

# Trade Show Executive

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News, Views and Tools for Trade Show and Event Executives

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*"Access to water is power. People are beginning to view it as valuable resource that benefits communities and the economy. The industry is being transformed from wastewater facilities to water resource recovery facilities. They can now recover nutrients from the water so they can be reused. They can package and sell it for another purpose, such as renewable energy."*

Sacha Carey





# North American International Auto Show Charity Preview

BY DANICA TORMOHLEN, Editor-At-Large

**DETROIT** — More than 13,000 people attended the 2018 North American International Auto Show's (NAIAS) Charity Preview, held Jan. 19 at the Cobo Center. The black-tie gala, billed as the largest annual single-night fundraiser in the world, generated nearly \$5.1 million for children's charities in southeastern Michigan.

Established in 1976 by the Detroit Auto Dealers Association (DADA), the Charity Preview has raised \$118 million for regional philanthropies over the last 42 years. The gala capped off a week of international vehicle and technology reveals that generated worldwide media coverage.

In fact, more than 5,000 journalists descended on NAIAS for Preview Week, featuring four days of news conferences by major automobile manufacturers like Ford, BMW, Nissan and Lexus — to name a few. The number of new car and truck reveals sets NAIAS apart from the dozens of auto shows that run from September to April across the globe each year.

"More than 50 vehicles and technologies debuted at this year's show," said NAIAS Executive Director Rod Alberts. "OEMs (original equipment manufacturers) are the core of the show."

Forty OEM brands exhibited on the main level of the Cobo Center, covering 600,000 square feet (sf) in Halls A-D. The largest exhibitor, Chrysler, featured six brands in 60,000 sf of space. "OEMs

began moving into Hall A on Nov. 7, 2017," said Cobo Center General Manager Claude Molinari. "NAIAS occupies Cobo for three months, from November to February."

Given the size and complexity of the booths, it's clear why it takes so long. In a double-decker 50,000-sf booth equipped with an elevator and escalator, Ford revealed the 2019 Mustang Bullitt along with a surviving 1968 Mustang GT fast-back from the classic film "Bullitt" starring Steve McQueen. The Toyota booth featured a massive curved video wall.

The show offered an explosion of color, lighting and metal combined with technology, beauty and horsepower. It is the granddaddy of U.S. auto shows with its home in Detroit, the capital of the U.S. automotive industry.

AutoMobili-D, a co-located trade show launched in 2017, featured 240 brands with 57 startups in a 150,000-net-square-foot (nsf) exhibition. Year over year, exhibit space increased by 25% and exhibiting companies grew by 33%. In 2018, AutoMobili-D opened to the public for the first weekend of the consumer show, which attracted 809,000 attendees and was held Jan. 20-28.

## Preview Highlights

The exhibition floor was open from 6 to 9 p.m., and those who were will-

ing to spend \$400 for a ticket had the opportunity to check out the reveals before the show opened to the public early on Jan. 20.

"We target expenses at 15% to 18% of revenue," said Alberts.

If you do the math on \$5.1 million revenue generated, organizers spent somewhere between \$765,000 to \$918,000 to produce the charity preview, which included champagne for attendees.

The evening was capped off by a Four Tops performance. The vocal quartet from Detroit helped to define the city's Motown sound of the 1960s. While only one original member remains, the group is known for hits like "I Can't Help Myself (Sugar Pie Honey Bunch)" and "Reach Out I'll Be There."

The Four Tops show took place in the atrium that connects Cobo Center to the former Cobo Arena. Completed in 2013, the adaptive re-use renovation includes a 40,000-sf ballroom, a three-story and glass-enclosed 30,000-sf atrium and 10,000 sf of pre-function space that offers sweeping views of the Detroit River and Windsor, Canada.

The hardest part of producing such a successful charity event, Alberts said, "is finding the right price point. Also, we work with about 10 charities each year, and we've found they have to have skin in the game to be successful. The charities have to promote the event to their



databases, and we can track which ones are most engaged.”

When tickets are purchased, attendees select donation levels for each charity.

### Made in Detroit

After almost losing NAIAS in 2010, the city has worked hard to keep the lucrative show in the Motor City. The estimated regional economic impact for the 2017 NAIAS was \$450 million with a total attendance of 806,554, according to Loomis Sayles & Co. With an additional 3,000 attendees in 2018, the economic impact of NAIAS is expected to grow.

SMG took over management of Cobo in 2010, bringing in facility management veteran and Michigan State University alumnus Thom Connors as GM and Molinari, who was promoted to GM in March 2016 when Connors moved to a corporate role at SMG.

With 723,000 sf of exhibit space, Cobo Center boasts one of the largest contiguous exhibition halls in North America and



**Sneak Peek.** More than 13,000 people paid \$400 per ticket to attend the NAIAS Charity Preview, which was held the night before the event opened to the public.

is the 17th largest convention center in the U.S., according to *Trade Show Executive's World's Top Convention Centers 2017*.

The Detroit Regional Convention Facility Authority (DRCFA) last year approved a three-year renewal with SMG to manage the facility through 2019, and NAIAS signed an eight-year contract with Cobo to

keep the event and the co-located Auto-Mobili-D in Detroit through 2025.

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## Motor City Makeover

After filing for bankruptcy in 2013, the City of Detroit has resolved many of its financial problems with new municipal leadership over the last five years. The number of construction and renovation projects in the city is significant, to say the least.

What's driving the growth? Quicken Loans has become the city's largest employer with 17,000 people. Dan Gilbert, Founder of Quicken Loans and Bedrock, is planning \$2.15 billion in major downtown developments, which he claims will bring 15,000 construction jobs and 9,000 permanent jobs to the city.

Last September, the Little Caesars Arena opened as the new home of the Detroit Red Wings and Detroit Pistons. The new arena is part of The District Detroit, which is also home to the Detroit Tigers and Detroit Lions. Detroit's downtown light-rail transit, the QLine, officially opened last May with 6.6 miles of rail and 20 stations.

The number of available downtown hotel rooms is currently 5,384, according to Renee Monforton, Director of Marketing & Communications for the Detroit Metro Convention & Visitors Bureau. Across the street from Cobo, the Detroit Foundation Hotel opened with 100 rooms last May. Two new boutique hotel construction projects will be completed in 2018. The Shinola Hotel will open in October with 130 rooms, and the Element Detroit Hotel will open in December with 110 rooms.

Detroit attracts about 19 million visitors annually, Monforton said, with 32% coming for business. Visitor numbers will likely increase in 2018 due to some major events, including the National Association of Letter Carriers, which will take up 250,000 net square feet (nsf) and bring in 6,000 attendees, and US FIRST Robotics, which will use 500,000 nsf and attract 40,000 attendees.

"Bookings are up 40%, and revenues

are up 150% over 2012," said Cobo Center General Manager Claude Molinari. Cobo has signed contracts with the National Society of Black Engineers, the Society of Manufacturing Engineers RAPID, Sustainable Brands, PLM World and the International Convention of AA, Molinari said.

In fiscal year (FY) 2017, SMG booked more than 283 events that attracted 1,358,541 attendees, compared with 176 events that attracted 1,091,675 attendees in 2011, Molinari said. Since 2011, attendance at Cobo has increased by 24%.

That's translating to operating profits at the center. The annual deficit at the facility has been reduced from a \$12 million loss in fiscal year 2010 to an operating profit of \$115,000 in FY 2017. "FY 2017 was the first year that Cobo Center ever operated in the black to the best of our knowledge, certainly in the last several decades," Molinari said.