



August 29, 2013

Dear Ms. Hoffman:

Please find the fiscal year 2012-2013 annual report for High Point Market Authority attached. We have attached High Point Market's FY 2011-12 audit as our FY 2012-13 audit is still in progress with an estimated completion date 10/1/2013. We will forward a copy for your files when received.

Thank you for the past and present support of High Point Market Authority. The funds received are crucial to our budget and enable us to continue to grow, strengthen and promote High Point Market, the State of North Carolina's largest economic impact.

For your reference please find my contact information below. I will be your contact going forward for future correspondence.

Please don't hesitate to call me if you have any questions or concerns.

Sincerely,  
Tammy Nagem  
Chief Operating Officer  
High Point Market Authority  
336.888.3222  
tammy@highpointmarket.org

High Point International Furnishings Market Authority  
(dba/High Point Market Authority)

FY 2012-2013 High Point Market activities, objectives, and accomplishments; Itemized expenditures and funding sources.

Citation of Law or Resolution:	Session Law 2011-145
Section number:	Section 14.10(a)
Due date:	September 1, 2013
Submission date:	August 29, 2013

Receiving entities:

The Joint Legislative Commission on Governmental Operations  
Fiscal Research Division  
NC Department of Commerce Fiscal Management Division

Submitting entity: High Point Market Authority

# HPMKT

## HIGH POINT MARKET

August 28, 2013

Founded in 1909 in High Point, NC, the High Point Market was formed to provide the region's furniture makers and retailers with a convenient venue to conduct business. Today, the home furnishings industry is far different from the small, regionalized sector of the economy it was over 100 years ago. The High Point Market is the largest, most well-known, and most important furnishings industry trade show in the world. At 11.5 million square feet, it is also the largest trade show in the world, and has a \$1.2 billion impact on the state of North Carolina.

Here are leading facts about the High Point Market:

### **ECONOMIC IMPACT OF THE HIGH POINT MARKET**

The funding that we receive from the State of North Carolina is an investment that yields an incredible return for the State itself:

- \$2 million investment (funding from DOT and DOC) generates an ROI of more than \$40 million in state tax dollars, through sales tax from hotels, restaurants, goods and services used by our 160,000 visitors each year.
- The High Point Market also enjoys the support of the local city and county governments, as well as the more than 2,000 exhibitors at the Market. The City of High Point has contributed \$1 million consistently for the past three years, and Market exhibitors have contributed \$1.5 million each year through a self-taxing stream.
- It is North Carolina's biggest economic event with an annual impact of over \$1 billion.  
Compare that to major local events and businesses:
  - Wyndham Classic – est. \$35 million per year
  - HondaJet – \$100 million investment; \$21 million in revenue impact over 12 years
  - FedEx - \$300 million investment; total economic impact is estimated to be just under \$1 billion and includes airport construction and highway construction.
  - ACC Tournament - \$13 million per event year
- More than 13,000 jobs are created for the High Point Market every year – including construction, design, planning, and logistics.
- More than 69,000 jobs exist locally due to the home furnishings cluster, including manufacturers, corporate offices, distribution centers, design centers, sales offices, fabric and material suppliers, showrooms, and more.

## HIGH POINT MARKET BY THE NUMBERS

- Market brings 160,000 people from over 100 countries to High Point every year, all of whom contribute to the local economy through hotels, car rentals, restaurants, retail stores, taxis, home rentals, caterers, musicians, and more.
- This single event has the largest concentration of international visitors of any event in the state in a one-week period.
- It includes 180 buildings and over 11.5 million square feet of show space.
- There are more than 2,000 exhibitors, debuting tens of thousands of products each Market.

## THE MARKET AUTHORITY'S ROLE

High Point Market Authority is the official sponsor and organizer of the Market, and represents all Market constituents. The Market Authority oversees:

- Transportation – including over 430,000 rides annually for participating guests, using over 70 vehicles and providing service to 5 cities, 4 counties, and 3 airports (GSO, RDU, CLT). **Half of all Market guests who fly arrive in Raleigh or Charlotte.** Transportation has gone from the Market's number-one complaint to one of its biggest assets.
- Registration – The Market Authority handles registration for all Market attendees, including buyers, exhibitors, and press from over 100 countries, as well as students from universities across the East Coast. Market averages 75,000 to 80,000 registrants each April and October. In addition, 96% of the Top 100 Retailers were in attendance at the Spring 2013 Market.
- Website – The Market Authority runs the official Market website, [www.highpointmarket.org](http://www.highpointmarket.org), which provides online registration, accommodation reservations, exhibitor listings, social media tools, and more. In 2012 the website underwent a major upgrade and traffic has continued to grow. During peak months our traffic has tripled.
- Marketing – The Market Authority promotes the Market to the world, through advertising, direct mail, email, press releases, social media, telemarketing, and video. Marketing materials are translated into 10 languages. During Market, the Market Authority also runs the Media Center visited by an average of 500 members of the press from dozens of countries, as well as the International Buyer Center, a business center for our international visitors. We also have partnered with the North Carolina Department of Tourism to develop programs that promote North Carolina as a tourism destination to business travelers who wish to extend their stay before and after Market.

- International Registration — We have had a continuous increase in buyers from our targeted areas of the Caribbean, Mexico, and South America through our editorial partnership with Televisa Publications.
- Onsite Services —High Point Market Authority provides info booths and roving staff throughout the downtown High Point area to assist Market attendees with any questions and to distribute marketing materials such as printed guides and maps. Over 19,000 market attendees were helped with this program this year.
- Staff – Eight full time staff. 200+ part-time help during Market. Market facilities include information booths, center stage area, seminars, food & beverage, international buyer center, media center but these are all leased structures. **No State funds are used for Market Authority staff or payroll.**

### **Fiscal Year 2012-2013 Programs and Accomplishments**

All of North Carolina Department of Commerce Funding is used to promote and market the High Point Market. The following is a summary of the marketing program activities, objectives, and accomplishments of the High Point Market in FY 2012-13.

### **MARKETING GOALS AND OBJECTIVES**

- Solidify the High Point Market brand. The High Point Market brand is well-known internationally. In fact, our marketing outreach has strengthened the brand to such an extent that the top 98 out of 100 keyword searches for the market include the words “High Point.”
- Increase attendance. The primary goal of the High Point Market Authority is to attract more buyers. To achieve that:
  - High Point Market Authority added more modern marketing tools including an updated website; the MyMarket online planning and scheduling tools; a new transit visualization program; additional social media, including a continued partnership with Pinterest, the hottest social media tool online today; and retooled data information systems to allow us to better target our marketing messages.
  - Our current target population includes prospects who have come to Market in the past but have not returned for several Market cycles as well as the small-medium size retailer whose presence has been diminished. Our targeting includes geo-specific prospects that are able to drive to Market while also continuing to target retailers and designers from the West Coast, South Central and Southwest states. Internationally, we are targeting designers and buyers in South and Latin America as well as Canada.
  - Expanded partnerships with other industry associations have given us better marketing lists and updated information about our key buyers, as well as new retailers and designers entering the market.

- HPMA has purchased new lists of buyers and designers, particularly in new target areas for us such as outdoor furnishings retailers, bedding retailers, and home accent stores. We've also focused attention on online and lifestyle retailers, which has allowed us to reach new audiences and to strengthen our lists of existing groups.
- We have been developing a mobile phone app to complement our MyMarket service. The app will roll out for the Fall 2013 Market.

## **COMMUNICATIONS AND MARKETING OUTREACH**

- HPMA has added new communication vehicles and programs to increase our visibility as the go-to source for all information about home furnishings, including the times between Markets.
- We also produce an enormous amount of printed and online content, including monthly eNewsletters to an opt-in list of over 45,000; quarterly CEO updates; weekly article postings online; monthly video updates; and daily social media updates and posts.
- The communications outreach for market includes direct mail, telemarketing, print and online advertising, brochures and collateral, eblasts, and banners. We promote the High Point Market to a total audience of over 400,000. We have a vault of our collateral available on our website.
- HPMA also operates as the industry's PR agency, pitching articles, products, companies and ideas to media around the world. We have realized approximately 1.4 billion media impressions this year.
- The Market Authority produces 20 major events during Market Week each year, including keynote addresses, concerts, panel discussions, and seminars that include Continuing Education Credits for participants.
- HPMA's marketing department also works closely with local companies to produce ideas and programs that promote local goods and services. For example, we offer tourism program that promotes travel itineraries for popular NC sites to market visitors, helping them extend their stay when they come to the High Point Market.
- We have continued and strengthened our relationship with the area Chambers of Commerce, local government and city officials, area Convention and Visitors Bureaus and Piedmont Triad Partnership. Our board of directors includes many from these organizations as well.

## **LOOKING AHEAD**

- We continue to be very strategic in our marketing, acquiring more quantifiable lists and targeting specific segments by type and geography such as Western U.S., interior design

associations in Mexico and Canada, Latin America and domestic companies that have not attended in 2-3 Market cycles.

- We will be looking at new ways to continue our partnerships with buildings and exhibitors by helping them promote directly to their customers in a comprehensive campaign with High Point Market Authority.
- We continue to evaluate and tighten up our direct mail and postage costs while our electronic outreach expands, allowing us to track and compile important data for analysis.
- We will begin an intense geo-specific telemarketing campaign to entice buyers who can drive to High Point to attend Market.