

# The Effect of EAC Fees

*An Editorial Opinion from the Contractor's Perspective*

Just as retailers setup shop in malls to reach their target market; our customers exhibit at trade shows to efficiently reach their target markets. In fact, trade show exhibiting has been repeatedly proven to be the most cost-effective means to market virtually any product or service on a wholesale level. Yet, according to statistics published by CEIR, the Center for Exhibit Industry Research, an astounding 40% of first time exhibitors do not return to exhibit again.

EACs (Exhibitor-Appointed Contractors) provide a variety of services to exhibitors at trade shows including AV, Exhibit Transportation, Floral, Furnishings, I&D labor and the like. We believe that excellent customer service at trade shows is fundamental to sustaining our collective growth as an industry. We also believe that all industry professionals must do what they can to remove obstacles to exhibiting and make the process simpler and more productive.

We are opposed to the practice of some show organizers who charge fees to EACs in order to service their clients. We agree with many customer associations when they say: "the practice of charging a fee for the use of an EAC is not appropriate." We believe that when fees are added to an exhibitor's costs, without adding value to their experience, those shows are creating an unnecessary barrier to the participation that we all desire.

For those shows that charge an EAC fee, they range from a low of \$.05 per square foot per client to a high of \$500 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 they are not carried over from year to year.

We believe these fees represent a punitive tax because they are not charged to exhibitors that 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 these fees. When such a fee is added to other costs, the exhibitor, as a practical matter, is given little choice but to hire the official contractor. In these cases, the EAC fee clearly interferes with free market competition.

Exhibitors are business people as well, and they know that any fee forced upon EACs will in turn be passed on to them. If it is necessary to recover specific related costs attributed to the presence of EACs, they should be included in the exhibit space fee rather than charged through the EAC as a separate, and often inflated, fee. At very least, show management should specify what value exhibitors are to expect for paying the fee.

We would prefer to invest our time and effort to meet with show management to do away with the EAC fee, and create a more positive experience for exhibitors. Hopefully in doing so, we can generate greater exhibitor satisfaction, and more exhibitor participation - a result that will benefit everyone.