revenue does the show generate for the association?

ERIC: PBA generates revenue from membership and events. About 75%

of the association's revenue comes from the events. Our membership revenues have been declining, and the events are the main driver of revenue.

DANICA: Besides *Cosmoprof*, you produce a number of other events. Tell us about those.

ERIC: We also produce the *International Salon & Spa Expo (ISSE)*, an exhibition held in Long Beach, CA each January. In 2014, the sold-out show featured 350 exhibitors in 115,000 sq ft and drew more than 40,000 attendees. In addition, PBA produces five regional forums, the *Distributor Executive Conference* and *PBA Beauty Week*, an annual convention held in conjunction with *Cosmoprof*. We host the *North American Hairstyling Awards*, which celebrates its 25th anniversary this year.

DANICA: Tell us about the health of the sectors you serve.

ERIC: The show floor is broken down into four pavilions, including: Cosmetic and Personal Care (25% of total); Packaging, Contract Manufacturers, Private Label (11% of total); Spa and Wellness (12% of total); and Professional Hair, Nail and Tools (52% of total).

Two sectors — Professional Hair, Nail and Tools and Cosmetics and Personal Care — are doing phenomenally well. The other two sectors aren't doing as well as we would like. In the beauty industry, we are typically the last to feel the impact of a recession, but we are also the last to benefit from economic growth.

DANIELA: The health of the Spa and Wellness sector is really a reflection of what's going on in the industry. When the economy declined, exhibitors pulled from the spa and wellness pavilion. We see lots of opportunity in the packaging sector in the coming years.

DANICA: What strategies do you employ to sign up exhibitors and sponsors in the weak-performing sectors, and on the flip side, how do you capitalize on those in high-growth sectors?

ERIC: We buy lists to build our database, and we partner with trade magazines

Continued on next page



Power Lunch Snapshot

ERIC HORN, CMP

2010 to Present:

Assoc. Executive Director - Business Development, *Intl. Salon & Spa Expo*, Professional Beauty Association

2002 to Present:

Show Dir., *Cosmoprof North America*

1995 to 2002:

Beauty and Barber Supply Institute, now Professional Beauty Association

1993-1995:

Hyatt Hotel and Resorts, catering and convention services

Professional Affiliations:

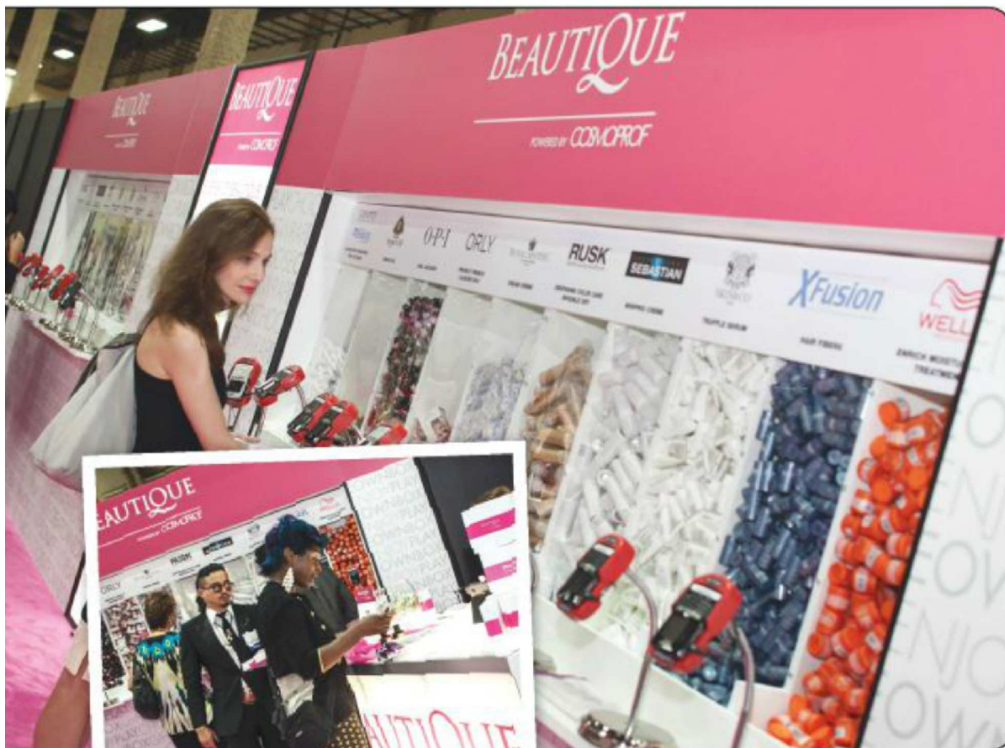
- Advisory Council, QU Scholarship Fund
- American Society of Association Executives (ASAE), member
- Arizona Sunbelt Chapter, Meeting Professionals International (AZMPI), member
- International Assn. of Exhibitions and Events (IAEE), member
- Meeting Professionals International (MPI), member

Education:

University of Massachusetts, Amherst. Bachelor of Science in Hotel, Restaurant and Travel Admin., 1989

Achievements/Recognition:

- Certified Meeting Professional (CMP) designation, from the Convention Industry Council (CIC) in 1991
- *Cosmoprof North America* ranked 94th in *Trade Show Executive's 2012 Gold 100* directory



Where to Begin? Attendees in the aisles of Cosmoprof have a wide array of the latest beauty products to comb through. The *Boutique Sampling Bar* offers a one-stop opportunity to get the details on some of the newest offerings.

Continued from page 43

and associations to offer education on the show floor to attract buyers. In the packaging section, we try to keep the flagship companies involved. Exhibitors want to be where the big companies are. On the spa and wellness side, it's a little more difficult. There are not a lot of distributors who only sell spa or wellness products. It's been a challenge to try to keep that pavilion at our target level. Every year we try to come with new ideas to see what will stick. Stay tuned.

DANICA: CPNA hosted a live *TV Open-See* for key merchants from QVC, HSN and The Shopping Channel to meet exhibiting companies for the first time in 2013. How did you come up with the idea and establish these retail partnerships?

DANIELA: The idea came from watching the TV show *Shark Tank*, where companies pitch products to get funding from investors. I thought why couldn't we invite the decision-makers from TV shopping retailers and do the same thing? I had done business with some of these merchants in my former job, so I had relationships with them. They were already coming to the show to look for new products. The program would help them maximize their time at the show and create some excitement and buzz for exhibiting companies. I spoke to the merchants, and they were receptive to the idea of sitting together in a room for three hours of live auditions. The program was open to all exhibitors, but the merchants chose the final list of the exhibitors to include. QVC selected five brands that are going on air to sell their products, and HSN has selected four companies. There was no fee for exhibitors to participate.

DANICA: Daniela, you launched the *Discover Beauty Program* eight years ago, and it continues to match new beauty brands with national and international retailers. Tell us about the program.

DANIELA: It's a challenge for entrepreneurs to get retail buyers to pick up the phone and meet with them, so this concept addresses those issues. We select the brands that are most innovative and bring in specialty retailers. As part of a

package, the brands get large, beautiful all white booths and eight to ten guaranteed meetings with retailers on the first day of the show. It's a labor-intensive program in terms of finding and vetting the brands, generating PR and setting up the meetings with retailers. There are only so many companies we can support, and the max is 20. Five years ago, we added the *Discover Beauty Award*. At the end of the first day, media and retailers vote on the brand/product most likely to succeed on a retail shelf. The winner is unveiled during the *Discover Beauty Cocktail Award Reception*, which is another opportunity for brands to continue networking with retailers.

“It takes flexibility to success as a show organizer. I tell anyone who works for me to forget about logic and reasoning and don't expect all things to go as planned. Unexpected changes are not inherently bad, but you have to have the flexibility to deal with them.”

Eric Horn, SHOW DIRECTOR

DANICA: *Boutique*, the sampling bar that you introduced in 2013, generated a lot of buzz. Not only did attendees get deluxe premium samples, but also the show collected \$10,000 in donations for the City of Hope for diabetes research and treatment. How did you come up with the idea?

DANIELA: I'm constantly watching beauty industry trends, such as the subscription box model, which has been done so successfully by innovators such as Birchbox and Glossybox. I talked to Eric about how we could bring it to life in the trade

show environment. The customized sampling bar was open to all attendees during the three days of the show. One of our high-end packaging exhibitors HCT Packaging created a custom box. We wanted attendees to engage in this area, and they were able to select seven samples out of 20 featured products. Exhibitors paid a fee to participate and provided samples. In return, they received a second spot on the floor to showcase their brand and get leads from buyers who received samples. At the wrapping station, we suggested a donation of \$10. We didn't want the donation to be a hindrance. We gave out 5,000 boxes and ran out of some samples.

ERIC: The design piece was a challenge to create. We wanted it to look like a high-end retail environment, but you can't just go buy that counter from Nordstrom's. GES did a great job of designing the area. PBA launched a similar section, called the *Beauty Bar*, at the *ISSE* show in January. It sold out immediately. We put it in an area that was viewed as undesirable and now that area is very desirable.

DANICA: What do you think it takes to succeed as a show organizer?

ERIC: Flexibility. I tell anyone who works for me to forget about logic and reasoning and don't expect all things to go as planned. Unexpected changes are not inherently bad, but you have to have the flexibility to deal with them.

DANIELA: We implement a lot of new things that have never been tried in a trade show environment and that takes vision and creativity. You also need organizational skills to meet deadlines, because you can't change the deadline.

DANICA: What's the riskiest business move you've ever made?

ERIC: It was a risky move for the association when we opened up the show to retailers for the first time. We thought we might lose some people, but it's the way the industry is going now. It's another distribution channel that is evolving.

DANIELA: When I joined the company, it was a risky move to launch *Discover Beauty*. I didn't know if we would have a

Continued on next page



Power Lunch Snapshot DANIELA CIOCAN

2005 to Present:

Director of Marketing, *Cosmoprof North America (CPNA)*

2009 to Present:

President, *Elixir Beauty*

1997 to 2005:

Director of Sales & Marketing, *Kose America, Inc.*

Professional Affiliations:

Chairwoman of the Communication Committee, Independent Cosmetic Manufacturers and Distributors (ICMAD)

Education:

Fashion Institute of Technology (F.I.T.), Marketing Cosmetics, Magna Cum Laude graduate

Achievements/Recognition:

- *Trade Show Executive's 2012 Gold 100 Marketing Genius Award*
- *Cosmoprof North America* ranked 94th in *Trade Show Executive's 2012 Gold 100* directory
- *Beauty Store Business*, May 2012, cover story
- *GCI Magazine*, named one of the "People To Know in the Beauty Industry," January/February 2011

Continued from page 45

pool of innovation to bring forth every year. Would retailers want to come again even if they came the first year only because of their personal relationships with me? In the first year, I was talking to retailers who were not familiar with the show. I was asking them to give me a day of their time to sit in meetings in Las Vegas in July. It's nice that they now come to the show year after year.

DANICA: Who are your sources of inspiration or mentors?

ERIC: My peers. I have a group of about eight guys in other industries. We bounce ideas off each other all the time. My first mentor was Ann Havens, who was my boss at Hyatt Hotels and Resorts when I was a 22-year-old convention services manager. She taught me one lesson that I've never forgotten. Think about what you are doing to someone else's position when you fail at your own job. I tell my staff, don't worry about what you do unless you are worrying about how

it affects your peers, co-workers, the board and customers.

DANIELA: My inspiration comes from strong independent European professionals who came from foreign countries and different cultures. Women such as Arianna Huffington and Anastasia (of Anastasia Beverly Hills) who were able to achieve international success. They also serve as mentors to me, as I respect their drive to succeed and their work philosophies in business. Art and technology also play a big role in my inspiration both personally and professionally.

DANICA: What product or service should industry service providers create to make a show manager's job more efficient or successful?

ERIC: Something has to be done about drayage and the high cost of exhibiting. Our exhibitors are fed up, and I can't blame them. We do everything we can to keep the costs down, and Global Experience Specialists (GES) does also. But

there is only so much they can do, and drayage costs are still exorbitant. I would love to see the elimination of drayage or a new pricing structure. We lose a lot of exhibitors because of the high costs.

DANICA: Indulge in some daydreaming: If money were no object, how would you reinvent your show and/or the show site?

ERIC: I wish Wi-Fi systems worked well in all convention centers. We offer free Wi-Fi at both shows, which is sponsored by GES, but the service doesn't work consistently.

DANIELA: I would offer premium concierge services, especially for our key buyers. Their time at our show is so short, and they are so busy with appointments. I would love to have someone on staff who really understands what the buyer wants and could help them maximize their time at our show. This requires not only a financial investment, but also a significant amount of time, resources and staffing.

DANICA: What does the future hold for your shows?

ERIC: Cosmoprof and PBA have many ideas yet to be seen . . . stay tuned for new ways that our joint venture will be presenting to increase visibility and sales for new and old exhibitors . . . we constantly look for new and innovative paths.

DANIELA: The future is bright with new initiatives. My goal is to continue to make CPNA the industry's leading B-to-B event, while incorporating new and exciting concepts that unite the beauty industry and continue the success of the show. There may be spinoffs of *Discover Beauty* one day in New York and Los Angeles; I feel that the electricity of the show will carry on past the show floor and into year-long initiatives. For example, this year we are unveiling a *Glossybox Limited Edition Box*, which will be a valuable partnership that will provide exhibitors consumer and social media / PR visibility before and after the show. We'll see . . . as I said, the future is bright.

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World View. The *Discover Beauty* section at *Cosmoprof* specializes in new products from overseas that have not yet hit the U.S. market. The feature also gives sales reps for foreign brands an efficient means of making contact with U.S. buyers.