

High Point Market Authority

ORGANIZATION OVERVIEW AND IMPACT

1. MISSION & PROGRAMS

Founded in 1909, the High Point Market (www.highpointmarket.org) is the home of the global home furnishings industry and is the largest, most well-known and most important home furnishings trade show in the World. It has 180 buildings that house permanent showrooms and its two annual Markets are attended annually by over 150,000 people from over 100 countries.

As the official organizer of the Market, the High Point Market Authority's mission is to create the most comprehensive and productive business event in the global home furnishings industry and ensure it remains viable and competitive. The Authority is the centralized marketing and communications arm of the Market and helps North Carolina compete against other furnishings markets in Las Vegas, Atlanta, Dallas, Milan, Cologne, China, Paris, Singapore, Thailand, and Vietnam – to name just a few.

2. CUSTOMER/ TARGET POPULATION

Given the huge economic impact of the High Point Market, there are many customer and target populations. First and foremost is the trade—that is, people from around the World who make their living in the sales, distribution, manufacturing, marketing, customer service, design or other related aspects of the home furnishings industry.

The High Point Market attracts a veritable “who’s who” of the home furnishings industry in all the aforementioned categories. Most of these trade members live and work outside of North Carolina. Thus, the travel, hotel/home rental, entertainment, car rental and all the other trip related expenses related to attending the Market provide a great economic benefit to our State.

Other target populations are all the workers, retailers, and service organizations around North Carolina who derive economic benefit from the twice annual Market. The Market has an estimated annual economic impact of \$1.2 billion and creates more than 13,000 jobs annually during Market weeks for those doing construction, design, planning, and logistics. Conservative estimates put the state sales tax figures at between \$40 - \$50 million.

3. ORGANIZATION INCEPTION

The High Point Market Authority was created in 2001 as the official sponsor of the High Point Market. Organizers realized that competition from other home furnishing shows, both in the United States (especially from Las Vegas) and internationally, were a threat to the High Point Market. The Authority is responsible for the Market's promotion and logistics and has helped keep the High Point Market as the industry leader. The Authority also provides the professional staffing for important "Pre-Market" events that bring home furnishing leaders to High Point in advance of the two regular Market weeks.

The Authority, which is a 501C-6 nonprofit corporation, is governed by a broad-based Board of Directors composed of home furnishings manufacturers, designers and retailers, showroom operators and local government representatives. Its professional staff oversees operation, promotion, and logistics of the Market.

4. FOOTPRINT

The Market occurs in High Point but its impact is felt around North Carolina. Many businesses from the around the State are tapped to prepare for this very large event.

The Market Authority provides transportation services for participating guests (330,000 rides annually) using over 70 vehicles (rented from a number of North Carolina vendors) to the following counties: Guilford, Randolph, Forsyth, Mecklenburg and Wake. The Authority also provides transportation to and from airports in the Triad, the RTP and Charlotte. In fact, half of Market guests who fly into North Carolina use the RTP and Charlotte airports. These transportation services also promote visitor spending on lodging and dining in the counties into which they travel and sleep.

5. BUDGET

Information about the Market Authority's budget (July-June fiscal year) is shown below.

Income	2012-13 Budget	2011-12 Budget	2010-11 Budget	2009-10 Budget	2008-09 Budget
Show Room License - Self Tax	\$ 1,535,000.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,565,816.00	\$ 1,574,000.00
Hotel Occupancy Tax (Guilford County)	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00	\$ 286,554.00	\$ 335,000.00
High Point Convention Bureau	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00
City of High Point	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Guilford County	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
NC Dept. of Transportation	\$ 1,000,000.00	\$ 928,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,206,000.00
NC Dept. of Commerce	\$ 655,472.00	\$ 685,507.00	\$ 778,252.00	\$ 806,478.00	\$ 1,466,250.00
Additional	\$ -	\$ -	\$ -		\$ 25,000.00
Sponsorships	\$ 80,000.00	\$ 53,000.00	\$ -		\$ -
Miscellaneous	\$ 20,000.00	\$ 7,000.00	\$ 17,000.00	\$ 20,000.00	\$ 45,500.00
Total Revenue	\$ 4,790,472.00	\$ 4,673,507.00	\$ 4,995,252.00	\$ 5,153,848.00	\$ 5,926,750.00

Expense	2012-13 Budget	2011-12 Budget	2010-11 Budget	2009-10 Budget	2008-09 Budget
Executive Leadership & Admin	\$ 514,300.00	\$ 492,363.00	\$ 558,890.00	\$ 541,740.00	\$ 561,957.00
Transportation	\$ 1,471,100.00	\$ 1,438,238.00	\$ 1,401,057.00	\$ 1,428,720.00	\$ 1,715,403.00
Parking	\$ 128,000.00	\$ 135,700.00	\$ 137,700.00	\$ 144,200.00	\$ 163,000.00
Centralized Registration	\$ 260,270.00	\$ 256,700.00	\$ 243,500.00	\$ 200,500.00	\$ 173,300.00
Marketing	\$ 1,727,900.00	\$ 1,703,436.00	\$ 1,817,075.00	\$ 1,881,555.00	\$ 2,133,829.00
Guest Services	\$ 546,995.00	\$ 549,070.00	\$ 695,256.00	\$ 739,331.00	\$ 1,049,011.00
Contingency/Misc.	\$ 13,500.00	\$ 90,000.00	\$ 90,000.00	\$ 180,249.00	\$ 50,000.00
Depreciation	\$ 56,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Total Expense	\$4,718,065.00	\$4,745,507.00	\$5,023,478.00	\$5,196,295.00	\$5,926,500.00

6. SALARY COMPLIANCE

No Market Authority salaries or benefits are supported by State funds. FYI, benefits available to all Market Authority employees are standard health, dental and vision insurance plus a simple IRA.

7. LOBBYING SERVICES

The High Point Market Authority is currently contracting the following firms for State lobbying services:

- Womble Carlyle Sandridge & Rice \$17,500 (2012)
- Brooks Pierce \$17,500 (2012)

No High Point Market Authority employees are registered lobbyists and no State funds are used to pay State lobbyists.

8. KEY PERFORMANCE INDICATORS

A key performance indicator for the marketing dollars provided by the State to the Market Authority is the number of registrants for the High Point Market each April and October. We have listed the State dollars and the number of registrants below.

Another indicator to note is the amount of real estate devoted to furnishings showrooms in the High Point area. That number has been rising and is now at 11.5 million square feet.

A third KPI is the increase of on-line registrations. We have moved from 40% to currently 80%.

A fourth KPI is the % increase in the number of media in attendance at the Market. We have seen a 456% increase in domestic media and a 116% increase in international media.

A fifth KPI is the increase in international buyers to market (as a percent of total buyer attendance). We have seen that number jump from 8% to 13%.

Finally, not measurable, but surely mentionable is the increased relationships with the Department of Commerce. These have resulted in a greater partnership in the areas of tourism and economic development.

Market/Year	Registrations	State Dollars Contributed
October 2011 / April 2012	151,943	\$685,507.00
October 2010 / April 2011	143,537	\$778,252.00
October 2009 / April 2010	153,034	\$806,478.00
October 2008 / April 2009	151,940	\$1,334,287.00
October 2007 / April 2008	166,069	\$1,875,000.00

9. SIMILAR ORGANIZATIONS

The Market Authority is the only organization promoting the High Point Market on a year-round basis. If the Authority were not in place, the attendance at Market would quickly diminish because there would be no single entity prospecting for new and emerging home furnishing segments of attendees and vendors. Additionally, no one would be contacting and servicing regular Market attendees. While some of the Authority's important organizing, promotion and logistical roles would be scattered among other organizations, there would be greatly reduced effectiveness. In addition, the Authority provides a single experienced voice to promote the Market, which means that its message is focused, coherent and effective in attracting people to North Carolina. State support for marketing is a vital part of the Authority's success in promotion of the Market.

10. BUDGETARY IMPACT

State funding to support the High Point Marketing budget has declined consistently in recent years as shown by these numbers (shows State support for marketing):

- FY 2013 \$656,269
- FY 2012 \$685,507
- FY 2011 \$806,478
- FY 2010 \$806,478
- FY 2009 \$1,466,250
- FY 2008 \$1,875,000

In response to these reductions, the Authority's promotion efforts have not reached as many potential attendees as prior to the cuts. We have also been unable to afford the latest technology that is employed by many of our competitors. Additional cuts in State support increase the risk of falling further behind the Market's competitors in a tough international climate.

As indicated above, the Authority's overall operations are supported financially by a variety of sources. State funding for marketing, however, makes up a large part of this line item in the Authority's budget. Further reductions would hurt the Market's promotion. Given the direct link between effective marketing and Market attendance, State support is very important to keeping the High Point Market the best in the World.