

## **FDFA Convention Program Analysis & Registration Benchmarking for Review/Discussion**



Allison Boucher and I reviewed Tania's high level outline of a proposed convention agenda and identified in detail how this scenario would play out based on key numbers of specific supplier categories, room block requirements, sponsorship opportunities, etc.

We have made further amendments and recommendations based on our internal review. We would appreciate everyone reading this analysis and we have provided accompanying documentation to support the details of this potential plan of action.

### **The benefits to members are as follows:**

- Less time for suppliers spent at the convention, reducing their overall cost.
- More client face-to-face time for liquor and fragrance companies with their key buyers.
- More efficiencies for group presentations while still adhering to individual store specific meetings.
- Allowing new suppliers opportunities to present to all land border operators at the semi-annual, not the convention.
- No requirement for trade floor – more time for buyers with their existing supplier members.
- Nightly lounges would allow for more networking opportunities

Allison Boucher is touring the King Edward on March 25<sup>th</sup> so she will be able to take the next confirmed scenario plan to assess if the King Edward could meet our needs. Based on the King Edward Hotel floor plans, it appears it will work for our conventions.

Sunday Operator's Meeting – do we need a full day of meetings? We may only need ½ day of operator meetings as semi-annual may take over as the primary communication platform for the FDFA Operator discussions. This could give us an option for further meetings on Sunday or allow our members to come to Toronto later in the weekend – more time saved.

### **Operator Regions:**

- East = Quebec land border and airport operator/buyers – 14 buyers approx. (based on 2016 convention attendance)
- Central = Ontario & Manitoba land border operator/buyers and Ontario airport buyers – 14 buyers approx.
- West = B.C., Alberta & Saskatchewan land border operator/buyers and B.C. airport buyers – 14 buyers approx.

Provincial Liquor Board meetings – We should consider how this will work if for example, BC Liquor board wants to present to their buyers and/or meet with liquor suppliers.

## **SUNDAY NIGHT**

- Opening Cocktail or a recommended private dinner at the hotel sponsored by the liquor/wine/beer companies and fragrance houses (non-core and tobacco not attending, based on this agenda). This private dinner would provide the FDFA another sponsorship opportunity since liquor brands historically sponsored the opening cocktail.
- We would have the auction, similar to other years, but we would also give out a few Gold Standards awards at this event, such as the liquor and fragrance categories - since non-core and tobacco would not be in attendance, these awards would continue to be recognized at the Gala. This would shorten the awards ceremony at the gala dinner which you will see below is now being recommended for the Monday night. See rationale below. We believe the liquor and fragrance houses will appreciate and potentially receive better business value with this dinner opportunity, given only the two categories will be in attendance with all their key clients.
- Award winners recognized on Sunday evening could then have name badges that identify them as a winner for the convention.

## **MONDAY**

- We have identified 16 liquor, beer and wine companies that historically attend the show. Nine of which are considered the largest i.e. PMA, Bacardi, Diageo, Pernod, Remy, Peller, Haleybrooke, Borders Duty Free, WFH Travel (Proximo).
- We recommend that all nine be given the opportunity to present in the regional group meeting format to discuss non-store specific communications such as product launches, product training, new pricing rules, etc. – they could also meet with the buyers at individual face-to-face meetings. Considering this, the regional group presentations would need to be ½ hour group meetings. Is this enough time?
- We have to consider the airports – would the airports meet with a region i.e. Catherine West attend the Central group meeting.
- These group meetings would take place in separate ballrooms or breakout rooms during the Monday morning only.
- The afternoon would then consist of individual face-to-face meetings between stores and ONLY liquor and fragrance suppliers. We have 4 companies under Fragrance.
- TFWA Luncheon would still take place on Monday – we could show the FDFA Annual Report Video at this time – highlights of the FDFA year in review.

## **MONDAY Night (GALA DINNER)**

- We are strongly recommending for discussion that the gala dinner be held on the Monday night rather than the Sunday night. Why?
  - To meet the hotel's food and beverage minimum, typically between \$60-\$80K, we need to hold a minimum of two large events at the hotel. Otherwise, the FDFA would incur significant additional costs for meeting room rental (this is waived only when the f/b minimum is met).
  - This would also allow all the supplier categories to attend, including non-core members, since they start their meetings Tuesday afternoon and continue all day Wednesday. The FDFA would receive negative criticism if we had the gala on the Sunday night and not give all supplier categories an opportunity to attend.
  - It will also encourage our non-core members to book the hotel the night before their meeting rather than arrive Tuesday morning. This allows for increased revenue for the FDFA through hotel negotiations.

- The gala awards would be more condensed due to liquor/fragrance categories being awarded Sunday night. We still like the concept of the dessert/wine after dinner and the nightly lounge. Nightly Lounge every night of the convention starting Sunday – not on Wednesday night as that is departure day.

## **TUESDAY**

- Fragrance – 3-4 companies would have their group presentations during the morning - to regional buyers or buyers by store size? Decision needs to be made
- Tobacco – we are recommending not to have group meetings as they have indicated that they prefer individual store meetings.
- Afternoon – would be liquor, fragrance, tobacco and non-core individual meetings with store buyers.
- Liquor and fragrance members will probably depart the show that evening

## **TUESDAY Night**

- We could have a FUN night sponsored as we have done in the past OR it's an open night for private dinners – nightly lounge would occur on this night as well. Liquor and fragrance suppliers will be done their meetings and may stay for a Fun Night event, or to host a private dinner?

## **WEDNESDAY**

- All individual face-to-face meetings with buyers and non-core and tobacco suppliers.
- Everyone departs Wednesday evening.

### **Hotel Room Block based on this scenario:**

- Based on all suppliers and operators (conservative estimation) we would look at approx. 550 room nights. This includes potential media and special guest.
- We estimate requiring 40 hotel suites (a family room/separate bedroom), including non-core members. If we go with King Edward, they have 41 suites but also have a multitude of options for breakout rooms ranging in different sizes. For the group presentations based on this agenda, we would require three rooms for Monday's liquor group meetings, given the three regional presentations would be scheduled concurrently.
- This reduces our typical room block from current convention agenda by 40%. However, since we would be booking more meeting room space, we believe that our negotiating powers would be at par.
- Two group dinners would be ideal for negotiations since the hotel's food and beverage component is one of their top priorities.
- We also think the liquor/wine/beer companies would be happy to have a more private dinner – hence the Sunday night recommendation and again allows for sponsorship opportunities.

### **Sponsorship Opportunities with this agenda:**

- See separate chart (table #1 below) with sponsorship based on this scenario.
- Based on this new format, we would have almost the same opportunities for sponsorship as per current format.
- One area to consider, do we have a sponsored Tuesday Fun Night or keep it open. Since many non-core do not go to dinner with buyers, they may feel left out with no activities. But, the Fun Night is not a profitable event in its current format.

**Other considerations:**

- Breakout room costs for group presentations could be split amongst the companies presenting i.e. the room would be negotiated in our contract, but if we have a stage, audio visual, draping, etc. – the suppliers split the cost. For example, we would identify the full cost and split cost amongst the presenters.

**Registration Costs and estimated convention revenues based on new scenario:**

- See proposed table #2 with new scenario and current numbers.
- Recommending for consideration that we keep the primary operators registration the same, \$740, but reduce the additional buyer rates to \$400 per. Previously the 2<sup>nd</sup> buyer was \$555 and the 3<sup>rd</sup>/4<sup>th</sup> or more were \$455 per. This would reduce the estimated revenue by approx. \$5k, however this could be recouped with increased store attendance (current non-members).
- Pls. note supplier companies currently attend 3 full days of business meetings. Under new scenario, they would be attending 2 full days of business. Previously, they paid (without meal packages) \$190 per day x 3 days. We recommend \$225 per day x 2 days (without meals). These fees are inline with other industry related conventions – see table #3.
- We have included supplier members who are not new members, but, historically exhibited on the trade floor, in the estimated suite/breakout requirement. i.e. First China Tobacco, Sayan, Fossil, I-Sens Maple Syrup, Havana House, Northern Souvenirs etc.
- We would offset some of the lost convention revenue if we have new suppliers present at the semi-annual conference
- We think that we can safely estimate a 200K profit for the conventions with this new scenario including factoring a small profit at the semi-annual for new supplier presentations. This is also based on bringing back 3 current non-member operators.
- Once we have finalized this new convention scenario, we will develop a full detailed budget for review. A full budgetary review aligned with specific hotels is a lengthy process, so having the confirmed scenario is necessary and then we can develop budget i.e. to King Edward or other hotels that meet space and logistical requirements.
- The Sunday night opening dinner for liquor/wine/beer, fragrance and tobacco suppliers along with the operator/buyers, would most likely be similar in cost as previous welcome receptions and the current sponsorship format would support such a dinner – with better opportunities

**REVISED CONVENTION PROGRAM SCENARIO**

<b>DAY 1: SUNDAY</b>	<b>OPERATOR MEETING</b>
8:00-9:00	OPERATOR BREAKFAST
9:00-12:00	OPERATOR MEETING
12:00-1:30	SPONSORED LUNCH
1:30-5:00	OPERATOR MEETING
6:00-10:00	OPENING PRIVATE DINNER (liquor & fragrance suppliers)
10:00-12:00	WINE/DESSERT BAR

<b>DAY 2: MONDAY</b>	<b>LIQUOR AND FRAGRANCE DAY</b>		
	<b>LIQUOR PRESENTATION EXAMPLE</b>		
	<b>1</b>	<b>2</b>	<b>3</b>
<b>BALLROOM</b>	<b>DIAGEO</b>	<b>PERNOD</b>	<b>BACARDI</b>
8:00 - 8:30	A	C	B
8:30-9:00	B	A	C
9:00 -9:30	C	B	A
	<b>PMA</b>	<b>REMY</b>	<b>HALEYBROOKE/PATRON</b>
9:30-10:00	A	C	B
10:00-10:30	B	A	C
10:30-11:00	C	B	A
	<b>PELLER</b>	<b>BORDERS DF</b>	<b>WFH OR MAB</b>
11:00-11:30	A	C	B
11:30-12:00	B	A	C
12:00-12:30	C	B	A
<b>TFWA LUNCH</b>	FDFA ANNUAL REPORT VIDEO PRESENTATION		
	<b>INDIVIDUAL STORE/SUPPLIER MEETINGS</b>		
1:30-5:30	LIQ/FRAG MEETINGS		
<b>DINNER</b>	GALA DINNER & AWARDS		
9:30pm - 12:00	HOSPITALITY LOUNGE OPEN		

EAST	A
CENTRAL	B
WEST	C

<b>DAY 3: TUESDAY</b>	<b>LIQUOR/FRAG/TOBACCO/NON-CORE DAY</b>		
	<b>FRAGRANCE PRESENTATION EXAMPLE</b>		
<b>BALLROOM</b>	<b>BHI</b>	<b>DDFI</b>	<b>ESTEE LAUDER</b>
9:00-10:00	A	C	B
10:00-11:00	B	A	C
11:00-12:00	C	B	A
LUNCH			
	<b>INDIVIDUAL STORE/SUPPLIER MEETINGS</b>		
1:00-5:30	LIQ/FRAG/TOBACCO/NON-CORE MEETINGS		
<b>DINNER</b>	OPEN (OR FUN NIGHT?)		
9:00 - 12:00	HOSPITALITY LOUNGE OPEN		

LARGE STORE            A  
SMALL/MED STORE    B  
AIRPORTS                C

<b>DAY 4: WEDNESDAY</b>	<b>TOBACCO/NON-CORE DAY</b>
	<b>INDIVIDUAL STORE/SUPPLIER MEETINGS</b>
9:00 -12:00	TOBACCO/NON-CORE MEETINGS
LUNCH	
1:00-5:00	TOBACCO/NON-CORE MEETINGS

Table #1

**POTENTIAL SPONSORSHIP OPPORTUNITIES BASED ON NEW CONVENTION SCENARIO**

EVENT	NOTES
<b>Sunday Operators Breakfast</b>	Have had several different sponsors over the last 3 years
<b>Sunday Operators Lunch &amp; Learn</b>	Historically Diageo has sponsored this event and included an educational presentation
<b>Operator Meeting Breaks</b>	Current format includes donation of products for breaks (cookies etc.)
<b>Sunday Opening Private Dinner</b> (liquor/wine/beer & fragrance)	Could be structured like current Welcome Reception sponsorships with liquor/wine/beer suppliers
<b>Hospitality Lounge</b> (Sun/Mon/Tues) – sponsor package including Opening Dinner above, like current sponsorship	Current format groups the Lounge event with the opening reception – only sponsors’ brands are served at lounge and opening cocktail
<b>Breakfasts</b> – Mon/Tues/Wed including Smoothie Station	Breakfasts are currently sponsored by RBH and the smoothie station by Turkeyhill
<b>TFWA Luncheon</b>	Would include the new FDFA Annual Report video
<b>Gala</b> – including wines and/or dessert bar sponsors	Imperial is the title partner for the Gala, wine suppliers provide wine for the dinner plus a nominal fee to cover the corkage
<b>Tuesday Lunch</b>	Currently supported by JTI
<b>Wednesday Lunch</b>	Currently part of RBH’s support packaged
<b>Registration Area</b> - offering coffee station and possibly snacks	Previous format included a Trade Floor Break sponsor offering coffee/tea and snacks. This could be moved to the registration area.
<b>Name Badge Holders</b>	Labatt has historically sponsored this
<b>Suite Sign Board</b>	Turkey Hill has sponsored this for the past several years

Table #2

**FDFA HISTORICAL REGISTRATION RATES**

Registration Category	2014 Toronto	2015 Vancouver	2016 Toronto	Proposed Registration based on New Agenda
<b><u>OPERATOR/BUYER</u></b>				
PRIMARY (includes \$20 donation to charity)	\$740	\$740	\$740	\$740
ADDITIONAL (SECOND) (includes \$20 donation to charity)	\$545	\$555	\$555	\$400
THIRD		*\$370	\$455	\$400
FOURTH, FIFTH ETC.		*\$185	\$455	\$400
DAY PASS (includes event/meals but no gala) <i>*does not include \$20 donation or Gala ticket</i>	*\$220	*\$200	\$200	\$200
<b><u>SUPPLIERS</u></b> (includes \$20 donation to charity)				
BASIC SUPPLIER (incl. events only)	\$555	\$570	\$570	\$450 (-21%)
FULL SUPPLIER (includes events/meals)	\$740	\$750	\$750	\$650 (-13%)
DAY PASS (includes event/meals but no gala or donation to charity)	*\$235	*\$240	*250	\$250
<b><u>TRADE FLOOR BOOTHS</u></b>				
<b>Members:</b>				
8x10 (incl. 2 delegates no events/meals)	*1,200	*1,200	\$1,200	n/a
8x20 (incl. 3 delegates no events/meals)	*1,600	*1,800	\$1,800	n/a
<b>Non-Members:</b>				
8x10 (incl. 2 delegates no events/meals)	*1,600	*1,600	\$1,600	n/a
<b>Individual Meal/Event Tickets and Packages Per Person</b>				
Breakfast per meal	\$36	\$42	\$42	
Lunch per meal	\$45	\$55	\$55	
<b>Meal Package (all breakfast/lunches Mon, Tues, Wed.)</b>	<b>\$185</b>	<b>\$200</b>	<b>\$200</b>	
Welcome Reception	\$110	\$120	\$120	
Fun Night	\$75	\$75	\$75	
Imperial Gala Evening	\$177	\$200	\$200	
<b>Social Events Package (applies to Trade Floor Exhibitors)</b>	<b>\$225</b>	<b>\$250</b>	<b>\$250</b>	



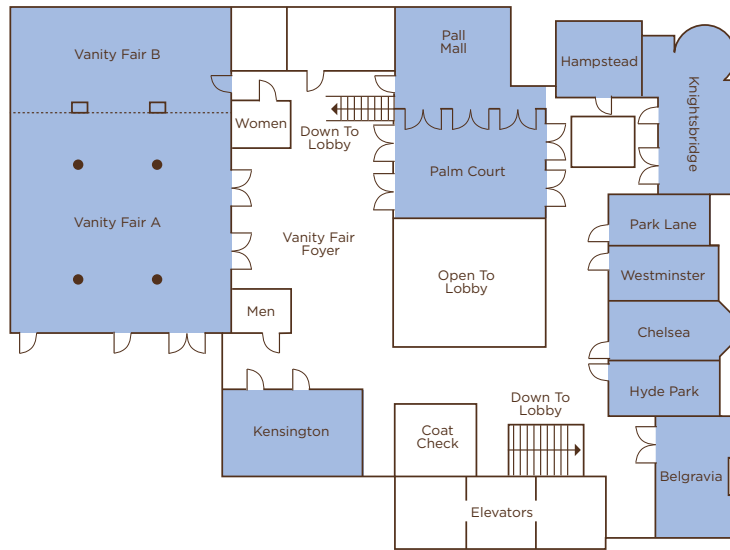
**Table 3**

**Registration Benchmarking – Industry Related Conventions**

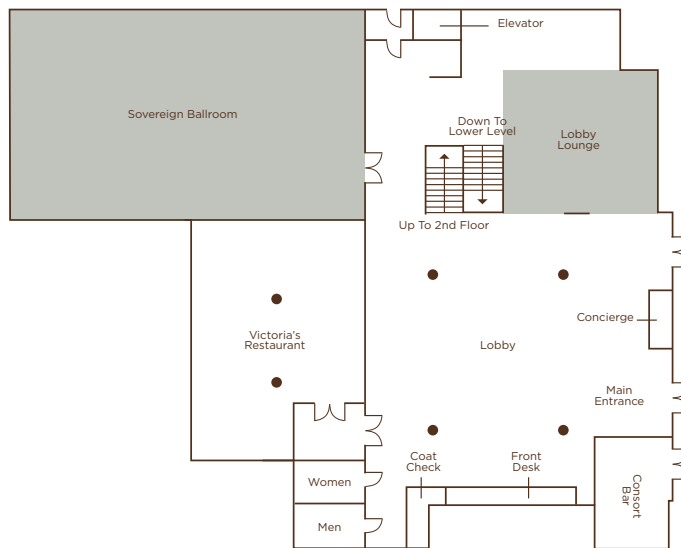
Association	Duration of Convention	Delegate Early Bird Rates		Daily Rate (duration ÷ rates)	Additional Delegate Discounts	Day Passes	Total Attendance
FDFA Convention 2016	4 days operators	<b>Buyers</b> 1 <sup>st</sup> = \$740 2 <sup>nd</sup> = \$555 3 <sup>rd</sup> or more = 455	Includes breakfast/lunches and all evening social events	\$185 CAD \$139 CAD \$114 CAD	Yes 25-38%	\$200	200 (2016) 225-250 prior years
	3 days supplier	<b>Exhibitors - Suites</b> \$750* or \$570*	\$750 Incl. social events, breakfast/lunches \$570 incl. social events, NO breakfast/lunches <b>*Plus cost for their suite</b>	\$250 or \$190 Plus suite costs	None	\$250	
		<b>Exhibitors - Booths</b> \$15 sq.ft \$1,200 (8x10.)	Includes: pipe/drape booth, table, power, plus, access for 2-4 delegates NO breakfast/lunches or events (purchased separately)	\$300 CAD	2/4 included		
IAADFS Conference 2017  Currently sourcing membership dues	3 days	<b>Buyers</b> \$350 USD	Includes 3 social events (Opening Reception, Gala, Club Americas) <u>NO</u> breakfast/lunch	\$117 USD	None	none	2,400
		<b>Exhibitors</b> \$350 USD plus exhibit space (below)	Includes access to exhibit hall, education sessions and 3 social events (Opening Reception, Gala, Club Americas) <u>NO</u> breakfast/lunch	\$117 USD Plus booth below	None		
		<b>Booths</b> \$19.50 USD sq.ft. \$1,560 USD (8x10)	Exhibit space and freight handling included (power for booths extra) – plus delegates must pay the above registration fee. <b>Most booths are much larger in size – so some would be paying approx. \$5k for the floor space</b>	Min. \$520 USD – up to \$5k for space plus actual booth construction	None		
TFWA – Cannes Conference 2016	4 days	<b>Buyers</b> \$145 € (\$206 CAD)	Includes Opening Cocktail, workshops, Gala <u>NO</u> breakfast/lunch Tickets to The Scene(lounge) are extra  Free access (pre-registered only) for buyers - Exhibit Hall <u>Only</u> – no meals, events or workshops	\$52 CAD	None	none	6000
		<b>Agents/Distributors</b> Exhibiting: \$310 € (\$441 CAD) Non-Exhibiting: 495 € (\$704 CAD)	Includes Opening Cocktail, workshops, Gala <u>NO</u> breakfast/lunch Tickets to The Scene(lounge) are extra  <b>**Do no have the exhibit space costs</b>	\$110 CAD or \$176 CAD **Plus booth floor space	None	None	
ASUTIL  Membership Dues are \$3k USD for operator and suppliers	4 days	<b>Buyers</b> No fee	Includes Cocktail, Gala and 2 lunches	\$0			300
		<b>Suppliers</b> Members \$500 USD Non-Members \$650 USD <b>Booths</b> \$1,500 (2x3m)	Includes Cocktail, Gala and 2 lunches	\$125/162 USD \$375 plus Supplier reg. fee above			

# THE OMNI KING EDWARD HOTEL MEETING SPACE

## SECOND LEVEL



## LOBBY LEVEL



## LOWER LEVEL

