



OFFICIAL POSITION ON EAC FEES

The Exhibitor Appointed Contractor Association (EACA) was formed with the mission to "raise the level of service excellence on the showfloor." The founding principle of the association is based on a belief that customer service at trade shows must begin to improve dramatically if we, as an industry, hope to sustain our collective growth. An additional founding belief is that all industry professionals must do whatever they can to remove the obstacles to exhibitor participation and make the process of using trade shows as a marketing medium simpler and more productive. This is most evidenced by the fact that up to 60% of first time exhibitors do not return (according to statistics published by CEIR).

The EACA is opposed to the practice of some show organizers who charge fees to EACs (non-officials) in exchange for the opportunity to service their clients. We agree with the official positions of our customer's associations (eg. HCEA) when they state that the practice of charging a fee for the use of an EAC is not appropriate.

The EACA believes it is time to take steps toward removing these obstacles to participation from the exhibitors. So, as the EACA makes known its official position on EAC fees, the goal of this document will be to not only spell out the negative impact that fees create for the trade show industry but to also offer positive solutions to make this practice obsolete.

The EACA believes that when fees are added to an exhibitor's costs, without adding value to their experience, that those shows that charge EAC fees are creating an unnecessary barrier to the participation that we all so greatly desire.

For shows that charge an EAC fee, the fees range from a low of \$.05 per square foot per client to a high of \$275 per client. For EACs that have multiple clients in the shows that charge fees, the aggregate cost of the EAC fees has approached as much as \$15,000 for one show. It is important to note that these fees are not refunded and are not to be confused with shows that have refund programs. Refund programs require EACs to put up a damage deposit (\$300 to \$500 per show) in order to provide services to their clients. If an EAC is not responsible for creating any damage to the facility, the damage deposit is fully refunded. And, in the fifteen (15) years that damage deposit programs have been in place, no EAC has ever had one dollar assessed for creating damage.

In sharp contrast to the refund program, EAC fees add an additional expense to the cost of exhibiting. It is our opinion that this fee represents a punitive tax because it does not get charged to exhibitors if they use the

official contractor. Such a practice creates an uneven playing field between EACs and the official contractor for exhibitor services. In a number of cases, EACs have lost client contracts because of this fee. This is particularly true when the EAC fee begins to get close to \$300 per client. Many display set-ups don't exceed \$500. When a fee is added to that cost, the exhibitor, as a practical matter, is given no choice but to give their set-up work to the official contractor. In these cases, the EAC fee interferes with the EACs otherwise free market opportunity to secure customers.

The EACA would prefer to identify an alternative to the EAC fee for those shows that have a legitimate concern regarding the presence of EACs on their showfloor. And, we would prefer that show organizers who currently charge fees work with us to consider those alternatives.

First, it is important to note why exhibitors hire EACs. They do it to gain more control over, accountability for, and budgetary predictability to their exhibiting effort. Because of prior experience with their customer's display properties, EACs are familiar with their customer's goals and objectives, have experience with their display properties, and can deliver a service result that is efficient and cost-effective. In many cases, the relationship between EAC and an exhibitor becomes a strategic component of their exhibiting program. It is the very same kind of familiarity that show managers require of their own supplier, the official contractor.

In spite of the important role EACs play, the EACA recognizes that the increasing number of EACs (particularly at large shows) creates a need for better pre-show communications between EACs and show organizers. The systems that are currently employed, in many cases, are woefully inadequate and inefficient. Further, because of this growth there is a growing need for education among EAC companies, and a commitment to uphold standards of conduct, professionalism, safety and ethics. Finally, there is a need for a system to handle violations of these rules of professional conduct, and a means to insure that conflicts of this sort become an ever smaller part of our collective concern.

That is why the EACA was originally established, and why the EACA continues to advocate for a better way to address any concerns show management has about the presence of EACs on the showfloor.

It is our position that there are effective alternatives to arbitrary EAC fees, and we recommend that show managers that are charging an EAC fee adopt one of the following remedies.

1. First, if it has been deemed necessary to recover specific related costs attributed to the presence of EACs, these fees should be included in the exhibit space fee rather than charged as a separate fee.

2. Secondly, if it is not possible to alter space costs, then the EACA would like to offer its EAC Services for Show Managers whereby we will work with show management to reduce or eliminate these costs.
3. And, finally, if neither of these solutions solve the concern adequately, we would like to offer our time and effort to meet with show management to find a way to work together as a team to do away with the EAC fee, and create a more positive environment for the exhibitors.

Hopefully in doing so, we can generate greater customer satisfaction, and more customer participation - a result that will work for the whole team, and the future of our industry!