

# The Role of Exhibitions in the Marketing Mix

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Dear visitor,

Welcome to the online course of UFI:

**"The Role of Exhibitions in the Marketing Mix".**

This online course is directed to:

lecturers who want to introduce the topic "fairs and exhibitions" to marketing and communication classes, students who want information about trade fairs as a marketing instrument and personnel of exhibiting organizations who want to learn about the benefits of participating in trade fairs.

The content is structured as follows:

- In the **first three Chapters** general information about trade fairs and the exhibition industry is presented (definitions, integration into the marketing mix, historical background, benefits of trade fairs).
- The essential features of participation in trade fairs are described in **Chapters IV - VI**.

A special focus is on integrated marketing and the future of the value of trade fairs and exhibitions in overall marketing strategies and action plans.

The course lasts about eight hours. It can be used free of charge. A PDF and a power-point version are attached. If there are any further questions you may contact Dr. Rowena Arzt, Director of Business Development ([Rowena@ufi.org](mailto:Rowena@ufi.org)); Prof. Dr. Beier (Author), Cooperative State University, Ravensburg, Germany ([beier@dhw-ravensburg.de](mailto:beier@dhw-ravensburg.de)).

# I. Description of Fairs, Expositions and Exhibitions

## A. Definitions

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### REMARKS

The roots of the phenomenon "Fairs, Expositions and Exhibitions" can be traced back to its language origin: "Fair" comes from Latin "feria", meaning "holiday" as well as "market fair". This in turn corresponds to the Latin "feriae", which means "religious festival".<sup>1</sup>

During the 12th century the importance of trade-related meetings increased; fairs were held close to churches, so that the concepts of religious festival and market fair were combined in the common language.<sup>2</sup>

The word "exhibition" was mentioned as early as 1649. It is a derivative of the Latin word "expositio", meaning "displaying" or "putting on a show".<sup>3</sup>

Exhibitions are not just collections of interesting objects brought together at a certain place and time. They are human activities, human enterprises, undertaken for definite reasons and in order to achieve certain specified results.

They are a form of human exchange, whereby the promoters and exhibitors communicate with the visitors. Their results can only be told in terms of further human thought and activity.<sup>4</sup>

The word "exposition" goes back to the same origin as "exhibition".

Expositions, rooted in old French, tended to be very similar to their English cousins, exhibitions. Expositions were held in facilities built specifically for them.

They were organized by either government departments or groups of entrepreneurs with government assistance for the express purpose of promoting trade. Manufacturers were invited to show their goods.<sup>5</sup>

In colloquial speech the concepts are used similarly. However, there are some interesting conceptual differences which show the variability of today's exhibition industry. Have a look at the next pages and follow the descriptions.

<sup>1</sup> Cf. Barnhart, Robert K, The Barnhart Dictionary of Etymology, London 1988, p. 366. See also: Waters, H.W. History of Fairs and Expositions: Their Classification, Functions, and Values.(London, 1939).

<sup>2</sup> Cf. Walter, Rolf, Wirtschaftsgeschichte: Vom Merkantilismus bis zur Gegenwart, 3rd ed. Cologne 2000, p. 7.

<sup>3</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 11.

The terms exposition – exhibition – trade show and trade fair (also fair) are similar and used interchangeably in this paper; as described by Meffert, an unambiguous disassociation is not possible, cf. Meffert, Heribert, Grundlagen marktorientierter Unternehmensfuhrung, Konzepte – Instrumente – Praxisbeispiele, 9th ed. Wiesbaden: Gabler, 2000 p. 741.

<sup>4</sup> Luckhurst, Kenneth W, The Story of Exhibitions, London 1951, p. 9.

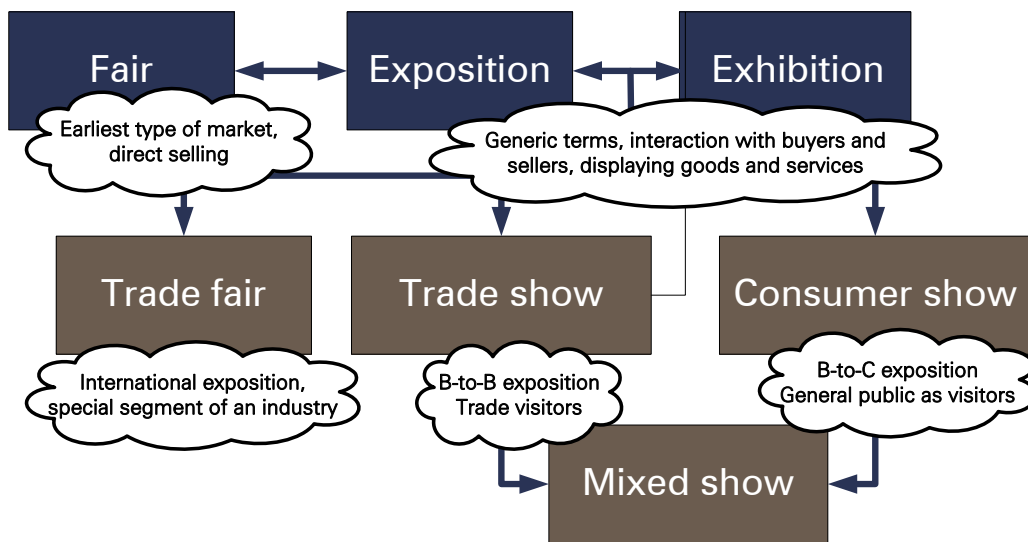
<sup>5</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 11. See also Findling, John E. and Pelle, Kimberly D. (Eds.). Historical Dictionary of World's Fairs and Expositions, 1851-1988, New York: Greenwood Press 1990, XIX.

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

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REMARKS



### Fair

The Middle Age English word "feire", which means a gathering of people held at regular intervals for the barter or sale of goods, is the one from which the present day definition, i.e. a periodic gathering for sale of goods, often with shows or entertainment, at a place and time fixed by custom, is taken.<sup>6</sup>

Georg Emanuel Opiz  
Russians at the fair in Leipzig 1825  
Museum of town history, Leipzig, Germany

<sup>6</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 9.

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### Expositions and exhibitions

They have always been combined with the display of goods and products.<sup>7</sup>

Exhibitions differ from fairs in four major ways:<sup>8</sup>

- **One-time events**

First, exhibitions are usually one-time events. They do not enjoy a recurring life cycle. However, while fairs run for a short period of time, many exhibitions run for months, some for a year or longer. The first representatives of this category were the World Expos (see chap. World Expos).

- **Permanent facility**

Second, exhibitions are housed in permanent facilities built specifically for them. Starting in the 18th century, the practice of building a facility for the express purpose of housing an exhibition was the precursor of the exposition/convention centre industry.

- **Highly organized events**

Third, although fairs are held regularly, they are not highly organized events. Over time, religious and later civic leaders did take control of the grounds where fairs are held (usually public lands). Exhibitions, on the other hand, are highly organized events. They were initially created by government departments or committees for the purpose of promoting trade.

- **Stimulation of future sales**

Finally, exhibitions differ from fairs in the very way in which business is conducted. Goods are bought and sold at fairs. At exhibitions, commercial activity or selling the displayed goods is not usually involved. However, inherent in displaying goods is the hope of stimulating future sales.

Today this is how most exhibitions still operate.

<sup>7</sup> Allwood, John, The Great Exhibitions, London 1977.

<sup>8</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 10f.



# I. Description of Fairs, Expositions and Exhibitions

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### 2008 Canton Fair:

- National Pavilion:  
18,207 Exhibitors
- International Pavilion:  
514 Exhibitors
- Number of overseas buyers:  
192,013
- Business Turnover:  
\$ 38,230 Million
- Exhibition Space:  
851,000 m<sup>2</sup>



### Trade Fairs

They have been the primary marketing medium of exporting countries.

The exhibits are confined to one industry or a specialised segment of a special industry. They are more commonly known as trade fairs. Historically, trade fairs have been the primary marketing medium of exporting countries.

Initially, trade fairs were horizontal in their organization, with various products and/or services in specified industry groupings. A vertical organization is more commonplace today with the exhibits being confined to one industry or a specialized segment of a specific industry. Buyers are usually business members of an industry and often must be pre-qualified to attend the fair.<sup>9</sup>

The **China Import and Export Fair**, also called the **Canton Fair**, has been held twice a year in spring and autumn since its inauguration in 1957. It is China's largest trade fair, presenting complete varieties of goods with a vast attendance and business turnover. Preserving its traditions, this Fair is an event of international importance.

<sup>9</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 14.

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## B. Types of Exhibitions

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### REMARKS

#### Trade Shows

Trade shows are b2b events. Companies in a specific industry can showcase and demonstrate their new products and services. Generally trade shows are open to trade visitors. They are attended by company representatives and members of the press. Nowadays, some of the trade shows, especially those for consumer goods, are also open to the public.

Examples of trade shows are CeBIT and Hong Kong Electronics Fair (IT-industry).

Historically, trade shows have been conceived of as vehicles of communication with company exhibits fulfilling an advertising and display function. Over time, this view has been challenged and replaced with the view that trade shows are primarily events where products and services are sold, or contracts and rights signed. However, in some instances, product or service offerings and buying processes are regarded as too complex to permit full assessment or commitment to be made on-site. In such situations, trade shows, at best, are likely to generate sales leads to be followed up afterwards. In the 1980s, a broader view of trade shows became more accepted. Several researchers argue that companies use trade shows to pursue multiple objectives beyond communications and selling.



CeBIT,  
Germany  
world's largest  
show for the  
computer industry

Web: [Keynote by Arnold Schwarzenegger](#)

CeBIT 2009 got off to a powerful start and ended on a successful note, boosting optimism in the world ICT industry. A majority of the 4,300 companies from 69 countries drew fresh optimism from being at CeBIT.

<http://www.cebit.com>

# I. Description of Fairs, Expositions and Exhibitions

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### REMARKS

Trade shows or b2b shows do have certain distinguishing characteristics that set them apart from consumer or combined shows. The exhibitor is typically a manufacturer or distributor of products or services specific or complementary to those industries authorized at the show.

The typical buyer is an industrial end user, or distributor, within the industry segment hosting the exposition.

Attendance is restricted to these buyers and is often by invitation only. Business credentials or pre-registration are usually required to qualify the buyer as a legitimate member of the trade or industry. An access or registration fee may also have to be paid prior to admission to the event.

Trade show events may be as short as a single day or as long as seven to ten days depending on the markets being served. Some are held semi-annually. Most are held annually, a few biennially. Some large-scale industrial expositions are held once every three to seven years.<sup>10</sup>



**Hong Kong Electronics Fair**  
Asia's largest show for the computer industry

<sup>10</sup> Cf. Morrow, Sandra L, The Art of the Show, Second Edition, Dallas 2002, p. 13. See also Stevens, Ruth, Trade Show & Event Marketing: Plan, Promote & Profit.



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Examples of trade shows from different countries

#### Trade Shows – Thailand

"Thaifex" – World of Food Asia is the central platform for the food and beverage business in Southeast Asia. More than 1,000 exhibitors are expected to showcase their products at the trade fair this year. In 2008, 21,833 trade visitors from 127 countries visited the event, and they saw 1,011 exhibitors who represented 32 countries and regions. Many group exhibitors take part in Thaifex – World of Food Asia every year, such as those from China, France, Germany, Italy, Korea, Malaysia, Netherlands and Peru.



<http://www.worldoffoodasia.com>

#### Trade Shows – India

SATTE is now in its 16th year. What started as pure inbound, has now become a name for buying and selling Indian tourism.

Hosting over 4000 tour operators from 40 countries worldwide.



<http://www.satte.org>

# I. Description of Fairs, Expositions and Exhibitions

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### REMARKS

#### Consumer Shows (public shows)<sup>11</sup>

Consumer shows are events that are open to the general public. Exhibitors are typically retail outlets, manufacturers or service organizations looking to bring their goods and services directly to the end user. A consumer show, or public show, is an event that serves specific industries or interests, held for a particular duration of time (1 to 10 days). They include several shows: e.g. home shows, car shows, sportsman shows, computer and technology shows, and many others. The primary purpose of a consumer (public) show is direct selling. Buyers (consumers) are brought together with sellers of goods and services. Consumers benefit from a diverse product mix, expert advice, education and entertainment. Sellers benefit by immediate consumer purchases, product and brand awareness, public relations, research and development, and product testing.

#### The National Trade Center, Toronto, Canada



Approximately 175,000 people visit the annual National Trade Centre to experience the latest trends, product innovations and fashion-forward decorating ideas for the home. As the largest home show in North America, the National Home Show features more than 800 exhibitors offering a selection of

home products and services that is second to none. It's a chance to get a sneak peek at the latest and greatest products for the home and to see what the future holds for homeowners across Canada.

(<http://www.nationalhomeshow.com>)

<sup>11</sup> <http://www.goodfoodshow.com.au>

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#### Consumer Show – Australia

The Good Food & Wine Show has established itself as Australia's largest consumer food & wine exhibition.

Since 2001, the Good Food & Wine show has grown from strength to strength and

today over 120,000 visitors flock to the Melbourne, Sydney, Perth and Brisbane events to shop, sample, stimulate their senses and meet their food heroes.

<http://www.goodfoodshow.com.au>



#### Consumer Show — Las Vegas, USA

The Consumer Electronics Show in Las Vegas is one of the most influential trade shows in the electronic world. At the CES Convention Las Vegas visitors and residents scour the floors for the latest and greatest offer-

ing a huge variety of the newest technological products.

At each Consumer Electronics Show, trade show participants from the biggest names in the industry often announce or debut their newest product lines. This brings about major exposure to new products all around the world. Tech-junkies from near and far all head to Las Vegas each January for a week of the biggest headliners in the tech world. Las Vegas hotels and casinos fill up fast as thousands clamor to get to the trade show.

<http://www.cesweb.org>

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#### Mixed shows

Mixed shows are a combination of trade and public shows. Exhibition organisers tend to open their trade shows to trade and to public visitors.

Example:



Dubai World Trade Centre, organizer of the region's exhibition for jewellery and precious timepieces, presents Dubai International Jewellery Week. Based in Dubai's celebrated "City of Gold", Dubai International Jewellery Week reflects one of the world's most dynamic markets for luxury goods. It provides the perfect platform for global and regional manufacturers to meet buyers from the Gulf, North Africa, India and beyond.

<http://www.jewelleryshow.com>

#### Special types of trade fairs

Finally, trade fairs are combined with other events such as seminars, fashion shows, special events and congresses.

This combination raises visitor interest, driven by the high demand for information exchange and the availability of experts. Exhibitors use this kind of show to meet many experts of one market segment.

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### MEDICA

Another good example is the medical branch which has one of the highest needs for trade fairs and congresses. During the "International Trade Fair with Congress World Forum for Medicine (Medica)" an extensive supporting programme of speeches and debate forums is served. An international continuous medical education module in English is attached.

Even more visitor attention attracts COMPAMED, the trade fair starting in parallel with MEDICA.

<http://www.medica-tradefair.com/>



### Virtual fairs

They appeared in the 90s when internet use became widespread. The demise of traditional fairs was considered "inevitable". Possible touted advantages: elimination of usual trade show time constraints, space factors and exhausting, long-distance travel. "Productpilot" was initiated by Messe Frankfurt. It is a trade fair between trade fairs. During the whole year Messe Frankfurt offers a platform where visitors can research exhibitors and products from the trade show portfolio of the organizer. Thousands of manufacturers, traders and service providers from many different industries are registered in "productpilot". All product and business information is updated regularly. It is possible to find business partners, to exchange information and to discuss topics of shared interest.<sup>12</sup>

However, it is now clearly accepted that traditional fairs cannot be replaced by virtual ones. Face-to-face contact remains a significant privilege of traditional fairs. Applying customer relationship management (CRM) and building up the loyalty of clients remain the advantages of exhibitions. Nevertheless, the World Wide Web has very much affected the organization of exhibitions. Exhibitors and visitors take their information from the net and decide whether to participate in the exhibition or not. Organizers try to communicate with their customers via the internet to save money and to accelerate the communication process.

<sup>12</sup> <http://www.productpilot.com>



# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions



**Crystal Palace in London**  
built for WORLD EXPO 1851

### World's Fair - EXPO: A special type of exhibition

World Expo is the generic name for various large expositions held since the mid 19th century. The first international exposition took place in London in 1851.

Since its success, numerous expositions have been held all over the world, including the Paris Exposition of 1889, which gave birth to the Eiffel Tower. The official sanctioning body is the Bureau International des Expositions or BIE. Expositions approved by BIE are *universal*, and *international* or *specialized*, lasting from 3 to 6 months.

Universal expositions encompass universal themes that reflect the full range of human experience. These Universal Expos usually have themes upon which each country's pavilion is based. For example, the theme for the Expo 2010 in Shanghai, China, is "Better City, Better Life".

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### Universal Expositions and International Expositions

Universal Expositions are held every 5 years on a site with no area limitations. They last 6 months and address a general theme. Another example of this type of exposition is the Expo 2005 in Japan: "Nature's Wisdom".

International Expositions, such as the one in Zaragoza 2008, are held over 3 months on a site of no more than 25 hectares. They address a specific theme, which in this case, was "Water and Sustainable Development".

To distinguish them from other fairs, expos require the total design of pavilion buildings from the ground up. As a result, nations compete for the most outstanding or memorable architectural structure.

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The 2008 World Exposition, Zaragoza, Spain

<http://www.expozaragoza2008.es>

### Theme for 2008 World Exposition: "Water and Sustainable Development"

The 2008 Zaragoza International Exhibition was the first ever to deal with "Water and Sustainable Development". The 2008 Expo was a great international event held on the banks of the River Ebro in which 104 countries, three international organizations, and all of Spain's autonomous communities and cities took part.

### EXPO examples

The first real international exhibition took place in London 1851.

At least 14,000 exhibitors and more than six million visitors attended.<sup>13</sup>

Recent Universal Expositions include Brussels Expo '58, Seattle Expo '62, known as the Century 21 Exposition, Montreal Expo '67, San Antonio HemisFair '68, Osaka Expo '70, Brisbane Expo '88, Seville Expo '92, Lisbon Expo '98, Hanover, Germany Expo 2000. The Expo 2010 will be held in Shanghai, China.<sup>14</sup>

<sup>13</sup> Cf. Mathias, Peter; Polland, Sydney (ed.), The Cambridge Economic History of Europe, Volume III, The industrial economies, Capital, labour, and enterprise, Cambridge 1989, p. 100.

<sup>14</sup> Anderson, Eleanor, The Expo Story, University of Toronto 1986.

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When you consider the roots of trade shows and exhibitions in general, you start thinking about how long people have been selling things to one another. When hunter-gatherers in former times met other wandering tribes they displayed goods for change to gain the goodwill of the respective group. It's a fundamental principle of business survival that has prevailed throughout history and around the globe.

Historically, trade shows likely started with people simply displaying their goods in public places. They talked with potential buyers about what they had to offer. Then, they negotiated a purchase price or barter until a mutual agreement was met.

When you investigate the history of trade shows and exhibitions you come across the term "bazaar".

The Britannica describes BAZAAR (Pers. *bazar*, market) as follows:

"a permanent market or street of shops, or a group of short narrow streets of stalls under one roof."

The word has spread westward into Arabic, Turkish and, in special senses, into European languages, and eastward it has invaded India, where it has been generally adopted. In southern India and Ceylon bazaar means a single shop or stall. The word seems to have reached southern Europe early (probably through Turkish), for F. Balducci Pegolotti in his mercantile handbook (c. 1340) gives "bazarra" as a Genoese word for market-place. The Malayan peoples have adopted the word as *pazar*. The meaning of the word has been much extended in English, where it is now equivalent to any sale, for charitable or mere commercial purposes, of mixed goods and fancy work."

It is even believed that exhibitions or trade fairs began almost 600 years before the birth of Christ.

While no precise record is available, the 'Book of Ezekiel' (in the Bible) written in 588 BC, contains many references to merchants trading in a "multitude of the kinds of riches with silver, iron, tin and lead". Ezekiel also talks about the city of Tyre which was an important center of trade and commerce.

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Fairs have been important institutions of the European trade. They can be traced back to the high Middle Ages. The earliest market places, which can be characterized as exhibitions, were founded in the Champagne region of France. They started a continuous development which has lasted until the exhibition industry of today. The development of the exhibition industry over several hundreds of years can be divided into several stages.

- **Medieval fairs** = preferred markets before the 12th century<sup>1</sup>

Until the 12th century only few references to fairs and large markets can be found in the Franconia empire and the adjacent regions.

In France in 629 the Abbey of St. Denis gets privileges from Merovingian King Dagobert I: the right to levy customs and special protection by the king. Both were renewed continuously.

Privileges granted to a town from sovereign, emperors, kings

- Custom and exemption from custom and taxes
- During the fair, non-residents also were allowed to open their stands
- Fair courts were established (mediation, contracts)
- Military protection = a free escort

Example from Portugal in the 12th century: Tax exemption = feiras francas

<sup>1</sup> Cf. Ott, Hugo; Schaefer, Hermann (ed.), Wirtschafts-Ploetz, Die Wirtschaftsgeschichte zum Nachschlagen, 2nd ed., Freiburg: 1985. Concerning the British history see the interesting link:  
[www.stirbitch.com/cantab/profiles/medieval\\_fairs.html](http://www.stirbitch.com/cantab/profiles/medieval_fairs.html)



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12th and 13th century <sup>2</sup>

During this period the first exhibition sites and trade centres emerge.

The first typical organizational structures of exhibitions can be identified.

- Fairs in the Champagne Region (six different times at four places)
- Trading centers in the Netherlands, France, Central and Northern Europe, Italy
- Products which are dealt in...
  - France: wine, cattle
  - Italy: silk, pigments
  - Central Europe: fabrics, linen, metal goods
  - Northern Europe: furs

In France, the four most important exhibitions sites at that time are:

**Provins, Troyes, Bar-sur-Aube and Lagny.**

They organized the trade for Brabant and Flanders.

<sup>2</sup> Especially Rouen, Saint-Denis, Troyes, Reims, Châlons-sur-Marne, Lagny, Provins were of importance. Cf. Ott, Hugo; Schaefer, Hermann (ed.), *Wirtschafts-Ploetz, Die Wirtschaftsgeschichte zum Nachschlagen*, 2nd ed., Freiburg: 1985, p. 93.

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A European exhibition net starts to develop in the 14th century

In the 14th century new trade centres develop. The west-east trade becomes more and more important. At the end of the 18th century a net of exhibition sites exists from Poland to Spain and England to Southern Italy.

The first European currency (ECU) is rising. Historical places for European trade fairs in the Middle Ages:

#### Netherlands and Belgium

Bruges, Ypern, Gent, Antwerp, Bergen-op-Zoom, Deventer, Utrecht.

#### Germany

Frankfurt am Main:

In 1240 the first autumn fair is founded in Frankfurt. 70 years later in 1330 an additional spring fair is permitted by Emperor Ludwig the Bavarian

Leipzig - Frankfurt: because of the change to the Gregorian calendar there is an overlapping of fairs in Leipzig and Frankfurt/Main. The transfer of the fair from Frankfurt to Leipzig becomes necessary.<sup>3</sup>

#### South France, Switzerland, Italy, Spain

The most important trade locations are Geneva, Lyon, Besancon, Piacenza and Medina Del Campo. As a specialty, Medina del Campo takes over the imperial financial administration of Emperor Charles V. After the termination of the payment by the emperor the fair is closed in 1575.

#### Geneva

1320 - 1464 Geneva is the largest fair city in Europe. Trade over the Alps opens 4 times per year for 10 days per annum.

Products: textiles, luxuries, silk, spices, non-ferrous and noble metals, pigments, furs, skins, wines, manuscripts.



<sup>3</sup> Cf. Nordmeyer, Helmut, Frankfurt Trade Fairs

[http://www.stadtgeschichte-ffm.de/download/chronik\\_3\\_e.pdf](http://www.stadtgeschichte-ffm.de/download/chronik_3_e.pdf) (accessed 01.02.04).

## II. Historical Development

### 18th and 19th century in Europe: Change from goods to samples fairs

In the 18th and 19th centuries new types of fairs gain profile. Sample fairs and industry-specific fairs are developed. This development is favoured by increasing industrialization, the improvement of the traffic infrastructure and the forming of nation-states which guarantee certainty of law and transportation safety. At that time more than 95 percent of national industrial exhibitions are conducted in Europe.

During the process of industrialization, fairs evolve from sites for direct sales to sites displaying a broad range of available goods: only samples of diverse product ranges are exhibited. These fairs are known as **"Sample Fairs"** (from the German "Mustermesse"). Dealers only travel with commercial samples.



#### MM symbol

designed by Erich Gruner in 1917

"MM" stands for "Muster Messen" (sample fairs)

It was in 1917 - for the Autumn Fair - when the Leipzig graphic designer Erich Gruner created the double M as the logo of the Leipzig Sample Trade Fair which was still very young then. It probably has become the best-known symbol of the city. The double M has appeared as the central element of design in all of Leipziger Messe's publications and correspondence ever since. Registered in 1956, the double M is protected as a registered trade mark in about 60 countries around the world.

**Leipzig** is the first exhibition site to organize a sample fair in 1895:

- Pure samples fair dominated by factory owners presenting samples of their goods: glass, ceramic, toys, musical instruments
- From 1918 technical fairs also are carried out.

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### The 20th century: Trade fairs and trade shows become the dominant type of exhibitions

During the 20th century the market segments evolve more and more.

Work division increases. The industrial sector and the service sector grow to a large extent. In parallel, international trade expands, corresponding to a rapid increase of new enterprises.

The exhibition industry meets these challenges by developing **industry-specific exhibition concepts**. They are characterized by the following:

- The nomenclature of the trade show, i.e. the range of products and services authorized for the show, is determined by the products and services offered within a special market segment.
- The exhibitors and visitors of the trade show belong to a special target group of the market segment.  
Associations representing the market segment initiate the trade show or are invited to become partners of the exhibition organizer for the special event.
- Trade journals offer their services as media partners.
- The industry-specific concepts require specialists on the side of the organizers as well. The project management of the organizer needs adapted skills and know-how of the market segment.

Corresponding to these new trade show concepts, the functions and tasks of exhibitions expand. From the exhibitor's point of view the exhibitions have always been important distribution channels to sell products directly.

Now new objectives are developed:

- the improvement of the company's publicity and image
- public relations
- advertising

Trade shows become platforms of communication and customer relationship management (CRM) tools. Advanced marketing strategies show that a competitive market presence is only possible if the participation is embedded in the integrated marketing concept of the company.

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## II. Historical Development

### The 21st century: Globalisation of the exhibition industry

The framework conditions for today's development of the exhibition industry are established by the end of the last century.

The breakdown of the communist system and the resulting transformation of the former centrally planned markets to market oriented economic systems prepare the ground for intensified trade and increased exchange of information.

The formation of economically cooperating regions e.g. EU, ASEAN, MERCOSUR, NAFTA und CUFTA positively influences the exchange of goods, services and ideas. The liberalization of the Chinese market supports this development.

As a result of these changes the exhibition industry started to adapt:

New and large exhibition sites are built or are under construction in China, Korea, Singapore and the Near East. The fast-developing nations in these regions place their expectations of economic growth and prosperity on the exhibition industry. Some Asian organizers start to place their own exhibitions in Europe or are cooperating with worldwide acting exhibition organizers. In Eastern Europe numerous exhibition organizers expand their trade show programme.

European exhibition organizers meet these challenges in different ways:

- domestic trade show concepts are exported to the growth markets
- they follow a branding concept to hedge their market positions

Example: Three German trade show organizers cooperate in a joint venture with a Chinese organization. They have invested in facilities in Shanghai.

Other organizers cooperate with local partners to export their shows and to benefit from exhibitors and visitors brought to their sites in return.

The future will show which of these ways will be the most successful.

#### Glossary:

EU = European Union

ASEAN = Association of Southeast Asian Nations

Mercosur = Mercado Común del Sur / *English: Southern Common Market*

Nafta = North American Free Trade Agreement

Cufta = Canada-US Free Trade Agreement

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## II. Historical Development

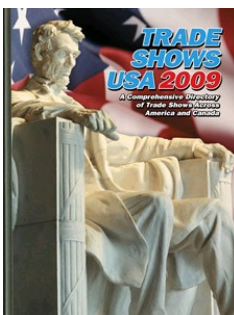
### Example: United States of America



The origins go back to London's 1851 Crystal Palace Exhibition<sup>4</sup>. The first World exhibition stimulated the development of comparable events in America. These exhibitions draw on, and reshape an early tradition of agricultural and mechanical fairs.

Horace Greeley and Phineas T. Barnum, organized America's first international fair in New York City in 1853. It takes until

1876 for a group of Philadelphia civic leaders, together with the federal government, to organize an international exhibition to celebrate the nation's centennial and its reunification after the Civil War. Success of the Philadelphia Centennial Exposition, attracting millions of visitors, launched the first generation of American international fairs: e.g. New Orleans (1884-1885), Chicago (1893), Atlanta (1895). With the stock market crash of 1929 and the ensuing depression, the Century of Progress Exposition (1933-1934) took on unexpected importance and spurred the organization of expositions in San Diego (1935-1936), Dallas (1936), and other cities.



Fairs during the depression era became a central part of Franklin Roosevelt's New Deal efforts to demonstrate the government's concern for the economic and social welfare of Americans. International expositions continue to be organized in the wake of Seattle's exposition and New York's 1964-1965 extravaganza. Other cities followed. US exhibi-

tions and expositions are normally hosted together with conferences, seminars or conventions, the latter being the main event.

Probably this speciality of the US exhibition economy can be explained by the different distribution channels in the New World in comparison to Europe. While in Europe exhibitions developed from markets, in the US trade representatives or sales agents processed trade. The trade associations of the different market segments have been organizing professional conferences for more than 100 years, the so called conventions. These are regular meetings for the exchange of experiences and a "Get Together" for buyers and sellers. These meetings developed to combined events.

<sup>4</sup> Cf. Rydell, Robert W.; Findling, John E.; Pelle, Kimberly D., Fair America, World's Fairs in the United States, Washington, London 2000, pp. 14 – 45.

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Economic functions

The exhibition industry takes over important economic functions. In the exhibition centre supply and demand are brought together. Exhibitions offer an interactive platform to the market participants.

They contribute to the development and revival of markets and market segments.

Additional economic functions are:

- **Trade function:**

Transactions of goods, services and information

- **Transparency function:**

Market overview

- **Development function:**

Support of the commercial development of nations, regions and cities.

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### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Visitor Survey

The main objective of the survey was to analyze trade fair visitors in terms of their trade fair behaviour. In order to cover a broad spectrum of interests, trade fairs from the field of office communications/EDP were taken as the basis. The sample consisted only of qualified persons with decision-making authority in this field.

The selection of the companies to be interviewed was made according to quota response alternatives. The quota matrix was based on the census of work places of the Federal Statistics Office (issue 3/1989), which provides representative figures for the processing industry (21, 292 companies) in West Germany. A major element of the study is the classification of the trade fair visitors according to their trade fair behaviour into four behavioural types. The trade fair typology was produced by means of a cluster analysis, using the following variables: preparations for the trade fair visit, the duration of preparations, the duration of the trade fair visit, the tasks performed at trade fairs, etc.<sup>16</sup>

A comparable cluster analysis<sup>17</sup> has shown that visitors – at technical fairs - can be differentiated into four types:

- Type A: "Intensive trade fair user"
- Type B: "Special-interest trade fair user"
- Type C: "Trade fair stroller"
- Type D: "Pragmatist"



<sup>16</sup> Cf. Ueding, Ralf, Management von Messebeteiligungen – Bericht auf der Basis einer empirischen Untersuchung, in: Meffert, H.; Backhaus, K. (ed.), Messemarketing im Wandel – Status quo und Perspektiven, Muenster 1997, pp. 34.

<sup>17</sup> Trade fairs and trade fair visitors in Germany Spiegel Verlagsreihe page 126 ff.

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### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Type A: "Intensive trade fair user"

- Utilizes trade shows as an important source of information, particularly for current market developments
- Is highly communicative, uses trade fairs for serious networking
- Attends 21 exhibitions on average per year and every visit is planned in detail
- In contrast to the other types, they tend to complete a sales transaction during the fair

##### Type B: "Special-interest trade fair user"

- Prepares in advance and uses the visits intensively, carefully considering products or services
- Does not transact business directly at the fair

##### Type C: "Trade fair stroller"

- Uses trade fairs primarily as an instrument to observe the market
- Has little contact with exhibitor personnel and does not intend to buy



##### Type D: "Pragmatist"

- Does not have any specific aim such as transacting business or making a purchase
- Is very passive, seldom stays for more than a day and is oriented to other sources of information

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REMARKS

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

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The reasons why these functions can be successfully fulfilled are:

- **Exhibitions are lowering transaction costs<sup>1</sup>**

The main reason for the existence of trade fairs can be found in the lowering of costs per transaction. Such costs can arise from factors such as search for information, contracting, legal advice, insurance, and competition monitoring. A cost reduction is gained by the concentration of providers and attendees in one location at one time.

- **Exhibitions represent a neutral sales area**

Trade shows are held at a location which is neither the home territory of the exhibitor nor of the visitor. The venue is a neutral area that makes it easier for the visitor to freely select from a pool of information offers, with no commitment. Both visitor and exhibitor are freed from interferences by daily company duties.

- **However, there is also a so called "conditional location pull"<sup>2</sup>**

In many cases, a prerequisite for the usage of demanded services is that they can only be consumed at the place of their production. Due to this, the customer is forced by a conditional location pull, meaning that he is drawn to the place of manufacture. During the time of globalization, nowadays the discussion again arises of whether trade shows should be held where the industry manufacturing takes place or where the demand is located. A third opinion declares neither as relevant. The future development will show which option the exhibition industry will follow.

<sup>1</sup> Cf. Anderson, E. Transaction Cost Analysis and Marketing, Transaction Cost Economics and beyond, Boston, 1996

<sup>2</sup> Cf. Unger-Firnhaber, Anne E., Pull Strategies for Parts and Components Suppliers in Business to Business Markets, Dissertation, Sank Gallen 1996



### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Disadvantages of exhibitions

A distinguishing feature of trade fairs is their limited availability.<sup>3</sup>

Four dimensions can be identified:

- The date and the place is fixed by the organizer and cannot be moved at the demand of an individual participant;
- Some fairs have appointed times by tradition. They often have been fixed according to industry innovation cycles. Other organizers date their exhibitions following the buying season of the industry;
- Sometimes important exhibitor groups are able to apply considerable pressure on the organizers because of the importance of their attendance;
- Due to this, other marketing activities must be adapted to the fixed trade fair participation, whose dates have to be considered, especially for advertising campaigns connected with the trade shows. The limited availability also applies to other marketing instruments: e.g. advertising, TV or radio campaigns take place at fixed dates and have a limited circulation.

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<sup>3</sup> Cf. Unger-Firnhaber, Anne E., Pull Strategies for Parts and Components Suppliers in Business to Business Markets, Dissertation, Sank Gallen 1996

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

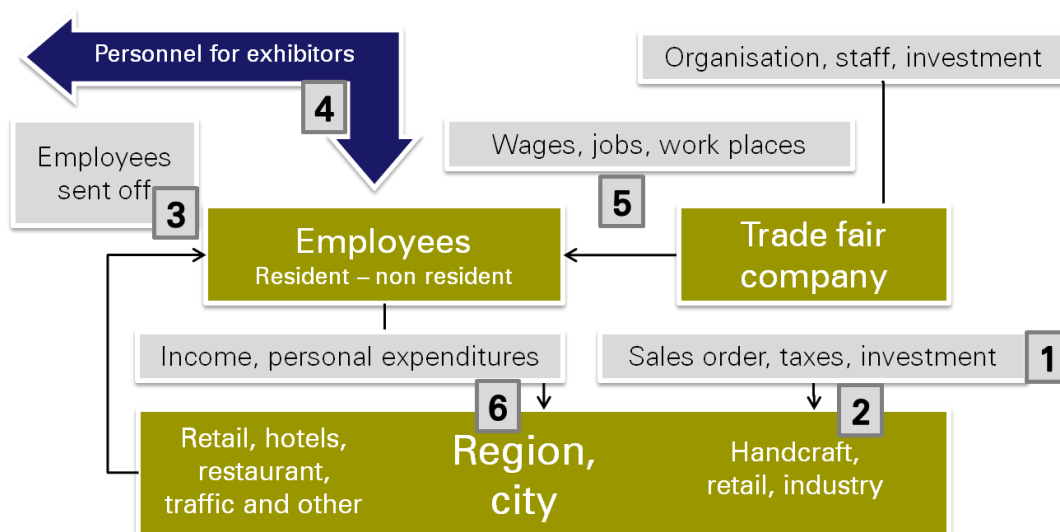
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The following charts demonstrate how the economic network produces benefits for different players in the exhibition industry. The following networks are described on the following pages:

- Network – trade fair organizing company
- Network – exhibitors
- Network – visitors
- Network – region

#### Network – trade fair organizing company



An exhibition organizer places orders, pays taxes and invests in the infrastructure of exhibitions (1). Beneficiaries are the regional businesses, the local government, and trade companies (2).

To organize and support trade shows employees are needed (3). Exhibitors are also provided with personnel from the region (4). Wages, jobs and work places are established (5). These efforts lead to income in the region and/or the city (6). Personal expenditures multiply the beneficial impact.<sup>4</sup>

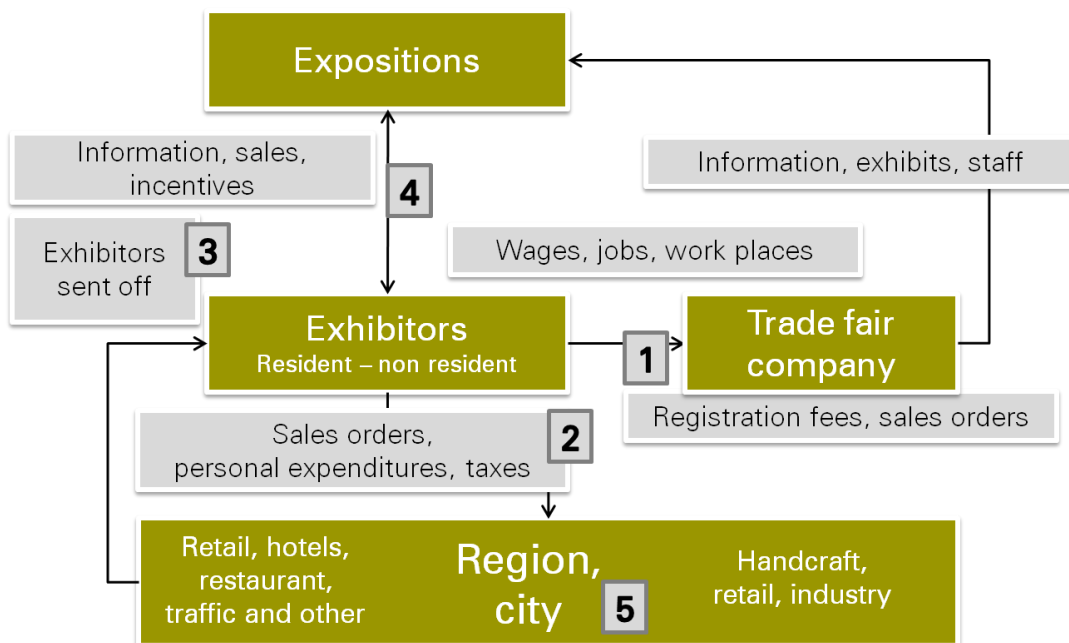
<sup>4</sup> Meeting Strategies, in:  
<http://www.businessweek.com/adsections/2003/pdf/0343meetings.pdf>

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

#### Network - exhibitors

This chart shows the benefits which arise from exhibiting companies in a region where trade shows take place.



Resident and non resident exhibitors pay registration and other fees to the organizer (1). They place orders, buy personal goods, pay taxes, rent cars and pay for accommodation (2).

They employ temporary staff (3) and contribute to the exposition with information, incentives and sales orders (4).

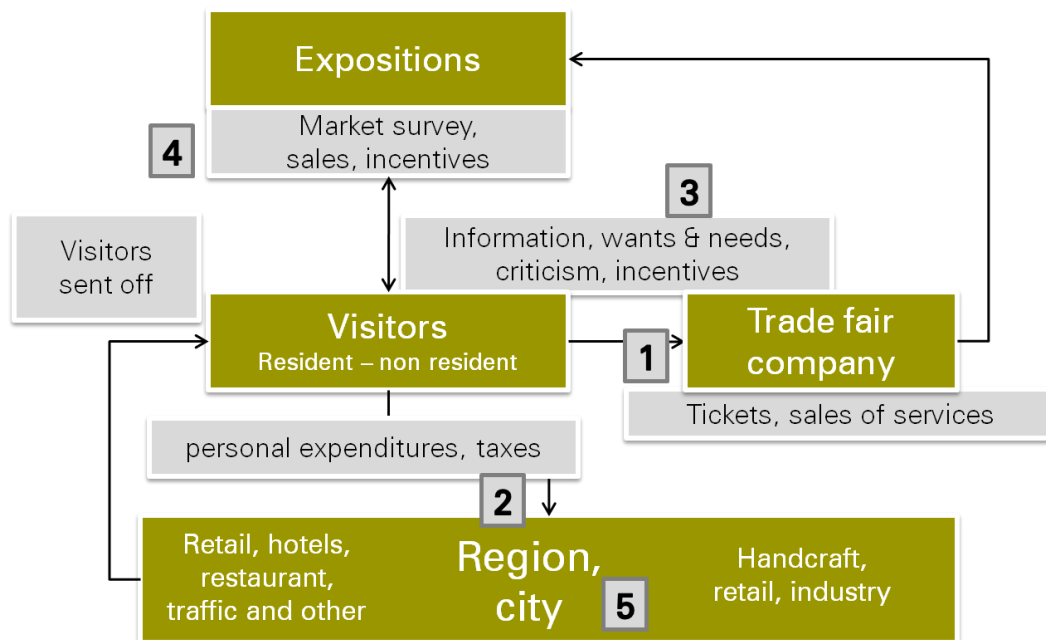
Beneficiaries, for example, are the organizer, employees from the region, retail companies, handicrafts, hotels, restaurants, transportation, entertainment and local government (5).

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

#### Network - visitors

Another group which contributes to the region's benefits are the visitors who stay one day or more at the trade show.



Resident and non resident visitors pay admission fees to the organizer (1).

They acquire services, buy personal goods, pay taxes, rent cars and pay for accommodation and restaurants (2).

They contribute to the exposition with information, incentives and sales orders (3). In return they get a market survey, information about products and services (4).

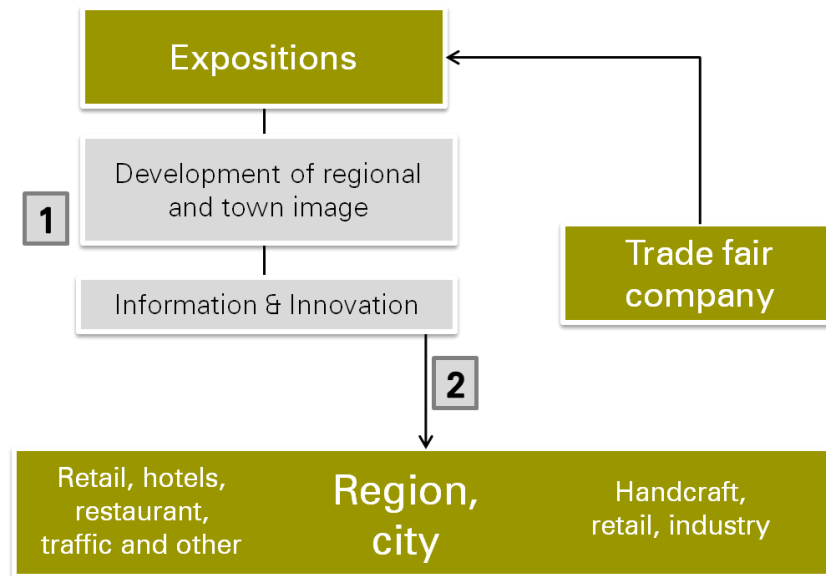
Beneficiaries, for example, are the organizer, retail companies, hotels, restaurants, transportation companies, entertainment and local government (5).

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Network - region

The following impacts are often underestimated. The region where the trade shows take place benefits from the shows itself.



Exhibitions, trade shows and consumer shows help to develop the town's image (1). The exhibition venue/region becomes well known.

The region and its businesses profit from information and incentives (2).

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### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Spin-off Effect—Multiplier Effects

The benefit of trade fairs is not only restricted to the direct participants.

The spin-off effects also include the indirectly related players.

- firstly, the authorities profit from taxes paid on economic activities related to trade fairs
- secondly, all hospitality service providers profit from an exponential rise in demand, especially the accommodation industry, transportation companies, restaurants and other purveyors of food and beverage

The multiplication effect increases the gain - taxis consume more fuel, petrol stations benefit, et cetera. Additional money earned by employees and other workers will be spent in further consumption and the catchment area.<sup>5</sup>

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Bologna region

100 km

<sup>5</sup> An example see: Klimecki, R. G., Nittbaur, G., Regionalwirtschaftliche und strategisch Analyse der Messe Friedrichshafen, Projektbericht, Konstanz, Friedrichshafen 1999

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

Linkages and multiplier effects are used to explain the relationships between an industry and the creation of wealth in an area. Linkages describe the relationships between industries, and the sales multiplier effect measures the direct, indirect, and induced effects of an extra unit of visitor spending on economic activity within a host community. It relates visitor expenditures to the increase in business turnover that it creates. As a result more jobs are created and the overall image and wealth an area improved. The following rough figures are calculated to estimate the monetary effects of exhibitions.<sup>6</sup>

Sales Volumes exhibition sector	Multiplier for direct, indirect and induced regional expenditures
1,0 €	7,0 - 10,0 €

#### How to read:

One euro paid to the exhibition organizer for admission or for exhibitor fees leads to expenditures of 7 to 10 euro in other economic sectors of the region. The more the economic infrastructure of a region is developed, the more expenditures remain in the region of the exhibition.

In this way other enterprises, private persons, the region, state or the city profit from the exhibition and the corresponding events.

<sup>6</sup> Further aspects concerning mega-events see Teigland, J. (1999, December). Mega-events and impacts on tourism: The predictions and the realities of the Lillehammer Olympics. Impact Assessment and Project Appraisal, 17(4), 305-317. See also Ritchie, J.R.B., & Smith, B.H. (1991, Summer). The impact of a mega-event on

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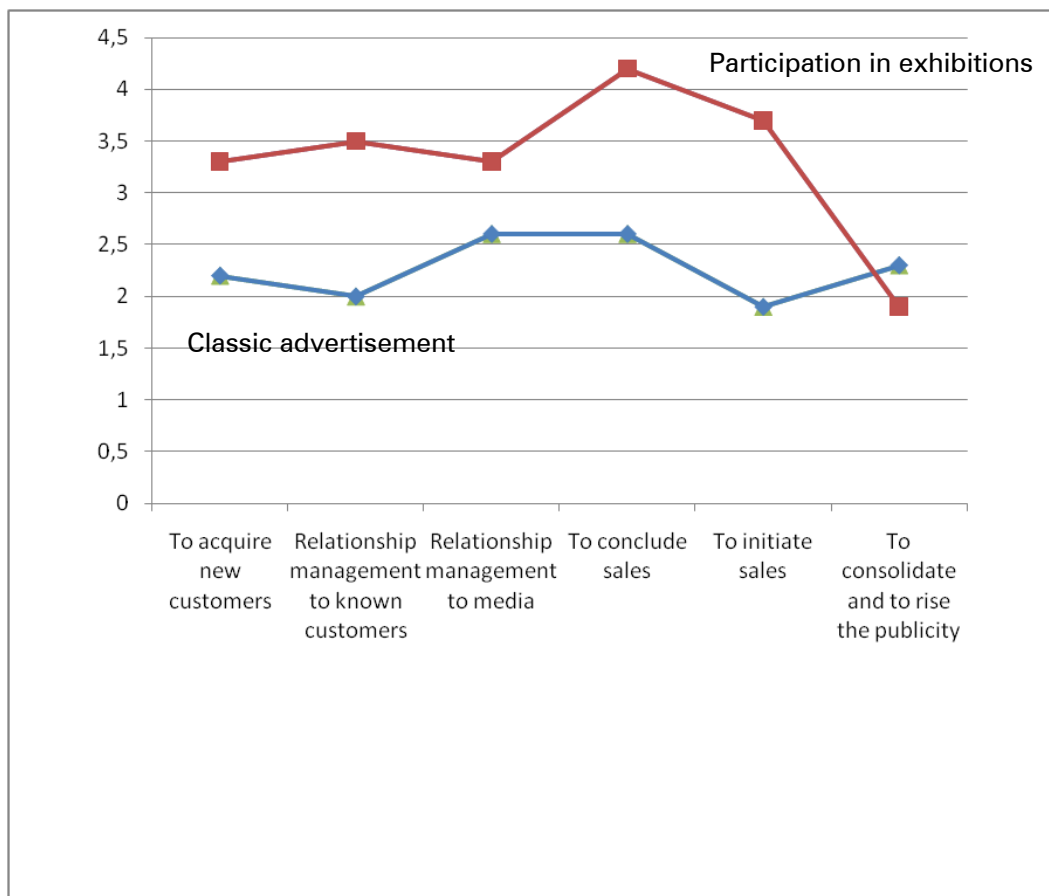
### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

Media comparison:

Advantages of the marketing tool "participation in exhibitions"

Managers from industrial enterprises in Germany were asked to evaluate which communication instrument worked best to reach certain targets. They could grade their answers between 1=excellent and 6=very poor. Below the results of the comparison between "Participation in exhibitions" and "Classic advertisement" are shown.<sup>7</sup>



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<sup>7</sup> Cf. Spryss, Wolf M. Spryss, Messe Institut, Laubenheim 2004

### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

#### Exhibition Venues - The Global Situation

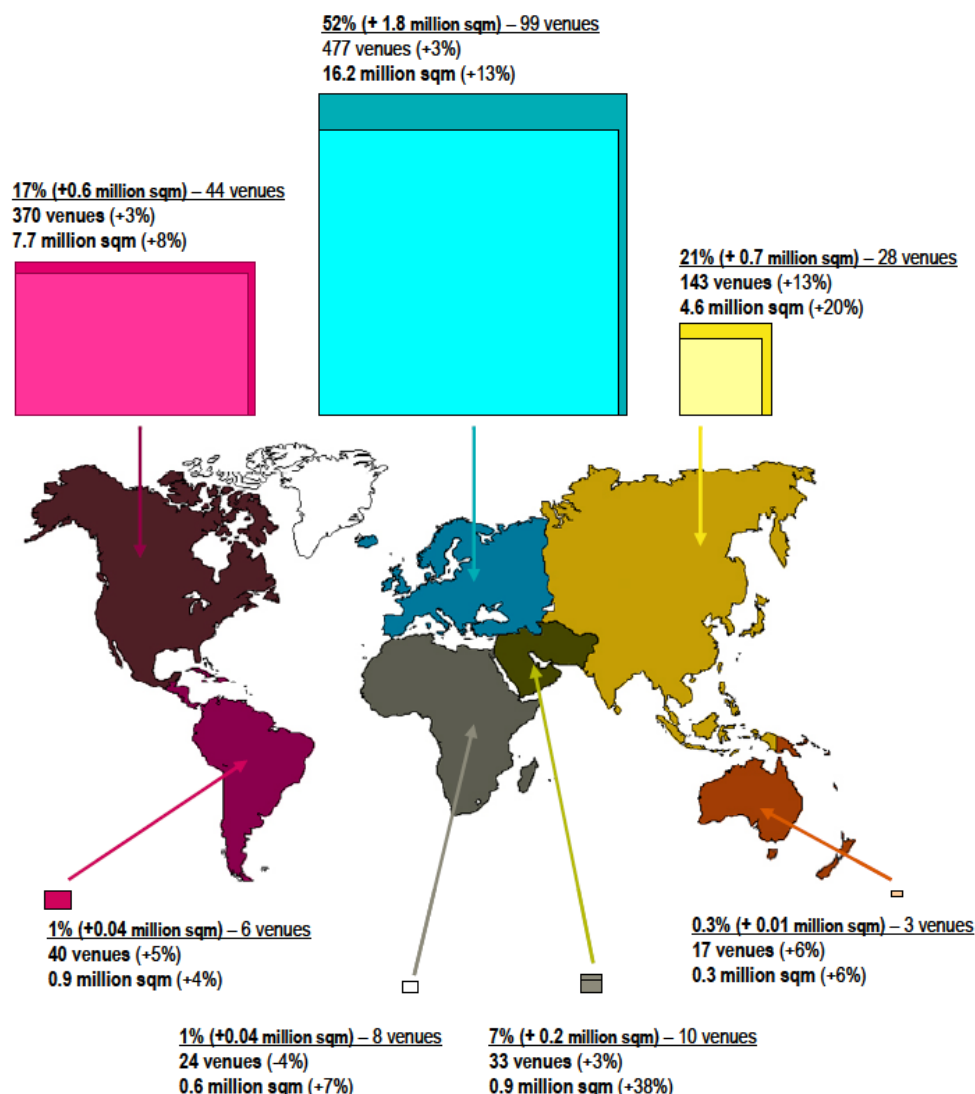
1062 venues (with a minimum of 5000 sqm of indoor exhibition space) were identified for the year 2006 and their total indoor exhibition space reaches 27.6 million sqm.

Europe and North America, followed by Asia offer the highest venue capacities, with respectively 44%, 34% and 12% of the total number of venues, and 52%, 26% and 14% of the total indoor exhibition space.

In terms of countries, five (USA, Germany, China, Italy and France) account for 58% of the total world indoor exhibition space.<sup>8</sup>

#### Venues and Indoor Exhibition Space in 2010

and growth since 2006



<sup>8</sup> UFI ([http://www.ufi.org/media/publicationspress/2007\\_ufi\\_world\\_map\\_of\\_exhibition\\_venues.pdf](http://www.ufi.org/media/publicationspress/2007_ufi_world_map_of_exhibition_venues.pdf))

# III. Benefits of Exhibitions

## B. The Exhibition Industry in the world

### Europe

The European Union represents 30% of the world GDP in 2008 (source: IMF). Because of the many years of experience, especially in Western Europe, more than 50% of the worldwide exhibition space is available in these countries; 465 exhibition centres offer space of 14.3 million sqm (source: CERMES, University Bocconi, Milano).

The leading countries in Europe are Germany with 3.1 million sqm space, followed by Italy (2.1 million sqm) and France (2.0 million sqm). The leading venues are Hanover Messe, Fiera Milano and Messe Frankfurt.

The key figures of exhibitions, exhibitors and visitors show the importance of the European market. The Center for Research on Market and Industries at Bocconi University collects these data regularly.

2008 estimated	Total	Of that: International
Exhibitions	10.800	800
Exhibitors	1.360 million	430.000
Foreign exhibitors	164.000	239.000
Visitors	150 million	43 million
Organizers' headquarters in Europe	1.500	
Organizers also running exhibition centres	300	

For **2008** figures are as follows:

The international exhibitions (mainly devoted to business visitors) cover the following industry sectors:

- industry and technologies (14%)
- apparel, textile and fashion (13%)
- leisure and sport (11%)
- food and catering (8%)
- communication and office supplies (8%)

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### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

##### North America

The US is the world's largest economy. Nearly 25 % of the world GDP (source: World Bank, 2008) is produced in the US. The leading industries including petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber and mining are responsible for this outstanding economic output. Canada contributes 2.5 % to the world GDP.

The North American exhibition industry can be characterised as follows:

- 359 venues exist and offer 7.1 million sqm indoor exhibition space (source: UFI 2007)
- The biggest venue is located in Chicago with 248,000 sqm (McCormick Place) exhibition space
- Las Vegas designates app. 370,000 sqm
- App. 70% of the venues are in public ownership
- Due to the history of the exhibition industry most of the organizers are associations
- The industry is partly fragmented. There are many "small" organizers with only one or two shows
- The trade shows are national orientated.

Tradeshaw Week, a subsidiary of Reed Elsevier, annually publishes the figures of the 200 most important shows in the US. The key figures for 2008 are as follows

	2008
Number of exhibitions	200
Net space sold (sqm m)	6.62
Number of exhibitors	200 257
Number of visitors (m)	4.6

The International CES Consumer Electronics Show is one of the largest shows in the US. It rents ca. 170 000 sqm indoor space annually. 24.5 % of the 200 largest events take place in Las Vegas.

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### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

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##### Asia

The Asian market for exhibitions is varied. Several regional exhibition markets exist because of the geographic extension of the region.

The most important are:

- China and Hong Kong
- Singapore
- Japan
- Korea
- India

The development of the markets is different. China, Singapore and Korea show extensive progress while India is developing slowly. Statistical data are difficult to research as neither uniform definitions and standards nor a general obligation to audit the shows exist. UFI members, however, are obliged to audit "Approved events", thus ensuring visitors and exhibitors of declared quality.

	No. of exhibitions identified	Estimated annual size in m <sup>2</sup>	Average size per fair in m <sup>2</sup>
China	493	7,647,500	15,512
Japan	360	2,056,750	5,713
Hong Kong	85	822,500	9,676
Korea	146	745,750	5,108
India	131	693,500	5,294
Australia	165	510,250	3,092
Taiwan	62	458,500	7,395
Thailand	71	448,750	6,320
Singapore	69	229,250	3,322
Malaysia	47	223,250	4,750
Indonesia	41	161,000	3,927
Vietnam	47	140,750	2,995
Philippines	35	80,500	2,300
Macau	16	66,250	4,141
Pakistan	25	64,250	2,570
<b>Total</b>	<b>1,793</b>	<b>14,348,750</b>	<b>8,003</b>

Source: BSG research & analysis

#### Trade fair markets by estimated net square metres sold, 2008

14.3 million sqm of space was sold by trade fair organizers to their clients in Asia in 2008. Of that total, almost 53% was sold in China, an increase compared to 2007. Among the 1,793 trade fairs included in the BSG database, 853 or 47.5% were held in China and Japan.<sup>9</sup>

<sup>9</sup> [http://www.ufi.org/media/membersarea/studies\\_reports/2009\\_bsg\\_report\\_summary\\_and\\_order\\_form.pdf](http://www.ufi.org/media/membersarea/studies_reports/2009_bsg_report_summary_and_order_form.pdf)

### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

The dominance of the Chinese exhibition industry is illustrated by the following diagram. 61 exhibition centres or 57% of the Asian centres are located in China. If you consider the gross indoor space, even 2/3 of the indoor hall capacity sqm is offered in China.

Number and size of international exhibition centres in Asia, end 2009 <sup>10</sup>

	No. of centres	2009 Total Gross Indoor Size in sqm
China	87	3,634,489
Japan	12	350,606
India	12	257,457
Korea	12	223,326
Thailand	7	209,905
Singapore	4	203,600
Hong Kong	3	151,920
Australia	8	115,242
Taiwan	4	105,409
Macau	2	76,715
Malaysia	4	71,292
Pakistan	2	39,045
Vietnam	4	33,793
Indonesia	3	31,656
Philippines	1	8,300
<b>Total</b>	<b>165</b>	<b>5,512,755</b>

Source: BSG research & analysis

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<sup>10</sup> UFI (Trade Fair Industry in Asia 2nd edition)

### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

The Chinese organizers are responsible for nearly half of the exhibition space rented in Asia.

#### China: Market of the future for exhibitions

Trade fair markets by estimated net square meters sold, 2008<sup>11</sup>

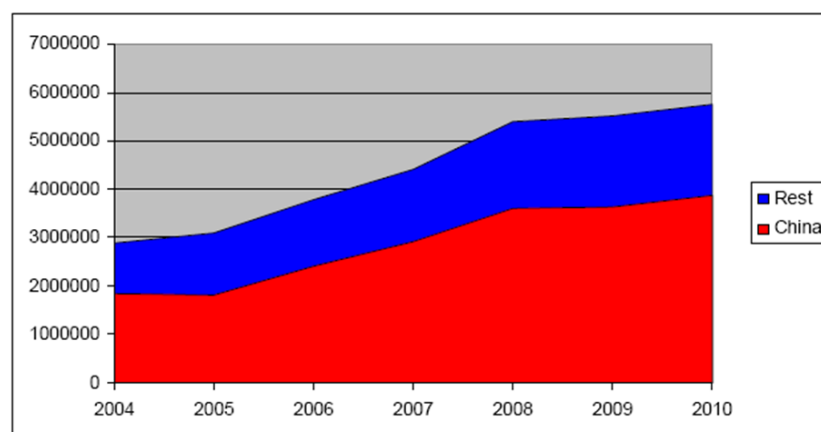
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Pakistan	25	64,250	2,570
<b>Total</b>	<b>1,793</b>	<b>14,348,750</b>	<b>8,003</b>

Source: BSG research & analysis

The exhibition market in China has been growing fast for more than six years and the continually expanding number of high-quality venues opens up opportunities for organizers in second and third tier cities in China.

Significant challenges arise from a highly fragmented exhibition market with a large number of trade fairs with similar names and similar themes competing for business in the same local markets. Experts expect a wave of consolidation to play out over the next several years in China.

China as a percentage of Asia's total exhibition space<sup>11</sup>



Source: BSG research & analysis

<sup>11</sup> UFI (The Trade Fair Industry in Asia, 2nd Edition)

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### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world



Shanghai Skyline

Dale Ellerm ([http://www.flickr.com/photos/dale\\_ellerm/](http://www.flickr.com/photos/dale_ellerm/))

In 2008, the formal exhibitions held in China exceeded 3000, with direct revenues of 14 billion Yuán (2 billion USD). The revenues of related industries were about 130 billion Yuán (18.6 billion USD), realizing excellent economic and social benefits.

As far as the exhibition scales and strengths are concerned, Beijing, Shanghai and Guangzhou had been the center cities of Chinese conventions and exhibitions, with the market shares accounting for 10 to 20% of the whole market shares.

China is the country with the largest population in the world and huge market space and consumption potentials. Compared with the annual hundred billion USD convention and exhibition market in the world, the Chinese annual convention and exhibition industry with a scale of over two billion USD scale has a large potential of growth. This growth potential needs to be explored for the investors regardless of the convention and exhibition industry or its related industries.<sup>12</sup>

<sup>12</sup> China Research & Intelligence



### III. Benefits of Exhibitions

#### B. The Exhibition Industry in the world

#### Russia

The Russian exhibition industry has available 640,000 sqm of exhibition space available. It is highly concentrated in Moscow, where 65% of all Russian exhibitions take place and more than 80% of the international shows. St. Petersburg is another important trade fair city. The construction of modern exhibition centres is planned in the following regions – St. Petersburg, Novossibirsk, Krasnodar and Yekaterinburg.

The main exhibition sectors in Russia include construction, transport, manufacturing, mining, food and drink.

The number of organizers is estimated to be 650. This shows the fragmentation of the industry. Some big players dominate the market.



**Lenexpo St. Petersburg**

today and tomorrow

<http://www.lenexpo.ru>



**Crocus Expo Moscow**

tomorrow

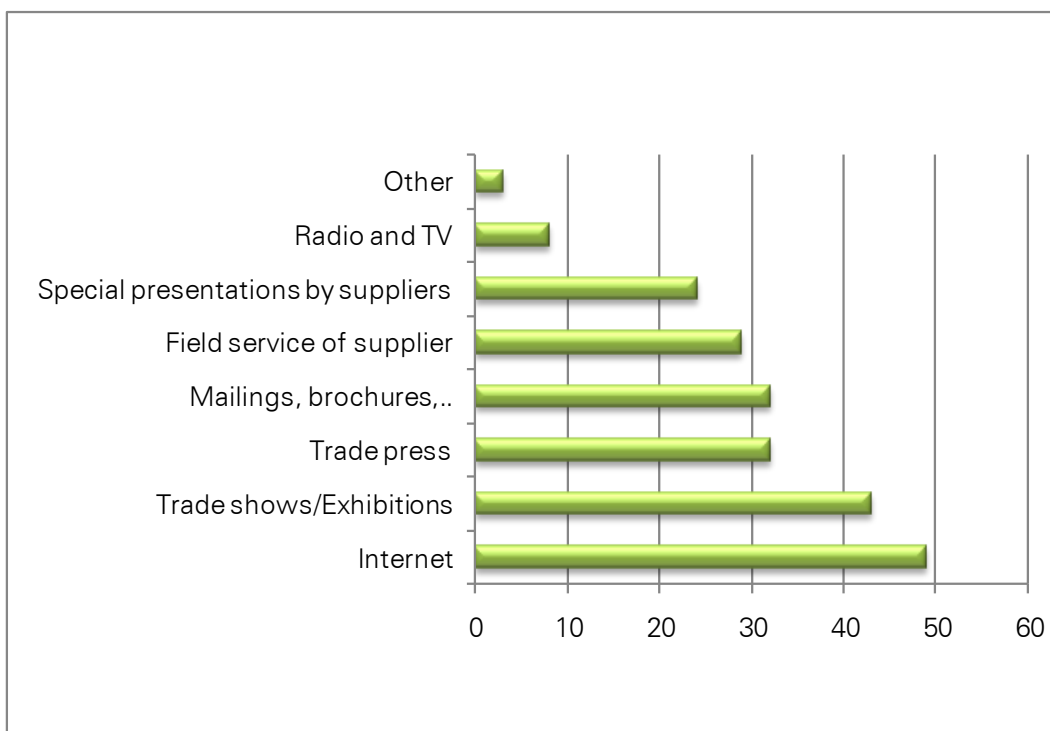
<http://www.crocus-expo.ru>

### III. Benefits of Exhibitions

#### C. Importance for Exhibiting Enterprises

##### Decision making of exhibitors: Media comparison

Organizations use different communication instruments to reach their marketing objectives. To make the decision, of which instruments (see chart below) to use, it is important to know how effectively each instrument works. The evaluation of all communication tools concerning marketing objectives leads to the following ranking. The "participation in exhibitions" ranks as the No. 1 tool (2.22). Personal selling follows. Both instruments emphasize face-to-face communication. The other instruments are less effective.<sup>13</sup>



Investment and buying decisions have to be carefully prepared. The interviewees were asked which information sources they use for preparation of these decisions.

Nearly half of the deciders use the internet. Trade shows and exhibitions (43 %) are another important source followed by the trade press (32 %) and "mailings, brochures and catalogs" (32 %).

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<sup>13</sup> Cf. Anonymous, Trade Fairs and Trade Fair Visitors in Germany, Hamburg 1992, pp. 126 -131.

### III. Benefits of Exhibitions

#### C. Importance for Exhibiting Enterprises

##### Advantages of trade fair participation for exhibitors

What are the reasons for such a high ranking of exhibitions?

If we look at the peaks of the evaluation there are three major advantages.

These are:

- to introduce new products and services
- to initiate sales
- relationship management with known and future customers.

Exhibitions are of high public interest. Important sellers and buyers visit a show. Media representatives use the events for publishing news about products and trends. Therefore trade fairs are useful for product launches. Because of these reasons sales are initiated, too. There is a so-called "transposing-and-delay effect", which means an exhibitor may realize a turnover from a show more than 12 months after the closure of a show, particularly at an industry show.

Face-to-face contact provides the opportunity to directly address potential clients. Within the company's Customer Relationship Management (CRM), trade fairs are important tools to build up confidence. They are used together with other marketing tools, e.g. the internet, direct marketing, personal selling.

Trade fairs offer the chance to promote the company and analyse the competition. In this way, the existing high public interest can be used to meet objectives such as image-building, positioning and brand recognition. Trade fairs offer further advantages to business people, chiefly the ability to network within the industry while achieving major marketing goals.<sup>14</sup>

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<sup>14</sup> Cf. Kerin, Roger A. and William L. Cron. 1987. "Assessing Trade Show Functions and Performance: An Exploratory Study." Journal of Marketing 51 (July): 87-94.

### III. Benefits of Exhibitions

#### C. Importance for Exhibiting Enterprises

##### Types of Exhibitors

The following cluster analysis of exhibitors shows that there are various approaches, objectives and priorities which determine different types of exhibitors:<sup>15</sup>

- Cluster I: "Hard sell exhibitors"
- Cluster II: "Communication-oriented relationship-managers"
- Cluster III: "Competition-oriented representatives"
- Cluster IV: "Hybrid exhibitors"
- Cluster V: "Ambitious regional exhibitors"

##### Cluster I: "Hard sell exhibitors"

This group of exhibitors

- is completely focused on meeting targets
- prefers specialist trade shows with a homogenous group of exhibitors, where direct selling is common
- includes goals achieving a set turnover, as well as remaining within the budget, especially in comparison to participation in other events

The larger the company, the higher the tendency to monitor the competitors.



<sup>15</sup> Cf. Küffner, Georg, Mortsiefer, Joachim, Messeplatz Europa. Messen als Bestandteil des betrieblichen Marketings, Frankfurt 1990, p. 18]

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### III. Benefits of Exhibitions

#### C. Importance for Exhibiting Enterprises

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REMARKS

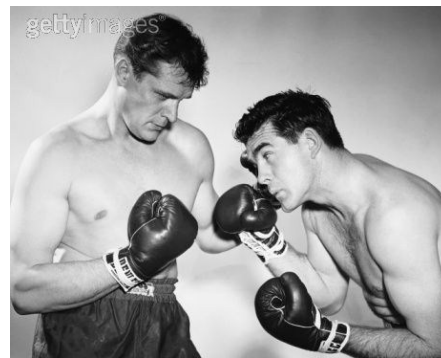
##### Cluster II: "Communication-oriented relationship- managers"

- Aim their efforts primarily at implementing communication objectives
- Prefer international trade fairs that are accompanied by other events, all of which are informational in nature
- Aim to demonstrate their ability to solve problems
- Priority is given to analysis of protocols of conversation and structural composition
- They are strong adherents of Customer Relationship Management techniques (CRM)



##### Cluster III: "Competition-oriented representatives"

- Are only rarely concerned with specific goals
- Prefer a position within a heterogeneous group of exhibitors and most often participate in national and regional trade fairs
- Are willing to compete and watch rival activities closely, often adopting their tactics, especially stand design
- Success is measured in terms of visitor numbers.





### III. Benefits of Exhibitions

#### C. Importance for Exhibiting Enterprises

##### Cluster IV: "Hybrid exhibitors"

- Do not set extraordinary goals, although employee motivation as a goal is common
- Tend towards international trade shows because of their informational nature



##### Cluster V: "Ambitious regional exhibitors"

- Aim at merchandising their goods (emphasis on product-policy)
- Are very interested in creating a positive image
- Are also very ambitious at evaluating success and comparing the effectiveness of marketing tools

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REMARKS

## IV. Integrated Exhibition Marketing

### A. Information Sources

There are a number of **reliable sources** which distribute information about trade fairs. Many countries support their industries. Information on where and how to participate in trade fairs is often available from the responsible government body or from the national Chambers of Industry and Commerce.

The following information sources can be used:

- Trade fair companies and event organizers
- Chambers of Industry and Commerce
- Chambers of Industrial Crafts
- Trade associations
- International databases
- National and international auditing companies  
(i.e. companies which audit statistical data of trade fairs)
- National associations of the exhibition industry

#### UFI, the global association of the exhibition industry

UFI is the association of the world's leading tradeshow organizers and exhibition centre operators, as well as the major national and international exhibition associations, and selected partners of the exhibition industry. UFI's main goal is to represent, promote and support its members and the exhibition industry worldwide.

By promoting the unique characteristics of trade fairs, UFI:

- Provides an efficient networking platform where professionals of the exhibition industry can exchange ideas and experiences;
- Promotes trade fairs and exhibitions globally as a unique marketing and communications tool;
- Provides its members with valuable studies and research regarding all aspects of the exhibition industry;
- Offers educational opportunities and a variety of professional seminars;
- Deals with issues of common interest to its members through regular meetings of its regional chapters and thematic working groups.



## IV. Integrated Exhibition Marketing

### A. Information Sources

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#### REMARKS

UFI represents 535 member organizations in 83 countries around the world. 844 of its members' exhibitions have earned the UFI Approved Event quality label.

UFI members are currently responsible for more than:

- 4,500 exhibitions, most of them being international;
- 50 million square metres of space rented annually;
- 1 million exhibitors each year;
- 150 million visitors annually;
- 12 million square metres gross rentable exhibition space.<sup>1</sup>

#### SISO

In 1990, 12 independent show producers felt the need to discuss industry issues as they related to the for-profit organizer. This group, representing the leading independent shows decided to form an association of like-minded show producers that would be dedicated to meeting the needs of the for-profit show producer. That was the formation of SISO – The Society of Independent Show Organizers.



If there is one body that encompasses the influence and strategic thinking of the for-profit trade show industry, one will find it at SISO, the only place where presidents, owners, and CEOs of for-profit show producer companies meet, exchange ideas, share experiences, launch industry-wide projects, and learn from each other. SISO today represents more than 160 member companies that range in size from smaller hotel meetings and exhibitions, to companies with billion dollar global portfolios... and these exhibitions represent just about every industry sector.

SISO members produce more than 3,000 events globally including trade and consumer shows, industry and targeted conferences, and other face-to-face events. Members operate and own their own shows as well as manage shows for others. SISO members are diverse in size and scope.

<sup>1</sup> <http://www.ufi.org>

## IV. Integrated Exhibition Marketing

### A. Information Sources

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#### REMARKS

The mission of the Society of Independent Show Organizers is to meet the needs of CEOs and senior management of for-profit show producers in an environment where strategic and tactical decisions can be implemented to maximize their profit potential by providing:

1. Peer networking opportunities
2. Education
3. A consolidated voice to customers, suppliers, educational institutions and government bodies, whether independently or in cooperation with other industry associations
4. Research, white papers, industry trends, and best practices in the events industry<sup>2</sup>

#### IAEE

The International Association of Exhibitions and Events (IAEE), formerly the International Association for Exhibition Management (IAEM), is a trade association established to promote the growth and expansion of the world wide exhibition industry. This includes professionals who organize, conduct, and support trade shows, exhibitions, meetings, and events at private and public venues. IAEE accomplishes its mission through education and advocacy programs that serve more than 6,000 members in 52 countries. In addition to hundreds of individuals, IAEE's serves partner vendors and service organizations that have business interests in the exhibition industry.



IAEE was founded in 1928 as the National Association of Exhibition Managers, to represent the interests of trade show and exhibition managers.

IAEE promotes the unique value of exhibitions and other events that bring buyers and sellers together such as road shows, conferences with an exhibition component, and proprietary corporate exhibitions. IAEE is the principle resource for those who plan, produce and service the industry.<sup>3</sup>

<sup>2</sup> <http://www.siso.org>

<sup>3</sup> <http://www.iaee.com>

## IV. Integrated Exhibition Marketing

### A. Information Sources

- **Expo-Online-Databases Germany, USA and Asia**  
There are several databases available providing information about trade fairs. Click on the company name for access to their database.
- **Asian Sources ([www.asiansources.com](http://www.asiansources.com)):**  
Database for Asian exhibitions. Additional information about new products, Online-Product research, direct contacts to producers, exporting and importing companies. Co-operation with "Trade Show Central".
- **AUMA ([www.auma.de](http://www.auma.de)):**  
Database for both german and international exhibitions  
The AUMA database provides detailed statistical information about trade fairs in germany and foreign trade fairs organized by German companies.
- **Exhibitions round the world ([www.exhibitions-world.com](http://www.exhibitions-world.com)):**  
Asia-database. 86 research categories. The following information is available online: Export and exhibition guide, directory of exhibition companies, stand constructing companies and hotels.
- **Expobase ([www.expobase.com](http://www.expobase.com)):**  
Large database of German and foreign exhibitions. Leads to information about stand constructing companies, hotels, services, forwarding trade.
- **Expoweb ([www.expoweb.com](http://www.expoweb.com)):**  
Expo-database of US expositions with 78 industrial segments, alphabetic registration.
- **Trade Show Central ([www.tscentral.com](http://www.tscentral.com)):**  
Database of more than 30,000 worldwide registrated exhibitions; less information. Additional information can be ordered by e-mail. Co-operation with "Asian Sources".
- **The Trade Show News Network ([www.tsn.com](http://www.tsn.com)):**  
Database of US exhibitions with research within 108 industrial segments. Newsletter free of charge with tips about exhibitions and marketing. Online-booking of hotels, tickets and car-rental. Experts answer questions about exhibitions and marketing. Monthly online answering of questions.

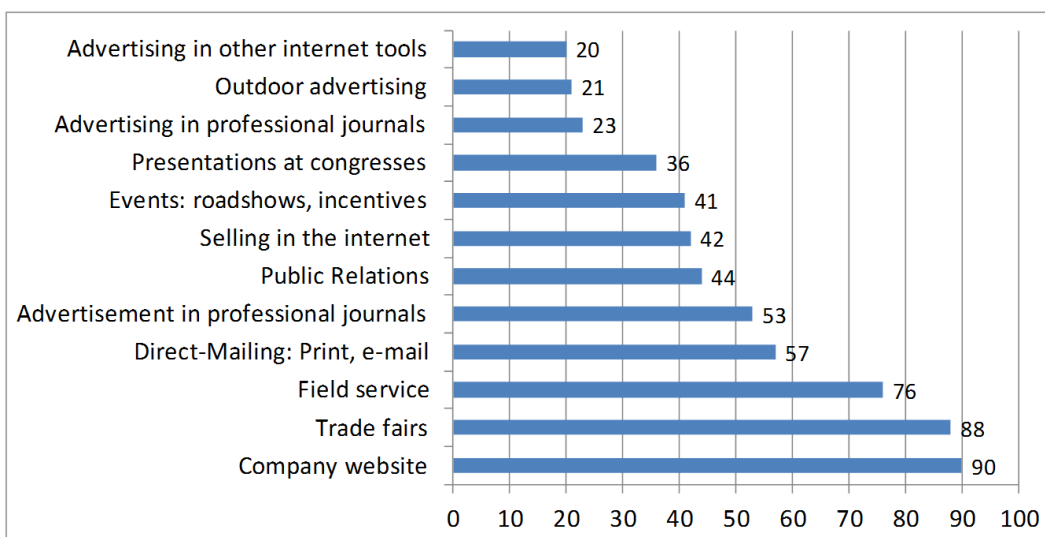
## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

Trade fairs are multifunctional:

- they can be mixed with separate instruments and can hardly be seen as independent without overlapping with other tools, such as advertising or promotion
- must be integrated into a company's strategic marketing concept, and adjusted to the other marketing tools
- all other marketing instruments must be adapted to the fair participation and repeatable, because "Trade show participation is too expensive to be limited to the exhibit alone"<sup>4</sup>

The importance of specific communication tools and media: n=502 exhibitors (source: AUMA 2010)



AUMA, the German association of the exhibition industry, regularly conducts a survey about the use of the actual and future use of trade fairs by representative German enterprises. The latest questionnaire of 2010 contained a question about the importance of different communication tools.

<sup>4</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, p. 379.



## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

The company's internet presence was classified as the the most important communication tool (90%), followed by trade fairs and exhibitions (83%) and the company's customer relations in the field service (76%). Two of these tools focus on personal contacts. A less important group of marketing instruments includes: Direct-Mail (57%); advertising in professional journals (53%), public relations (44%), product sales via internet (42%), other events (e.g. roadshows, 41%) and presentations at congresses (36%). The other communication tools are of minor importance (e.g. advertising: outdoor, using other internet tools, in newspapers, canvassing, sponsoring, TV and radio).

#### Trade shows and exhibitions link to business:

- Product policy
- Distribution policy
- Contract policy
- Promotion policy

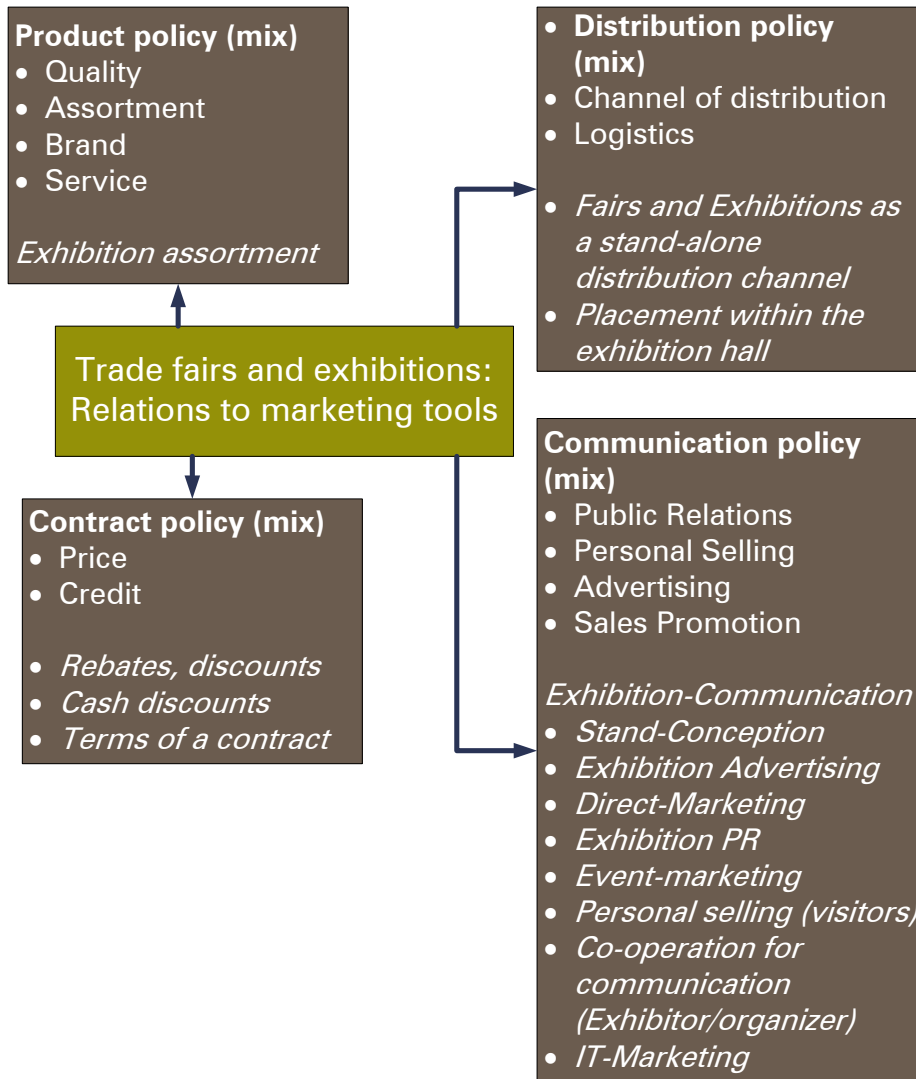
Trade fair participation can be regarded as a stand alone communication tool or as a complement to other marketing tools. Trade shows require a combined input of different communication tools. Many other marketing instruments: e.g. advertising, public relations, promotion, have to be used to successfully participate at the trade show.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

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REMARKS



#### Product policy

Product policy is of little importance for the participation in trade shows.

Exhibitors who are using trade shows as an independent distribution channel combine products and services to get a special fair package. This package is sold as a unique offer, only available at the trade show.

To match the trade show nomenclature which is allowed by the organizer, the exhibitors must select corresponding company products.<sup>5</sup>

<sup>5</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 317-330.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Distribution policy

Distribution can have two purposes for exhibitors.

In some market segments trade shows are used as a unique distribution channel and play an important role in selling the company's products (e.g. the jewelry and watch industry).



Exhibitor's booths at BASWELWORLD, Basel, Switzerland  
<http://www.baselworld.com>

The placement of the exhibitor's booth in the exhibition area can be regarded as a distribution decision as well. The right placement – high frequency of visitors – will influence the individual success of the exhibitor.<sup>6</sup>

#### Trade fairs and exhibitions: Relations to marketing tools

- **Distribution policy (mix)**
- Channel of distribution
- Logistics
- *Fairs and Exhibitions as a stand-alone distribution channel*
- *Placement within the exhibition hall*

<sup>6</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio :

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Contract policy

To motivate customers to visit the trade show and to buy products and services there is the possibility to offer special trade show prices to the visitors.

They get discounts depending either on their exhibition presence or on the product quantity bought. Sometimes special terms of payment are offered. Visitors might postpone regular purchases to take advantages of the reduced prices.<sup>7</sup>

Trade fairs and exhibitions:  
Relations to marketing tools



#### Contract policy (mix)

- Price
- Credit
- *Rebates, discounts*
- *Cash discounts*
- *Terms of a contract*

<sup>7</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 331-356.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Communication policy

The participation in trade fairs is first and foremost a communication or promotion tool, to promote products, services and brands. On the following pages the specific communication tools used for the exhibition participation are described:<sup>8</sup>

#### Trade fairs and exhibitions: Relations to marketing tools

##### Communication policy (mix)

- Public Relations
- Personal Selling
- Advertising
- Sales Promotion

##### *Exhibition-Communication*

- *Stand-Conception*
- *Exhibition Advertising*
- *Direct-Marketing*
- *Exhibition PR*
- *Event-marketing*
- *Personal selling (visitors)*
- *Co-operation for communication (Exhibitor/organizer)*
- *IT-Marketing*

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REMARKS

<sup>8</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio: South-Western, 2002, pp. 370-380.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Stand Conception

Several experts are necessary to complete an attractive and informative booth: e.g. experienced architects, stage designers, graphic artists, craftsmen, and booth builders.

- A booth concept is a three dimensional way of promoting a firm. Colours, light, design and audio-visual techniques are used to present products and services.
- The pictures show different ways of using the possible design elements.

As the stand-conception is unique compared to other marketing tools, it is introduced in more detail in Chap. V.D "Stand Impact".



IF communication design 2009 awarded fair stands  
<http://www.ifdesign.de>



## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

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#### REMARKS

#### Trade fair communication activities

- An **advertising campaign**<sup>9</sup> can be used to announce a company's trade show participation and to invite special target groups.

Direct marketing has to be regarded as a corresponding tool to motivate customers to visit the trade show.

- Trade fair - **Public Relations**:<sup>10</sup>

Depending on the company's significance different public relations instruments can be used: press conference, press kits, press interviews. These tools help to announce the company's participation, to promote new products and to improve the firm's image.

- **Marketing events**<sup>11</sup> can be used as additional attractions. They are realized either at the booth or can be organized outside the exhibition area. Marketing events help to produce emotions and support the efficiency of the use of the other tools.

- **Personal selling**:<sup>12</sup>

Trade shows are a special tool to build up relations and to have personal contacts to actual or prospective customers. As exhibitions are predestinated by the face-to-face contact to customers, customer relation management can be practiced personally and directly.

- **Co-operation for communication**<sup>13</sup> The organizer's and exhibitor's interests are equal concerning the promotion of visitors. The more quality visitors present at the trade show, the better for both parties. Therefore organizers offer different material which can be used by the exhibitor: e.g. brochures, leaflets, area plans, free entry tickets.

<sup>9</sup> Mason, Ohio : South-Western, 2002, pp. 632-638.

<sup>10</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason, Ohio : South-Western, 2002, pp. 641-643.

<sup>11</sup> Cf. Goldblatt, Joe Jeff; Special Events, 2nd edition, John Wiley & Sons, New York et al. 1997, pp. 6-10.

<sup>12</sup> Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason, Ohio : South-Western, 2002, pp. 638-639

<sup>13</sup> Cf. Goldblatt, Joe Jeff; Special Events, 3rd edition, John Wiley & Sons, New York et al. 2002, pp. 261-275.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

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#### REMARKS

#### IT-Marketing

- During the last years IT-Marketing has become a very successful tool to contact potential customers and to open new markets.  
Organizers offer special websites where the exhibitors are able to present their products and services.
- There should be a newsletter to announce the participation. Before and during the participation the exhibitor informs his customers and other target groups about special events at the trade fair.
- A label signet which announces the participation should be attached to every outgoing e-mail in a digital form.<sup>14</sup>



E-Mail Marketing Kit

<http://www.flickr.com/photos/johnnonolan>

<sup>14</sup> Cf. Goldblatt, Joe Jeff; Special Events, 3rd edition, John Wiley & Sons, New York et al. 2002, pp. 275-276.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### New Media - Word of mouth and user generated content

Surveys conducted both in Europe and in the USA show that word of mouth is one of the most commonly used sources of information to decide whether to take part in an exhibition or not (by exhibitors and visitors), both for B2B and B2C exhibitions

The exhibition industry has been affected by the development of communication models based on the new role of the consumer. The changes are driven by:

- Low interest for traditional mass media
- Increased consumption awareness
- Need for personalization and customization (e.g. iPod, Myspace, Youtube, ...)
- Development of new technologies related media (internet, blogs, virtual communities, e-newsletter)



## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

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#### REMARKS

#### New Media - Viral Marketing

Viral marketing is the rapid, uncontrolled transfer of messages between individuals and existing networks of relationships: the message is conveyed by word of mouth or the online media, such as blogs, chats and websites and is based on the existence of a reference community to which all the interlocutors belong.

Advantages:

- ease of executing the marketing campaign
- relative low-cost (compared to direct mail)
- good targeting
- high and rapid response rate.

Viral marketing is new as regards the methods of presentation, but it has ancient origins. Fairs themselves are viral communication tools:

- based on communities comprising manufacturing companies and purchasing companies in a particular sector,
- have always encouraged interaction and the exchange of information

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

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#### REMARKS

**Integrated Marketing Communications (IMC)** is “a planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time.” (Marketing Power Dictionary)

Integrated Marketing Communications is a term used to describe a holistic approach to marketing. It aims to ensure consistency of message and the complementary use of media. The concept includes online and offline marketing channels.

Online marketing channels include any e-marketing campaigns or programs, from search engine optimization, pay-per-click, affiliate, e-mail, banner to latest web related channels for webinar, blog, podcast, and Internet TV.

Offline marketing channels are traditional print (newspaper, magazine), mail order, public relations, industry relations, billboard, radio, and television.

A company develops its integrated marketing communication programme using all the elements of the marketing mix (price, place, product, and promotion).

The participation in trade shows is often used as an opportunity to promote new products and services or to announce the company’s new marketing strategy. As exhibitions are only one of several promotion tools – sometimes the main communication tool – it is important to use all instruments well coordinated in content, design and time. This way of integration should also be used for the announcement of the trade show participation itself.

## V. Trade Fair Participation

### A. Selection Criteria

Trade shows are useful for many company strategies: e.g. launching new products, opening new markets, improving customer relationships. Each potential exhibitor has to select the right show for each purpose. Therefore he should use as many information sources as possible. The better the information concerning a show's quantity and quality, the better the chance for a successful participation. Based on this information the exhibition manager has to define criteria and objectives for the company's trade fair participation.

The following criteria are relevant:

1. Types of trade fairs available for the product segment
2. Relevance of the trade fair for the market
3. Client target group
4. Competition
5. Costs
6. Quality of the trade fair organizer
7. Basic conditions



## V. Trade Fair Participation

### A. Selection Criteria

#### 1. Types of trade fairs

- National or international exhibitions - Consumer show or trade show

In order to use trade fairs efficiently as part of the marketing mix, it is necessary to be selective. The type of exhibition - national or international, consumer or trade show - will be a first criterion to decide if the company's marketing strategy and objectives can be achieved.

- If the company's catchment area is nationally orientated the exhibition management should select exhibitions in which national exhibitors take part and where mostly domestic visitors are expected.

If the company exports its products and services to foreign countries the participation in international exhibitions either of the home country or of the selected country is recommendable. The more visitors of the foreign country are expected to come the better the decision for the respective exhibition.

- The decision either to participate in a trade show or in a consumer show is another criterion which has to be considered when selecting the right exhibition. Consumer shows are primarily for direct selling. If the direct target groups are primarily consumers the appearance at a consumer show is preferable.

The B2B business takes place at trade shows. As investment decisions are as a rule middle or long term orientated the participation in trade shows for manufacturing goods serves to develop relations with customers and clients. The final purchasing decisions are often made after the event (e.g. IT shows, building machinery).

Trade shows for consumer goods work differently. The visitors are retail shops or comparable enterprises which make their purchasing decisions at the respective show (e.g. gifts, food, bike shows).

## V. Trade Fair Participation

### A. Selection Criteria

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#### REMARKS

#### 2. Relevance of the trade fair for the market:

The importance of a trade fair can be determined by different indicators:

- Presence of the market
  - Recurrence of the trade fair
  - Themes
  - Quality of supply and demand at the trade fair
  - Completeness of the permitted market segments
  - Catchment area
- 
- The presence of the market can be measured by the number and quality (i.e. market leader) of companies representing the supply and demand of the market segment.
  - Exhibitions take place on a regular basis:  
once, twice or more often during a year, every two, three years or even in longer periods. Depending on the marketing strategy and event schedule the right exhibitions should be selected.
  - The subjects and the nomenclature of the exhibitions is of importance for the decision to participate or not.
  - The quality of supply and demand is represented by the presence of high ranking managers and visitors. Information is available from the organizers.
  - The catchment area can be regional, national or international, i.e. the visitors are expected to come from these areas. Depending on the exhibiting companies' targets, this criterion is of importance for the final participation decision.

## V. Trade Fair Participation

### A. Selection Criteria

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#### REMARKS

#### 3. Client target group

Exhibitors are looking for trade shows at which they can find the right visitors, i.e. potential buyers for today's or future purchases. Therefore the exhibitor will have to check the visitors of the exhibition following the criteria:

- Regional origin
  - Branch
  - Size of the company
  - Area of operations
- A trade fair is an excellent opportunity to get in direct contact with the relevant target groups. It can be more efficient than the company's field service.
  - Therefore, the company should know whom they want to address at the fair. The design of the trade fair participation should be created according to the target groups.
  - These can be defined based on the following aspects:  
Regional origin, branch and size of the client company, the area of client operations, frequency of client purchasing, and purchasing power.

#### Are Trade shows still important?

If done successfully, exhibiting at trade shows can still be a powerful way of getting products and services in front of potential buyers in the UK and Ireland. There are for example over 500 trade shows each year in the UK and Ireland, and each have the potential to generate significant business in the market. Trade shows, done well, can deliver a number of benefits:

- lead generation – buyers, distributors, agents
- market intelligence – competitor insights, market trends, innovation pre-views
- PR exposure - media, speaking opportunities, in-show awards
- service providers – industry associations, logistics partners, marketing

<http://www.austrade.gov.au/ArticleDocuments/2095/Trade-fairs-in-the-UK-and-Ireland.pdf.aspx>

## V. Trade Fair Participation

### A. Selection Criteria

#### 4. Competition

"Wanted or unwanted"

Sometimes competition is welcome, sometimes an exhibitor avoids competitors.

Following the rules of a market oriented system it is advantageous to be present where your competitors are. However, sometimes it is desirable to avoid direct contacts with competitors (e.g. looking for a test market, in case of obvious competitive disadvantages).



#### 5. Costs

Despite all the advantages of trade shows, the budget must be sufficient to cover the participation. The exhibitor calculates a **budget** based on the **expected costs**.

There are a lot of cost types which have to be considered: e.g. stand rental, stand design, booth provision, personnel, travel and marketing. If the budget is sufficient the participation can be realized. If the exhibitor recognizes that the available budget is smaller than necessary the participation has to be reconsidered or cancelled.

The basic question is: **Can we afford the trade fair participation?**

The budget is calculated based on the expected costs and must be defined before the trade fair participation is contracted. If the budget is sufficient the participation can be realized; if not, the budget or type of participation must be adapted.

## V. Trade Fair Participation

### A. Selection Criteria

#### 6. Quality of the trade fair organizer

The following criteria should be considered:

- Experience and know-how
- Marketing strategy
- Exhibition venue and accessibility

The management quality of the trade fair organizer can also influence the decision to participate. The quality of the equipment of the site, such as space, design, type of halls, open air grounds and the quality of the facilities have to be acceptable. The experience of the organizer supports the quality of the exposition. Transport connections and infrastructure may also influence the participation decision. Is the venue centrally located (geographically); is there sufficient accommodation available?

#### EXAMPLE: Experience and Know-how Montgomery, London



Internationally recognised as a leading pioneer of B2B exhibitions, Montgomery focuses on building relationships with partners and delivering specialist buyers and sellers face to face. Montgomery's long established history dates back over 100 years and all started with the **Building Exhibition** in 1895.

<http://www.montex.co.uk/client/index.aspx?page=1>

## V. Trade Fair Participation

### A. Selection Criteria

#### Exhibition venue and accessibility

##### Hong Kong Convention & Exhibition Centre

Hong Kong is the business hub of Asia, and the Centre is at the business hub of Hong Kong - bustling Wanchai district.

Overlooking famed Victoria Harbour, the Centre is conveniently linked by covered walkways to adjacent luxury hotels, including the Grand Hyatt Hong Kong and the Renaissance Harbour View Hotel. Also close are the MTR - Hong Kong's modern subway system - the airport bus, city buses and ferries, banking, the main post office, and all the shopping and entertainment that Hong Kong is famous for.



[http://www.hkcec.com.hk/english/introduction/intro\\_location.php](http://www.hkcec.com.hk/english/introduction/intro_location.php)



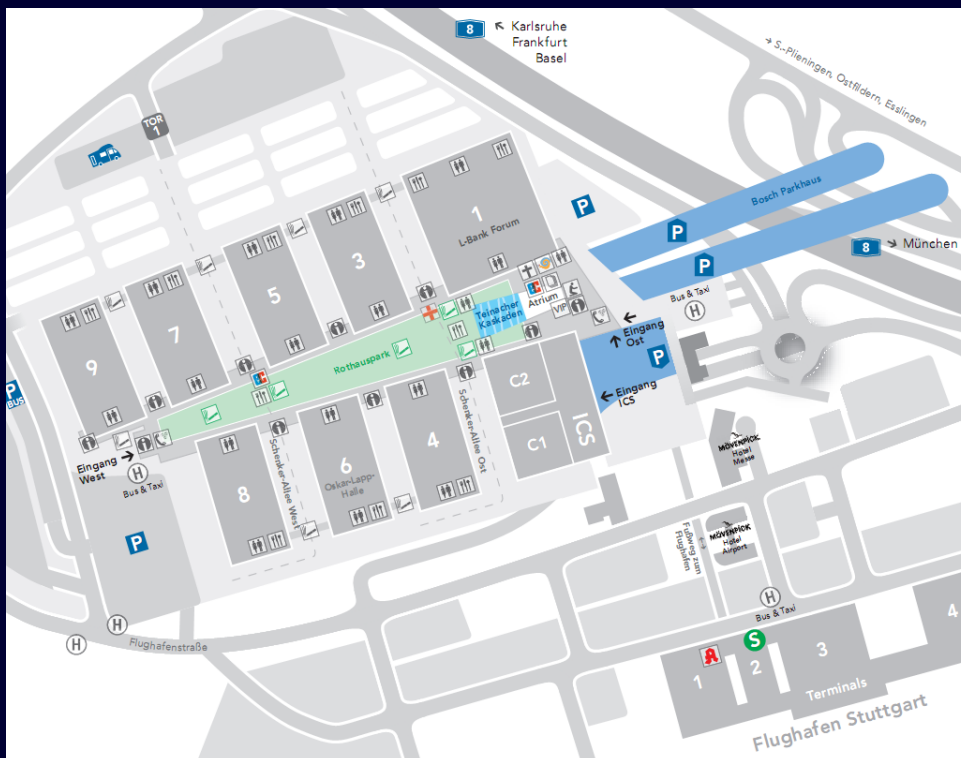
## V. Trade Fair Participation

### A. Selection Criteria

#### Exhibition venue and accessibility

##### Messe Stuttgart, Germany

Messe Stuttgart is an exhibition centre and trade fair next to Stuttgart Airport, 7 miles south of Stuttgart, Germany. The new exhibition grounds, which were completed in 2007, are right next to the A8 autobahn (motorway). The centre can be accessed via the local suburban railway network. Stuttgart exhibition centre encompasses seven standard halls measuring 10,500m<sup>2</sup> and a high hall with a net display area of 26,800m<sup>2</sup> which is also designed to cater for sports events and concerts. The exhibition centre also includes a communication and events centre, the *Internationale Congresscenter* or ICS, which includes a congress hall (4900m<sup>2</sup>), a congress room (2600m<sup>2</sup>) and conferencing facilities encompassing 25 meeting rooms. Thanks to its location between the airport



and motorway, the new Trade Fair Centre has an incomparable traffic infrastructure. Direct connections to the A8 motorway, the B27 trunk road, the airport, the S

-Bahn (rapid-transit railway) and, in future, the planned railway station for local and long-distance trains will ensure that visitors and exhibitors will be able to travel quickly and easily to the Trade Fair Centre.

<http://www.messe-stuttgart.de>

## V. Trade Fair Participation

### A. Selection Criteria

#### 7. Further conditions

- Date
- Availability of personnel
- Situation and participation objectives fit in with the theme of the trade fair
- Representative range of goods on offer

Depending on the market segment, purchasing periods should be taken into consideration. The date of the show has to fit this specification. Because of the internal workloads, sometimes the best booth personnel is not available. In this case the participation should be reconsidered.

It sounds astonishing; if a company exhibits new products the customer expects the products to be available within a particular time after the closing of the trade show.<sup>1</sup>

#### Trade Fair Benefit Check

An increasing number of exhibitors want to calculate the cost-benefit ratio of their trade fair participations more precisely. However, because small and medium-sized companies, in particular, frequently do not formulate any exact trade fair objectives, the benefits of participations are often not determined on a wide enough scale; the focus is thus primarily on the costs. As a result, some companies believe that trade fair participations have an unfavourable cost-benefit ratio.



<http://www.auma.de/mnc/e/mnc-e.html>

<sup>1</sup> <http://www.auma.de>

## V. Trade Fair Participation

### A. Selection Criteria

#### Scoring procedure:

The scoring model shows a hypothetical example for choosing the right trade fair. First of all the criteria need to be selected which are decisive for the quality of an event from the view point of an exhibitor. Some of the most important criteria are already suggested. Further criteria can be included.

- Weighing of the selection criteria. Every criterion gets a weighting corresponding to the individual significance for the quality of the event.
- The trade fairs are assessed with a score between 1 and 10 per criterion. This score shows how the quality is estimated by the exhibitor per criterion and trade fair in relation to the competing fairs.
- Weighting and score are multiplied by each other to calculate the score per fair and criterion.
- The scores are added up for the total assessment. The higher the achieved total assessment, the better the assessment of the respective fair is from the viewpoint of the targets and quality requirements of the exhibitor.

#### Example:

- In the attached case four fairs were judged at four different sites. The choice and assessment has to be understood as an example.
- The trade fair in Valencia has reached the highest total score with 698 for the hypothetical exhibitor. The other trade fairs are following.

## V. Trade Fair Participation

### A. Selection Criteria

Slide 114

### REMARKS

A (weighted) scoring model is a selection technique which is used to choose between projects or decision alternatives. This method helps in cases where there is no simple, single criterion to work with and a number of factors need to be considered.

The following scoring model is based on the attached case study II. The Russian company Kovcheg intends to participate in a European trade show. Four shows have been pre-selected. The evaluation process results in the selection of the favorite trade show in Valencia.

<i>Appropriate trade fair</i>	Alternatives								
	Verona, Italy MARMOMACC	Valencia, Spain, MARMOL	Nuremberg Stone+tec	Brussels, Bel- gium, Batibouw					
	Weight w	Poi nts p	Product w x p	Points p	Product w x p	Points p	Product w x p	Points p	Product w x p
<b>Criteria i</b>									
Target group	28	5	140	7	196	4	112	4	112
Significance of trade show for market	21	6	126	8	168	4	84	4	84
Quota of trade	19	7	133	6	114	5	95	3	57
Booth costs	11	6	66	8	88	4	44	2	22
Catchment area of trade fair	15	7	105	6	90	5	75	4	60
Recurrence (of the trade fair)	6	5	30	7	42	7	42	7	42
<b>Total</b>	<b>100</b>		<b>600</b>		<b>698</b>		<b>452</b>		<b>377</b>

## V. Trade Fair Participation

### B. Exhibition Strategies and Styles

Once a decision to participate has been made, the exhibition strategy, the exhibition style and exhibition targets have to be determined. Exhibition strategy and style complement each other. It has proved to be helpful to follow these planning steps as the exhibition styles make it easier to decide which booth design and which communication tools to choose for the participation.

#### Exhibition (marketing) strategies<sup>6</sup>

- Within the marketing strategy it is decided which products will be offered to which markets. The company can either present new or already known products. It might choose the present markets as relevant for the market offer or new markets which are not yet opened for the company's assessment.
- If you combine the potential markets (new or known) with the type of products (new or known) four market processing strategies can be distinguished.

#### Exhibition style<sup>7</sup>

- The concept of the exhibition style provides a guideline from which the design elements of a booth can be chosen, and the marketing instruments can be selected and finally applied.
- An exhibition style supports the decision making process in the run-up to the exhibition. The management has to choose which communication instruments (i.e. press conference, brochure, direct mailing, special event, banners, advertisement) to use. The exhibition style delivers the criteria for the final decision.

<sup>6</sup> Cf. Ansoff, Harry Igor, Corporate Strategy, revised edition, Penguin, London, 1987.

<sup>7</sup> Cf. Beier, Joerg, The Design Demands of Trade-Fair Architecture versus Commercial Calculation, in: Schulte, Karin (ed.), Temporary Buildings, Stuttgart 1997, p. 227

## V. Trade Fair Participation

### B. Exhibition Strategies and Styles

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REMARKS

Products / Markets	Present products	New products
Present markets	Market penetration  Customer oriented exhibition style	Product development  Product oriented exhibition style
New markets	Market development  Contact oriented exhibition style	Diversification  Advisory oriented exhibition style

#### Market penetration

Customer oriented exhibition style.

Penetration of the market means that the exhibitor tries to boost sales with the help of established products. To this end, old consumers must be motivated to generate higher sales, while new consumers must be convinced for first time purchases. As the application of the products is widely known, attention should be drawn to customer care and relations. In this case, a strong customer-oriented exhibition style is beneficial. Discussion areas where the personnel can talk to the customers are necessary. Advertising in the catalogue, on site maps, in professional journals as well as events at the booth (e.g. customer evenings) are important marketing techniques.



## V. Trade Fair Participation

### B. Exhibition Strategies and Styles

#### Product development

*Product oriented exhibition style.*

The product development strategy emphasizes the selling of new products to acquired customers. The product has to be presented with its application possibilities. This leads to a product-oriented exhibition style. Besides sales promotion (samples, coupons and giveaways), special shows of the organizer, special events at the exhibition hall, and direct mailing are strong marketing techniques, which help to give the product special emphasis.

While planning the booth concept, it is important to make sure that the personnel have enough space for product display and usage.

#### Market development

*Contact oriented exhibition style*

If the strategy is to open new markets, the exhibitor has to gain new customers for its products. Product, company, and brand have to be introduced at the same time. This means that the exhibitor has to make sure that his trade fair presentation is comprehensive as well as catchy. New contacts and open communication have to be given special emphasis.

Therefore, a contact-oriented exhibition style should be preferred. The booth should be created in an open style, in order to invite customers to the booth. The simultaneous promotions - advertising of the exhibitor (e.g. hand-outs), announcement advertising (in trade fair journals or daily newspapers), and outdoor advertising (such as transportation or advertising-banners), along with sales promotion (price competition, lottery, giveaways) are important steps to reach the target groups.

## V. Trade Fair Participation

### B. Exhibition Strategies and Styles

Slide 120

REMARKS

#### Diversification

*Advisory oriented exhibition style.*

The exhibitor's task becomes much more difficult if he diversifies his sales activities. In this case, he cannot fall back on his experience either with known or established markets. Beyond this, he is looking for new customers.

Application possibilities and advantages of the product should be presented and problem awareness should be created. To achieve this, intensive consultation and contacts with experts are necessary.

Therefore an advisory oriented exhibition style should be used. For consultancy it is important to have a quiet seating area. At the same time the presentation of products and brand has to be possible. One option is to divide the booth into two floors.

## V. Trade Fair Participation

### C. Exhibition Targets

Slide 121

REMARKS

Why set targets for the participation in trade shows?

One important step in the participation concept is the definition of exhibition targets, since efficient participation in a trade fair is only possible on the basis of sound goals.

The organizational preparation is influenced by the set goals. After the show they offer the possibility to check the success of the participation.

The content of exhibition targets has to be determined. This includes the definition of the target groups and the determination of the time in which the goals should be realised.

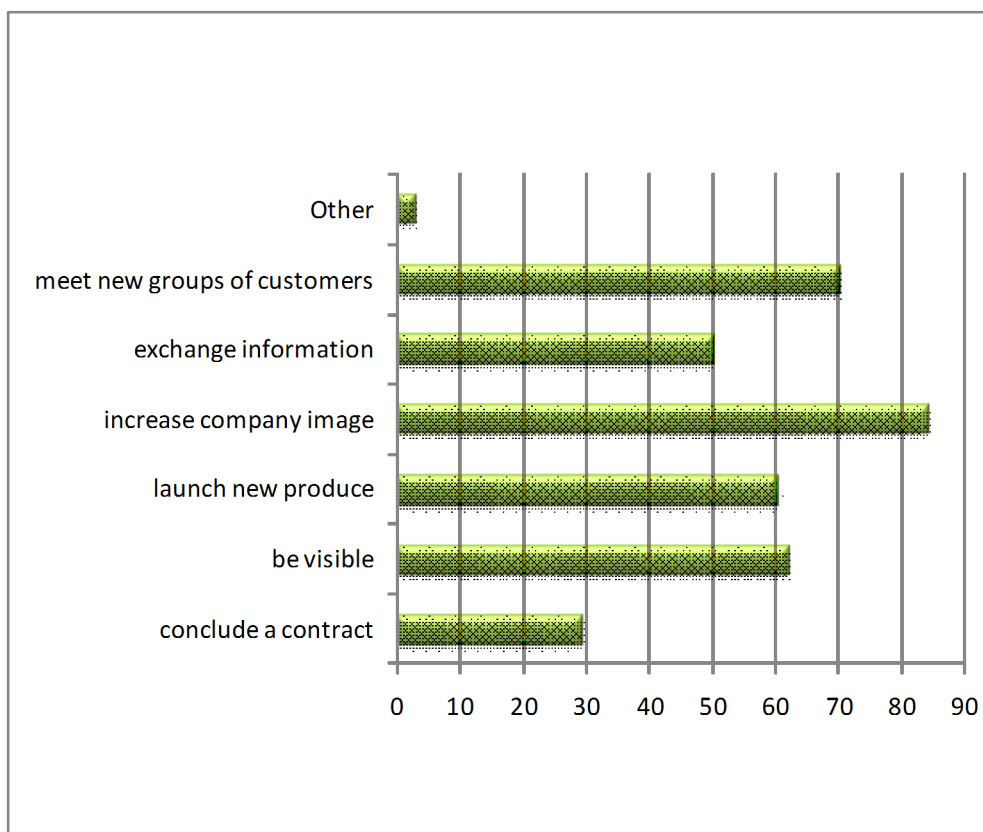


## V. Trade Fair Participation

### C. Exhibition Targets

The diagram shows the results of an empirical market research.<sup>8</sup>

- In this questionnaire, exhibitors have declared that they set the following targets when they participate in exhibitions.
- "To increase company image" was declared to be the most important goal for more than 80% of the exhibitors.
- 70% of the sample emphasized „meeting new groups of customers“ and "developing personal contacts".



<sup>8</sup> Cf. Ausstellungs-und Messeausschuss der deutschen Wirtschaft e.V. (AUMA), Erfolgreiche Messebeteiligung, Berlin 2002.

See also: Gopalakrishna Srinath and Jerome D. Williams. 1992. "Planning and Performance Assessment of Industrial Trade Shows: An Exploratory Study." International Journal of Research in Marketing 9: p. 207-224.

## V. Trade Fair Participation

### C. Exhibition Targets

Slide 123

REMARKS

Targets must be operational.

This means: <sup>9</sup>

- Measurable
- Related to a specific period
- Assigned to a responsible person or group
- Realistic
- Acceptable

Do you think that the people who have to work for the targets will accept contents and extension of the target?

- Motivating

Are you motivated by your targets or are they a burden for you?

#### Economic targets / Psychographic targets

- There are different ways to determine objectives. Besides dividing aims following the marketing mix, it is also possible to divide into economic and psychographic goals.
- The success of economic goals is relatively easy to measure, because it is focused on measurable data, such as the turnover, cost-reduction, expanding the market share and other criteria.
- The psychographic targets mainly try to influence the attitude of the visitors. This is important if a company tries to improve its image or wants to influence the visitor's view of the company. This success is invisible and therefore hardly measurable as it happens in the so-called black box.

<sup>9</sup> Cf. Meffert, Heribert, Ziel- und Nutzenorientierung als Postulat einer effizienten Messebeteiligung, in: Manfred Kirchgeorg et al., Handbuch Messemanagement, Wiesbaden 2003, p. 1145-1161.

See also Cavanaugh, Suzette. 1976. "Setting Objectives and Evaluating the Effectiveness of Trade Show Exhibits." Journal of Marketing 40: 100-103. Sharland, Alex and Peter Balogh. 1996. "The Value of Nonselling Activities at International Trade Shows." Industrial Marketing Management 25: 59-66.

## V. Trade Fair Participation

### C. Exhibition Targets

Slide 124

REMARKS

There is a rule: setting targets needs a control and the auditing of these targets. On the left side of the following chart you find different types of targets. On the right side the contents and measurement of these targets are described in more detail.

How to read: if there is a general target "to boost sales" the operational target could be determined as: "To raise the number of orders at the trade show from 250 to 300 orders compared to the previous show". Auditing in this case means just counting the orders at the end of the trade show and comparing them with the figures from the last show.

Criteria		Contents and Measurement
To boost sales	→	Number of orders
To expand sales	→	Total orders for goods: with different target groups
To increase the degree of distribution	→	Number of specialists and private visitors
To acquire new market segments / Customer groupings	→	Number of new customer contacts (e.g. according to regions, sectors of industry, sales routes)
To expand or retain the share of the market	→	Sales compared to previous trade fair market
To acquaint visitors with the range of products	→	Number of visitors, number of old / new customer contacts; number and quality of initiated press publications; number of brochures and samples distributed.
To create / improve brand loyalty, product awareness	→	Specific questioning of visitors - Company; how well known - Memorability of new products - Knowledge of the brand - Characteristics of the product



## V. Trade Fair Participation

### C. Exhibition Targets

To give an example for operational targets the following economic and psychographic targets are determined. If the Russian exhibitor (see chapter V. A "Selection Criteria") has already participated in the trade show Marmol in Valencia, the new targets could be determined as follows:

#### Economic targets

- To increase the number of visitors from 250 to 320 at the trade show Marmol; responsible: Trade Show Department.
- To increase the number of orders from American customers (last year: 25 following year: 40); responsible: Marketing Department.
- To increase the sales of additional services by 15%; responsible: Field Service.
- Reduction of trade show costs by 5% compared to last year's trade show: responsible: Exhibition Team

#### Psychographic targets

- To improve the number of positive media publications by 15% from 35 to 40; responsible: Public Relations Team
- Increase of visitors' share who recognize the company's brand four weeks after the show; today 25%, target 35%; responsible: Marketing Department, Marketing Agency, Market Research Team.

#### REMARKS

## V. Trade Fair Participation

### C. Exhibition Targets

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REMARKS

#### Objectives for trade shows: Consumer and manufactured goods

The individual participation objectives depend on the different types of trade fairs, such as consumer goods fairs or investment (manufactured) goods fairs.

The main goal at a trade show for consumer goods is the placing of orders. The trade visitors order goods for the following season. They do not need an authorization for their purchasing decision and can negotiate the sale at the fair. It is therefore easier to monitor and measure the success attained.

At trade fairs for investment goods, immediate orders are comparatively unimportant. The negotiation-process takes much more time because technical issues must be resolved. There is a greater financial investment and a multilevel authorisation in the buying decision. Sometimes the investment decisions are made a long time after the trade fair closed. The order can't be assigned directly to the event. A difficulty at trade fairs for investment goods is that the success is not properly measurable, because the focus is on image building, increasing publicity, imparting information and consultancy.

## V. Trade Fair Participation

### D. Stand Impact

The significant difference between a stand and the usual possibilities of visualization is the enhancement from the second to the third dimension, which also means an extension to possible presentation.<sup>10</sup>

The booth concept is relevant for the right communication and budget policy of the exhibitor. It also influences the exhibitors' logistics to get the exhibits and material at the right time, to the right place, at the lowest costs. On the following pages several criteria are discussed which have to be considered for the booth assembly.

- **Criterion 1: Booth types**

The booth is a three-dimensional marketing tool. It represents the company and is sensory. Customers and visitors compare the booth with that of competitors at the trade show.

- **Criterion 2: Alternatives of booth design**

Several factors have to be considered to determine which kind of booth should be presented at a trade fair. One of the key factors for the right presentation of the enterprise is the booth design.

- **Criterion 3: Booth planning and realization**

The decision concerns marketing and cost aspects.

If the exhibitor plans to reuse the booth he has to decide which booth type will be his best alternative.

- **Criterion 4: Booth areas and functions**

The booth consists of different areas with different functions. Corresponding to the exhibition style, the management has to decide how the use the space: for presentation, for consulting or for easy and frequent contacts.

<sup>10</sup> Cf. Schulte, Karin (ed.), Temporal Buildings: The Trade Fair Stand as a Conceptual Challenge, Stuttgart 2000.

## V. Trade Fair Participation

### D. Stand Impact

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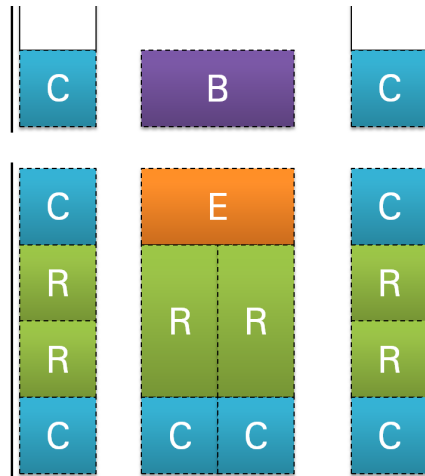
REMARKS

#### Criterion 1: Booth Types

The various types of trade fair booths are influenced by the type of space allocation and access to the aisles.

There are four basic types of booths.

- Row booth (R)
- Corner booth (C)
- End booth (E)
- Block booth or island booth (B)



#### Row booth (R)

The standard row booth is designed to stand back-to-back with an opposite row or a wall and will have adjacent booths on both sides. Only one side (occasionally two) faces an aisle. The dimension of the open booth front is used to distinguish a narrow, deep booth from a wide stand which is less deep.

#### Corner booth (C)

A corner booth is situated at the end of a row. It provides access from two sides, from the aisle along the row and from the one vertical to it. A corner booth has more sides accessible to the public, but the same overall area, and is therefore more effective than a booth located in a row. As a corner booth can be seen from two aisles, a higher number of visitors can be expected.

## V. Trade Fair Participation

### D. Stand Impact

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#### REMARKS

#### End booth (E)

This booth at the end of a row is surrounded on three sides by aisles. It is qualitatively superior to the types mentioned before, as it appears more inviting and more representative if exploited properly.

#### Block booth or island booth (B)

The block booth or island booth is bordered on all four sides by aisles. Since it is accessible to visitors from all sides, it attracts a great deal of attention due to the fact that it is completely independent from other booths.

The block booth or island booth is the most expensive type of booth. It requires more elaborate design, which is reflected in the higher costs for booth assembly and fitting.

#### Criterion 2: Alternatives of booth design

The booth appearance at a trade fair is a marketing challenge. The booth should be more attractive than those of competitors. Visitors should remember the booth, exhibits and the company's brand.

To reach these goals the following decisions have to be made:

- Does the company assemble the booth itself or engage a booth construction company?
- Is the use of a system or a conventional booth convenient?
- What kind of basic design shall be used for the booth assembly?

## V. Trade Fair Participation

### D. Stand Impact

Innovative concept in stand building: examples



Designed by AAAHHHAAA with Luca Sacchi



Designed by Plotini Allestitimenti for IGUZZINI



## V. Trade Fair Participation

### D. Stand Impact

Slide 129

#### REMARKS

#### Booth assembly

There are different ways to assemble the booth:

- The company itself is responsible for the whole design and the assembly.  
In this case personnel with the appropriate know-how has to be available.  
Additionally stand building material has to be ready for use.
- The exhibitor might instruct a booth building company to create the booth.  
In this case the exhibiting company is responsible for the right briefing – the guideline for the construction and the trade show appearance. The costs will be much higher compared to an independent booth construction.  
However, the service provider has know-how and special expertise concerning the location and the trade show organizer.
- Some organizers offer turnkey booths which are simple system stands.  
They are assembled and disassembled without the presence of the exhibitor.  
This is a relatively cheap and easy solution, especially for newcomers.  
**Advantages** for the exhibitor: No responsibility for assembly and disassembly of the booth, less and clear planning costs.  
**Disadvantages:** Limited opportunity to present the company individually.



Booth assembly

## V. Trade Fair Participation

### D. Stand Impact

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#### REMARKS

#### System or conventional booth

The decision to apply a system booth or a conventional design should be based on several criteria:

- A reusable booth assembly is more cost-effective than a conventional one.
- The substantial advantages of a system assembly are: easy to transport and store; low staff requirements during assembly and disassembly; sensibly priced, pre-fabricated, precisely fitting components; flexibility and adaptability
- Disadvantages are: less distinction from other exhibitors; dependency on the limited application of the system.
- Conventional or individual booth assembly is especially attractive for companies involved in construction or interior work. They have extensive knowledge of materials and fabrication, and they have the necessary production facilities and qualified staff.
- Conventional assembly enables highly individual designs to be realized. However, individual designs are only available at relatively high costs.

#### Design principles

There are three methods of booth assembly:

- Open assembly:  
No external screens that might obstruct the view. The booth is visible at first glance. All exhibits can be identified straight away.
- Partially open assembly:  
External screens are included to prevent visitors from seeing directly into the booth.
- Closed assembly:  
The booth consists of external screens (possibly with windows), making it necessary to enter the booth in order to view the exhibits, watch demonstrations and talk to the stand staff.

## V. Trade Fair Participation

### D. Stand Impact

#### Criterion 3: Booth planning and realization

The booth planning and realization stage includes several aspects:

##### 3.1 Financial decisions

The participation in a trade fair is cost-intensive. There are three possibilities to invest in a booth: **Buying, renting or leasing.**

All alternatives have to be known and compared to find the most cost-effective solution.

The right alternative: buying, renting or leasing should be chosen according to the individual situation of the exhibitor:

- When you **buy** a booth, you should consider that you have to make full use of the booth, storage and maintenance are the company's responsibility.

The main advantages of buying a booth are:

- The booth can be designed more individually
- You have financial middle and long term advantages if you use the booth often

- **Renting** a stand means paying for one use. In general a trade fair organizer or a booth constructing company takes the booth back. The advantages are:

- No investment and long term binding of capital
- Short term reduction of costs
- No handling costs of the stand: logistics, storing, construction and dismantling of the booth

- **Leasing** means a special type of finance. If the booth will be used often and the company does not want or is not able to finance the booth in one go this alternative is very attractive. The stand building company accepts leasing payment and will care for the booth between the different trade shows.

The main advantages are:

- More flexibility if the market situation changes
- Conservation of liquidity
- Tax advantages
- Certain calculation

## V. Trade Fair Participation

### D. Stand Impact

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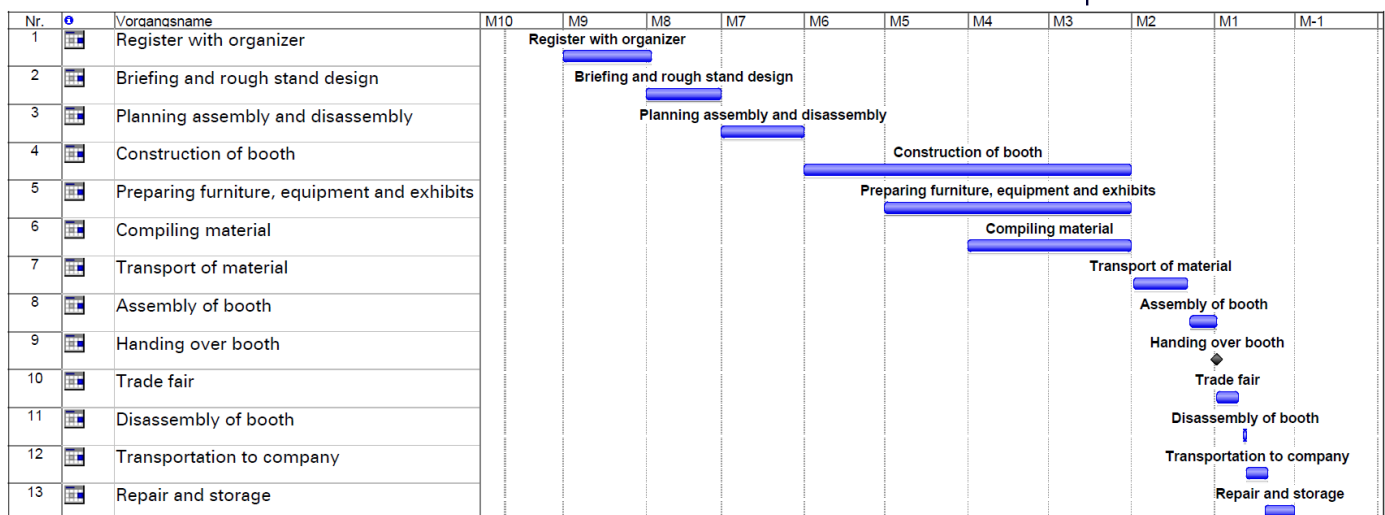
## REMARKS

### 3.2 Activities and time schedule

Trade fairs start at a fixed date. Therefore the preparation and realization of the participation has to be carefully planned. The following plan is typical for a regular participation process:

The planning procedure starts at least 9-6 months before the trade fair takes place. The following activities should be determined by contents and time:

- Register with organizer (9 months before)
- Briefing and rough stand design (8 months)
- Planning assembly and disassembly (7 months)
- Construction of booth (6 to 2 months)
- Preparing furniture, equipment and exhibits (6 to 1 months)
- Compiling material (3 to 1 months)
- Transport of material (4 to 3 weeks)
- Assembly of booth (2 to 1 weeks)
- Handing over of booth (day before trade fair)
- Disassembly of booth
- Transportation to company
- Repair and storage



Sample Chart visualizing the planning procedure

## V. Trade Fair Participation

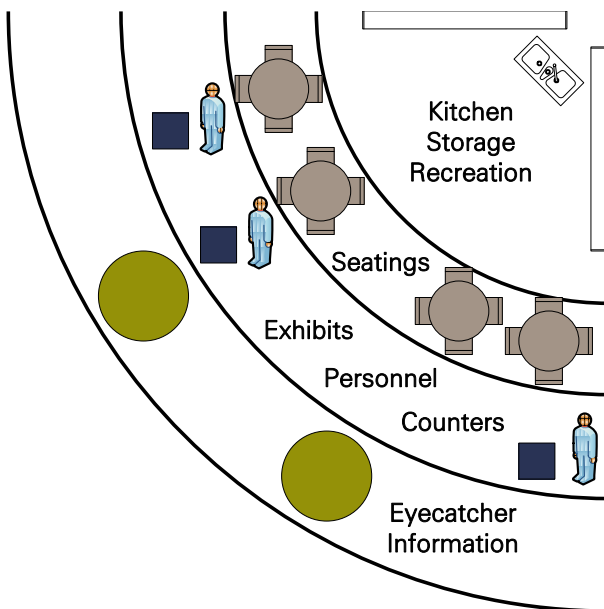
### D. Stand Impact

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REMARKS

#### Criterion 4: Booth areas and functions

Each booth consists of four areas with different functions. The principles are described on the next pages:



#### Corner Stand

Area of logistics

Area of consultation

Area of presentation

Area of orientation

## V. Trade Fair Participation

### D. Stand Impact

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#### REMARKS

#### Area of orientation

- To gain attention, eye-catchers are used in this area;
- Towers may be used as fixed and freestanding components for identification, e.g. by presenting the company logo.

#### Area of presentation

- The advantages of the product should be shown in this area;
- Products are presented by the booth personnel;
- First interaction between staff and visitor;
- The opportunity to get brief information or samples is expected by visitors.

#### Area of consultation

- Quiet and separated place, removed from the usual trade bustle;
- Negotiations and talks can be carried out without unnecessary disturbance;
- Ideal are cabin lounges with conference fitting;
- On average, visitors only remain 11.8 minutes at a booth, therefore this time should be used productively.

#### Area of logistics

- Not used by visitors, purely functional design;
- Storage rooms, small back offices, kitchen, recreation and catering area;
- Size of this area depends on the stand size, smaller stands sometimes do not have this area at all;
- At a larger stand the importance of the logistic area grows as these booths can be compared to headquarters where many duties have to be coordinated.

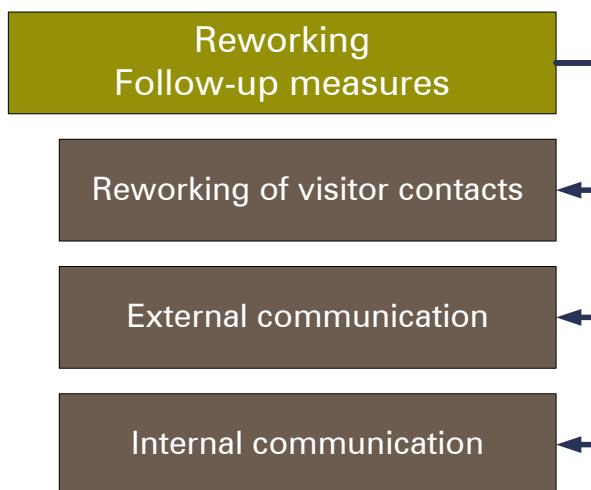


## V. Trade Fair Participation

### E. Follow-up Measures

The assessment of a company's activities is an integrated part of an efficient management process.<sup>11</sup> At long last, after the closing of the fair, it determines whether the fair participation was a success or not. To be successful, however, the personnel has to work actively also during the time after the fair.

Visitor records have been prepared, contacts have been made and many new ideas have been collected. Now the exhibitor has to rework these materials and contacts.



The reworking<sup>12</sup> after a trade fair participation is the first step in the whole managing process after the trade show. Three different tasks have to be focussed on:

- The visitors at the fair have expressed special wishes which have to be immediately fulfilled. This requires careful organization and planning.
- Why not publish the details and the success of the fair? The clients of the company who haven't been at the trade show, want to know what has been going on during the big event.
- The staff which had to stay at home needs to be informed about the results of the show. This will motivate them for the future.

<sup>11</sup> Cf. Rosson, Philip, J. and F.H.Rolf Seringhaus. 1995. "Visitor and Exhibitor Interaction at Industrial Trade Fairs." Journal of Business Research 32: 81-90.

<sup>12</sup> Cf. Stevens, Ruth, Trade Show & Event Marketing: Plan, Promote & Profit, South-Western Educational Publishing, 2005. See also: Christman, Christine, The Complete Handbook of Profitable Trade Show Exhibiting, Prentice Hall Trade, 1991.

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REMARKS

## V. Trade Fair Participation

### E. Follow-up Measures



The visitor records which have been written during the trade show contain numerous details about the customers. This information is the starting point of the reworking process.

- The visitors we have to contact now can be: regular customers; Very Important Persons (VIPs; e.g. politicians, other representatives); media representatives; other visitors (e.g. representatives from universities, associations).

The activities after the show can be:

- Sending information material;
- Preparing a tender;
- Appointment with sales staff;
- Invitation to enterprise;

There are some special aspects the exhibitor should keep in mind:

- The customer's requirements should be met as soon as possible. This could for example mean that the exhibitor already starts reworking the trade show although the trade show has not yet finished. The marketing department sends information brochures. The sales department makes appointments and prepares offers for the customers of the trade show. To react short term on the customers' needs the staff at home has to be prepared carefully. The communication process and the responsibility for the customer contacts have to be determined in advance.
- The process of customer care has to be continued after the show. One department, or even better, one person should be responsible for further contacts.

Slide 140

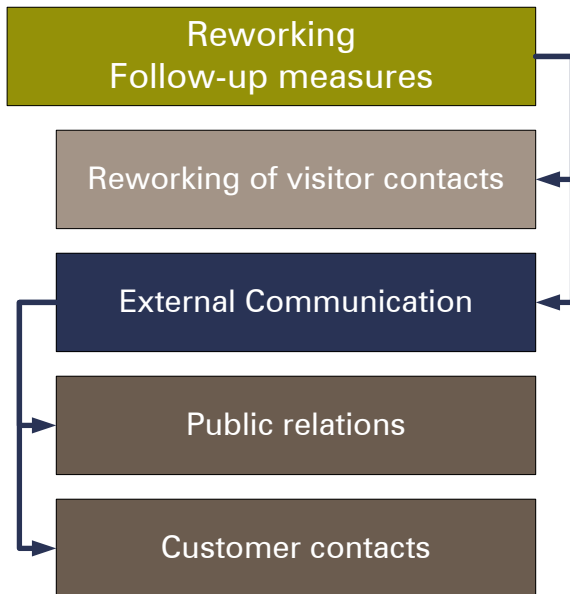
REMARKS

## V. Trade Fair Participation

### E. Follow-up Measures

Slide 141

REMARKS



The successful appearance at a trade show is a very useful opportunity for public relations.

If there is a successful completion of a contract during or after the trade show this is very often published and announced with a press release. The exhibiting company is able to show its importance, to demonstrate the quality of its products and to demonstrate its acceptance by the customers.

Not all customers have visited the trade show. It will improve the relationship with those non-visiting clients if they are informed about the importance and success of the trade show. Direct mailings, but also specially prepared brochures might help to develop a unique selling proposition (USP). Customer newsletters are excellent ways to inform the clients about the importance of the trade show. Well-informed and prepared sales staff could support these initiatives during personal contacts.

## V. Trade Fair Participation

### E. Follow-up Measures

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REMARKS



One of the most important, but sometimes neglected activities, after the trade show is to inform the staff which remained at the headquarters. As trade shows are sometimes milestones for a market segment, all staff should be informed about what is going on in the market, who new and old competitors are, how customers assess their own products and services etc.

Reports have to be prepared to inform the different departments: procurement, research & development, sales, management, production.

The instruments which can be used are:

- Newsletters
- Personal meetings
- E-mail reports
- Staff newspapers
- Direct mailings
- Company meetings
- Website of the company

## V. Trade Fair Participation

### F. Risk Management

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#### REMARKS

Trade shows combine opportunities and risks. The opportunities are meeting new clients, developing a better company image and placing orders. However, there are general business risks such as fewer contacts and contracts; low turnover and a low contribution margin. These risks can be minimized if the planning and preparation of the participation is done correctly.<sup>13</sup> Other external factors or incidents might influence the trade fair participation as well:

#### Political Risk

- Revolutions and hostile interventions by the government;
- Unforeseen loss of a licence;
- War risk.

#### For example:

- Political demonstration closing Suvarnabhumi: In December 2008 the Bangkok airport was closed and controlled by the PAD. The government declared a state of emergency at the two airports in BKK.<sup>14</sup>
- UBM India, a part of United Business Media had cancelled the CPhI/ICSE/P-MEC India 2008 trade exhibition due to terror attacks in Mumbai.

The exhibition was postponed to December 2009 at the Bombay Exhibition Centre, Mumbai

#### Medical Risk

- For example, infection risk by SARS, swine influenza, bird flu

#### For example:

- Hong Kong Trade Development Council and China External Trade Development Council were forced to cancel four important industrial mega-



„Travelling with Swine Flu“

<http://www.flickr.com/photos/diegocupolo>



shows in Hong Kong and Taiwan

- Swine flu concerns have forced Royal Adelaide Show organizers to cancel pig exhibits in August 2009, but pig diving will go on.<sup>15</sup>

<sup>13</sup> Cf. Tarlow, P. Event Risk Management and Savety, New York 2002.

<sup>14</sup> [http://www.ufi.org/media/pdf/seminars\\_presentations/porto2009/2009-ess-porto\\_supawan\\_teerarat.pdf](http://www.ufi.org/media/pdf/seminars_presentations/porto2009/2009-ess-porto_supawan_teerarat.pdf)

<sup>15</sup> ABC Local: Tim Gerritsen

## V. Trade Fair Participation

### F. Risk Management

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#### REMARKS

#### Definition of risks

- A business risk is the danger of suffering losses. The risk height is defined by the possible extent of the losses.
- A risk is the danger that the planned objectives can't be met sufficiently.
- Risks are components of every project. The underlying incidents first must be identified to prevent the risks from endangering the success of the project. Corresponding countermeasures are defined accordingly.
- A project risk can be qualified with regard to its loss probability, its consequences and the damage caused by it.<sup>16</sup>

#### Risk management

- Risk management is the systematic process of managing an organization's risk exposures to achieve its objectives in a manner consistent with public interest, human safety, environmental factors and the law.
- It consists of the planning, organizing, leading, coordinating and controlling the activities undertaken with the intent of providing an efficient pre-loss plan that minimizes the adverse impact of risk on the organization's resources, earnings and cash flow.<sup>16</sup>

#### Risk strategies

- Risk strategies have to be proactive to avoid risks occurring or causing severe damages. The different risk strategies emphasize reducing the impact, the probability, or both.
- After a process of identifying and assessing the company's risks, ways of coping with the risks have to be developed. This procedure absorbs time and costs. There are five principle strategies to manage the identified risks:
  - Risk acceptance
  - Risk avoidance (e.g. cancelation of activities)
  - Monitoring the risk, contingency plans
  - Risk reduction (e.g. setting up special emergency plans)
  - Risk transfer (e.g. assurance)

<sup>16</sup> James Carven, University of Texas



## VI . Evaluation of Participation

### A. Importance of Evaluation

The assessment of the company's activities is an integrated part of an efficient management process. At long last it is determined after the closing of the fair whether the fair participation was a success or not. To be successful, however, the personnel also has to work actively during the time after the fair.<sup>1</sup>

As we have learned in former chapters, trade show objectives are important preconditions to carrying out successful trade show participations. After the show, the aims have to be audited and analyzed to determine to which degree they have been fulfilled.

The planned budget has to be verified as well. Deviations have to be identified and analyzed.

#### Return on investment (ROI)

- The perception of the success of a trade fair participation is closely related to the "Return on Investment (ROI)" of a show. Exhibitors should be able to ascertain if the participation in the exhibition was "successful" or not.
- For this reason exhibitors must calculate the benefits of their participation based on an evaluation of the resources expended (e.g. money, man-hours, and other investments) for the participation and how much benefit they got out of the show.
- At the present stage there are several models in use which differ very much. Scoring models are used in which quantitative and qualitative returns are transformed into uniform scales.
- The "Trade Fair Benefit Check" developed by the German association AUMA ([www.auma-fairs.com](http://www.auma-fairs.com)) is designed to measure the benefits of show participation on a wide scale, taking into consideration the monetary equivalent value of quantitative and qualitative returns.

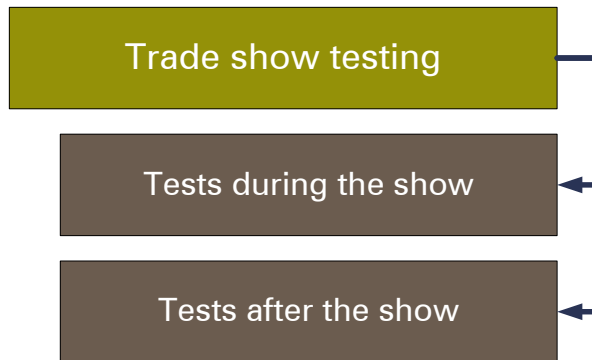
<sup>1</sup> Cf. Kerin, Roger A. and William L. Cron. 1987. "Assessing Trade Show Functions and Performance: An Exploratory Study." *Journal of Marketing* 51 (July): 87-94.

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REMARKS

## VI . Evaluation of Participation

### A. Importance of Evaluation



Controlling as a management task serves as the check and command of the enterprise.

Components are: aim development, planning, realization, testing.

The check of a participation in a trade show is part of the overall controlling process and will help:

- To optimize the marketing mix of the enterprise;
- To supervise the cost-benefit relations and
- To check and optimize the effects caused by the trade show appearance.

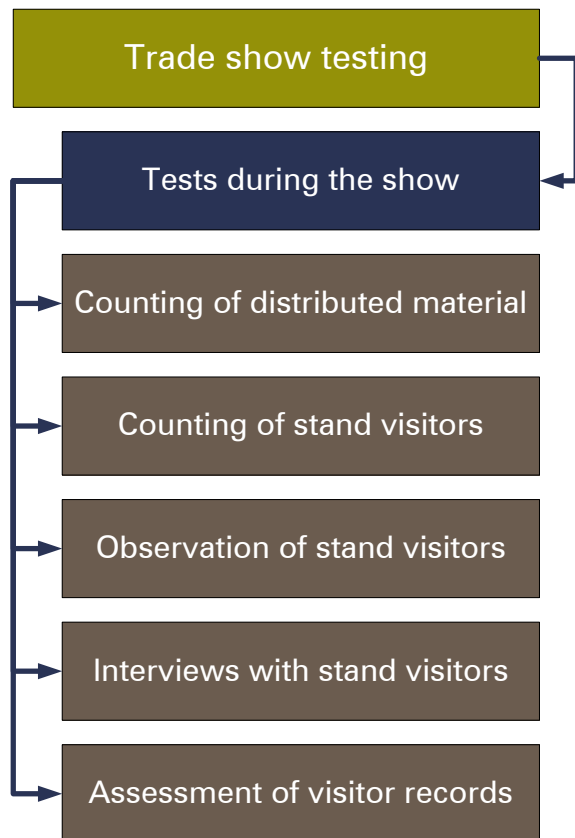
The measures and tests available help to check the trade show targets and can be used during or after the show.

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## VI . Evaluation of Participation

### A. Importance of Evaluation



- Before the exhibitor checks his marketing targets the following questions should be answered: What should be tested? Which methods should be used? Who should be responsible for the testing? What is the budget for the testing process? How should the measures be integrated into the time-line and organization of the participation? How do we use the results after the show?
- During the trade show the measures listed on the left can be used. They will be described on the following pages in more detail.

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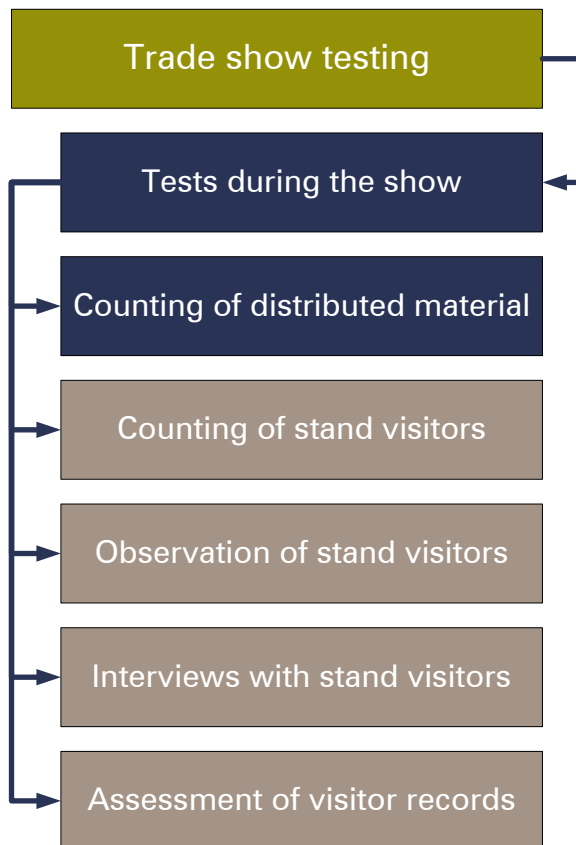
REMARKS

## VI . Evaluation of Participation

### A. Importance of Evaluation

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- **Objective**

Analysis of the information behaviour and the products' interest for visitors.

- **Method**

Calculation of the beginning and final inventories of the different materials (e.g. give-aways, informative material).

- **Assessment**

Simple control instrument. Main emphases of the visitors' interests are recognized. Partly restricted information about perception and acceptance of the range of products and performances at the booth.

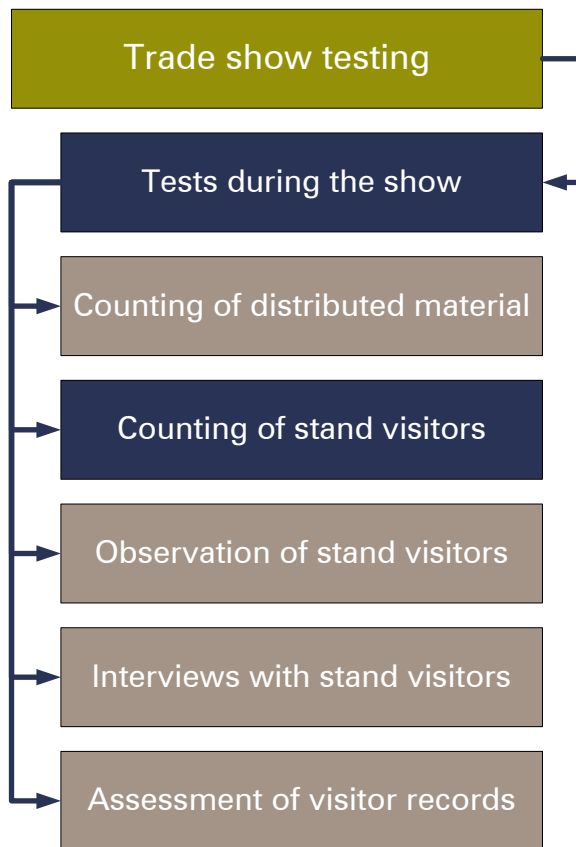
Recommendable as an additional control instrument.

## VI . Evaluation of Participation

### A. Importance of Evaluation

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REMARKS



- **Objective**

Analysis of the visitor frequency at the booth. Conclusions on the visitor interest possible.

- **Method**

Specification of counting points. All visitors who enter the stand are counted. Time period: on all days during the opening hours of the fair. To get better results sometimes only the personal and documented contacts are counted.

- **Assessment**

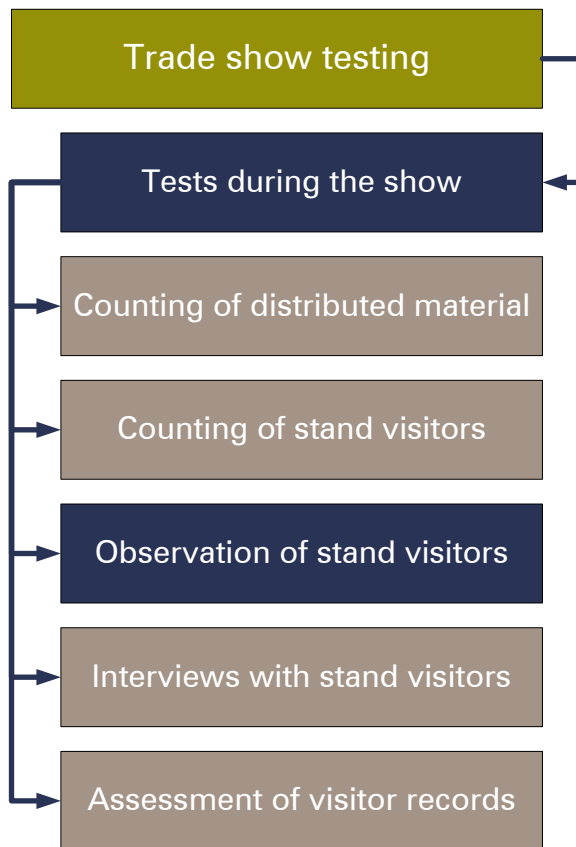
Simple control instrument. Activation degree of the visitor interest and publicity of the company can be stated. Visitors can be identified more precisely (e.g. sex; age). Multiple counts cannot be excluded. Qualitative interviews as an additional instrument recommendable.

## VI . Evaluation of Participation

### A. Importance of Evaluation

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- Objective**  
 Documentation of the individual visitor behaviour in a spatial and temporal view.
- Method**  
 Tracking of single visitors by trained staff. Behaviour is documented in an elevation paper (e.g. duration of the visit, special stops, reactions to exhibits, number of the visual contacts, dealing with informative material, frame of mind during the conversations).
- Assessment**  
 The observation of stand visitors is an expensive control instrument. Specialized staff is needed to evaluate the activation and customer contact aims in qualitative form. Only low case numbers are possible.

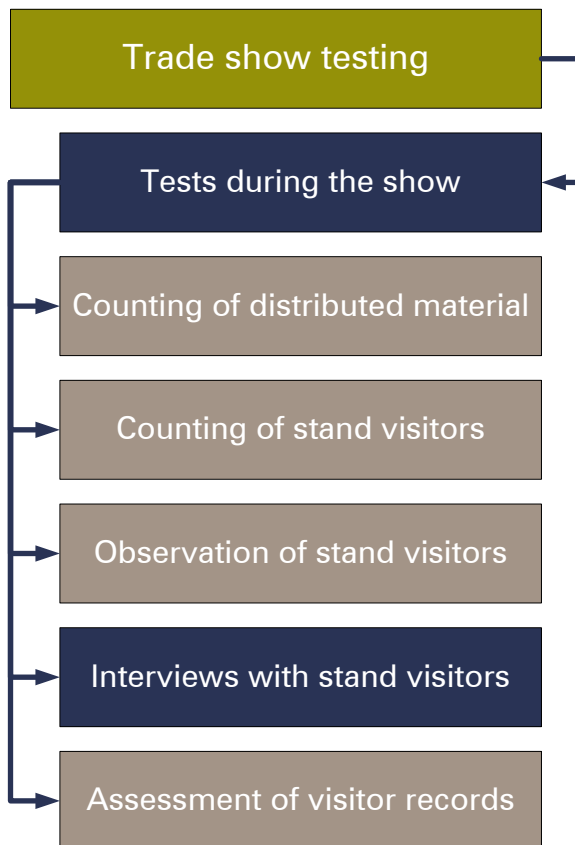


## VI . Evaluation of Participation

### A. Importance of Evaluation

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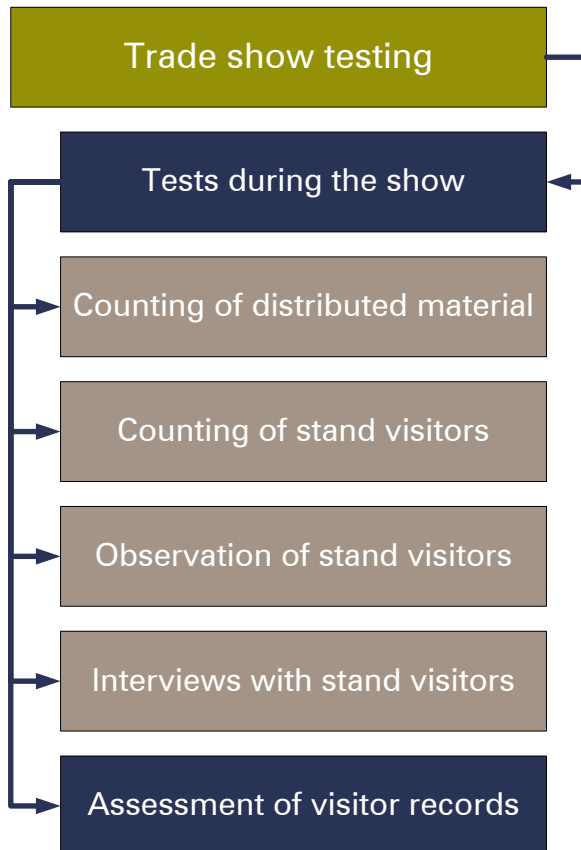
- **Objective**  
Investigation of complex and individual surveys of the exhibitors.
- **Method**  
Verbal, written and computer-assisted interviews with the stand visitors. Interviews last approx. 5 to 20 minutes depending on subject and surroundings.
- **Assessment**  
This control and market research instrument is expensive. The exhibitor evaluates the structure of the stand visitors (short interviews). It is also possible to assess the quality of the booth concept (e.g. information offer, choice of the exhibits, quality of the customer contact, attractiveness of the booth).  
Advantages are to discover observable reactions of the visitors (e.g. to exhibits, special events); but also to analyze e.g. attitudes, opinions. Some disadvantages are that no sample inquiry is ensured. The interviewers can have influence on the reply and the structure of the people asked can be one-sided.

## VI . Evaluation of Participation

### A. Importance of Evaluation

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- **Objective**

Collecting of information about the visitors; socio-demographic, company specific data, reasons for the stand visit, measures for the re-working.

- **Method**

Structured or unstructured summary of the contacts by the exhibitor's staff at the stand.

- **Assessment**

A report should be made from every conversation. However, because of the hectic surroundings this is not always possible. Important information is partly forgotten. The visitors' evaluation of the stand is often not recognized, remembered or recorded . Visitors who only look around aren't included. The instrument has to be used in any case. The visitor records make the re-working after the show easier.<sup>3</sup>

<sup>3</sup> [http://www.ufi.org/media/pdf/seminars\\_presentations/porto2009/2009-ess-porto\\_marcus\\_timson.pdf](http://www.ufi.org/media/pdf/seminars_presentations/porto2009/2009-ess-porto_marcus_timson.pdf)

## VI . Evaluation of Participation

### A. Efficiency Assessment

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#### REMARKS

#### RFID

Visitors to trade shows today erroneously believe that all visitors are equal. The truth is any particular company at any particular event is likely to only benefit from engagements with a small segment of the visitor base that matches their definition of a "buyer". Technology today can be leveraged to help facilitate the marriage of buyers and sellers, and filter out non-buyers.

The FISH application now used for events was developed for the US Army. The Army application was geared toward allowing both recruiters and digital media to leverage known visitor profile information in order to deliver more relevant messages that align with interests and goals. Each visitor is assigned an RFID tag that is used to track and record their exact location every second and then leverage that location information (for both measurement and marketing purposes) throughout the experience.

Video analysis has been widely accepted and has merit in the event space as a tool to analyze the aggregate visitor behavior. It does not offer the ability to reliably segment the analysis by demographic profile and is often marketed with the erroneous assumption that "higher interactions rates lead to more sales and a higher return on investment". This of course only holds true if the right target demographic has been selectively attracted to the stand - not all visitors have equal value. I have highlighted "Hawthorne Experiments" mainly since this seems to be an admission that the technology does not lead directly to real results. Hawthorne experiments refer to the "Hawthorne Effect" which means that people that know they are being tracked and analyzed will always show a significant increase in productivity.

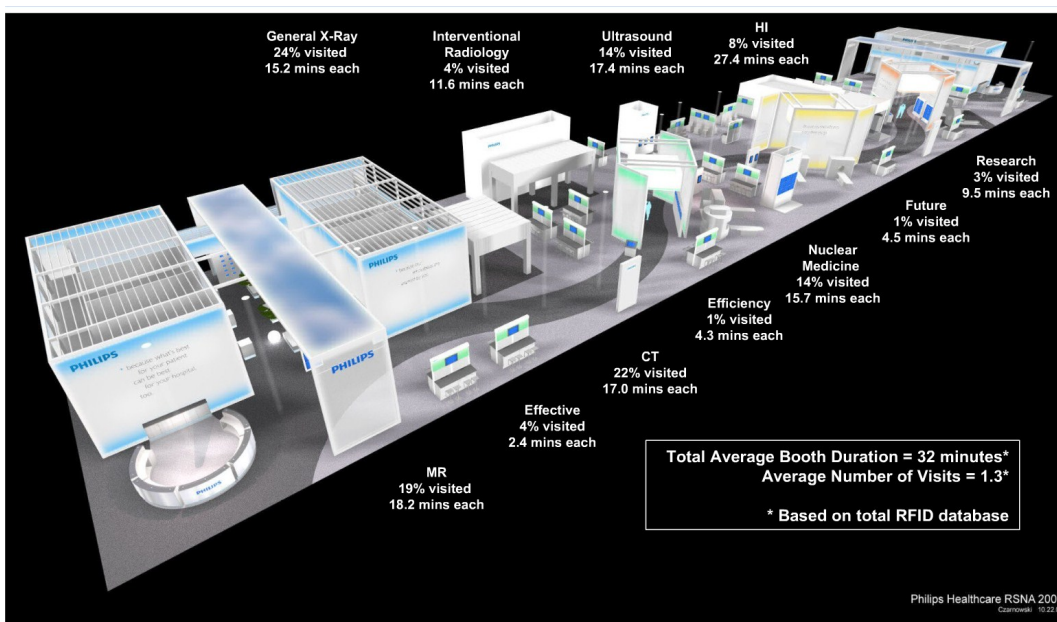
## VI . Evaluation of Participation

### A. Efficiency Assessment

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## REMARKS

Passive RFID has also been widely used and accepted in the event space. It is called passive because it has no internal power source of its own. Power is beamed at a tag and the energy is then reflected from the tag back to a receiver that records the interrogation. Because Passive RFID is reflective it has a comparatively low accuracy/reliability. Also with passive RFID all measurement points need to be determined pre-event and hardware needs to be strategically placed. With the Fish RTMS (Real Time Measurement System) the sensors are permanently mounted in the ceiling and every square meter of the show floor is covered and measured every second - which gives us the ability to redefine measurement zones even after the show has ended.<sup>4</sup>



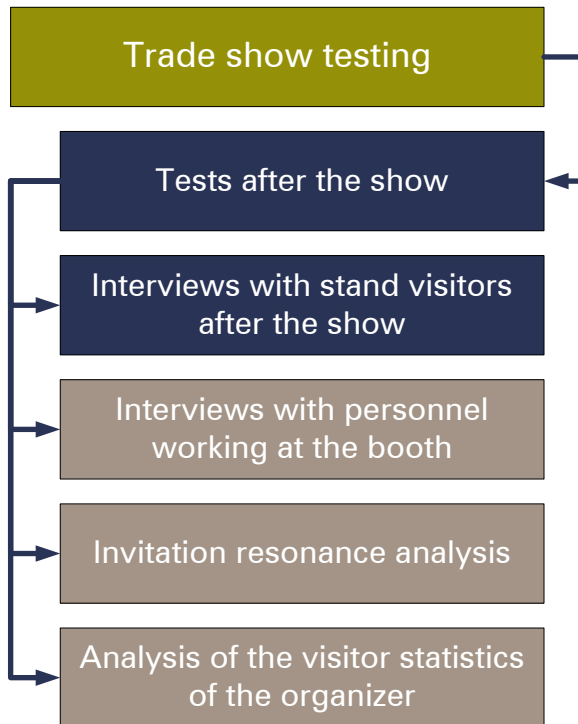
Philips Healthcare RSNA 2008: Specific Areas of Exhibit Visited and Time Spent  
Based on RFID data for the survey respondents<sup>5</sup>

<sup>4</sup> [http://www.ufinet.org/media/pdf/seminars\\_presentations/porto2009/2009-ess-porto\\_michael\\_gilvar.pdf](http://www.ufinet.org/media/pdf/seminars_presentations/porto2009/2009-ess-porto_michael_gilvar.pdf)

<sup>5</sup> <http://eventmeasurement411.wordpress.com/>

## VI . Evaluation of Participation

### A. Importance of Evaluation



- **Objective**

Investigation of complex and individual questions about the means and long-term effectiveness of the fair engagement (distance of approx. 4 -6 weeks after the fair; or in the long-term control area even later).

- **Method**

Verbal and written interviews with known stand visitors. Interviews last approx. up to 20 minutes depending on subject.

- **Assessment**

Expensive control and market research instrument. Particularly psychographic aims are evaluated: Publicity of the enterprise, recognition of logo, products, statements concerning products, long-term change of the behaviour. Sentimental values in comparison with competitors.

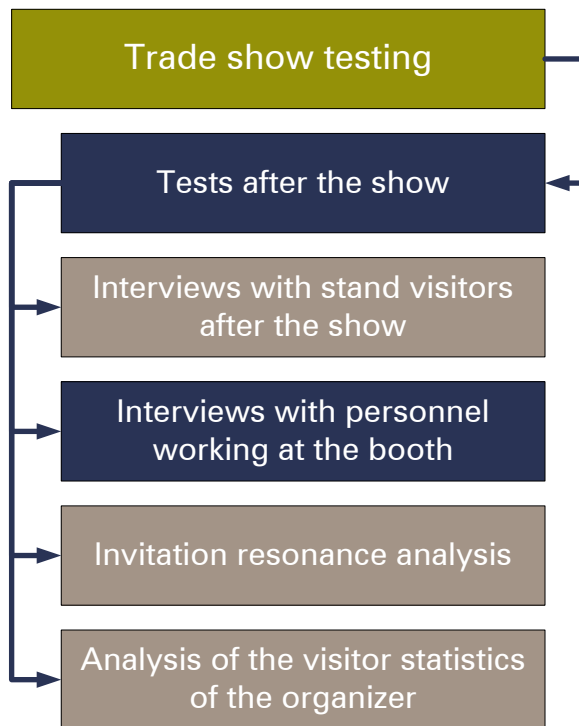
Advantages are to get to know the reactions of the visitors regarding e.g. attitudes, opinions, image. The comparison of reference groups (visitor - non visitor) is possible. The tool "interviews with stand visitors after the trade show" is an important method with regard to the evaluation of the fair as a communication tool.

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## VI . Evaluation of Participation

### A. Importance of Evaluation



- **Objective**

Improvement in the fair participation, particularly stand service, effects of the fair participation on the daily work, collecting suggestions from conversations with customers.

- **Method**

Structured interviews with the exhibitor's staff at the stand during but also immediately after the fair.

- **Assessment**

Compared to other methods the interviews with stand personnel are rather cost-effective. Experiences are documented and made useable for the coming events. The challenge is that interviews with the exhibitor's staff are neglected as there isn't any immediate use.

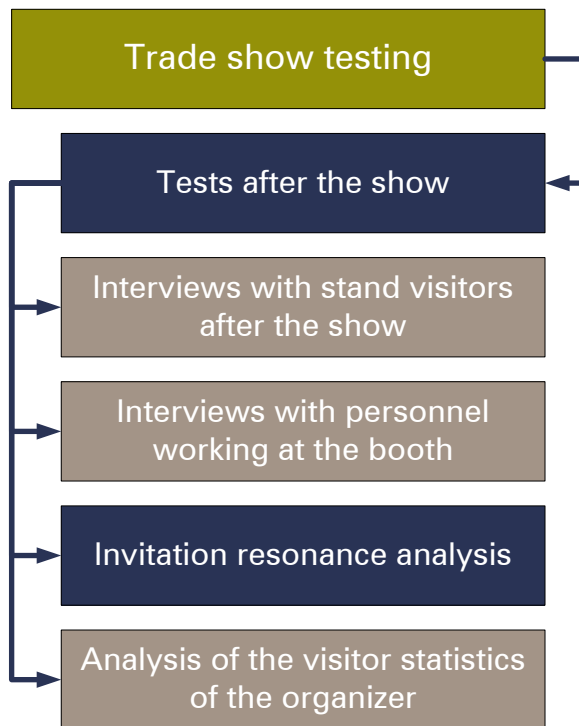
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## VI . Evaluation of Participation

### A. Importance of Evaluation



- **Objective**

Efficiency check of the invitation campaign (direct mailings).

- **Method**

Documentation of the reactions to the invitations: answers, reactions to second mailing and telephone contacts, accepted invitations at the booth.

- **Assessment**

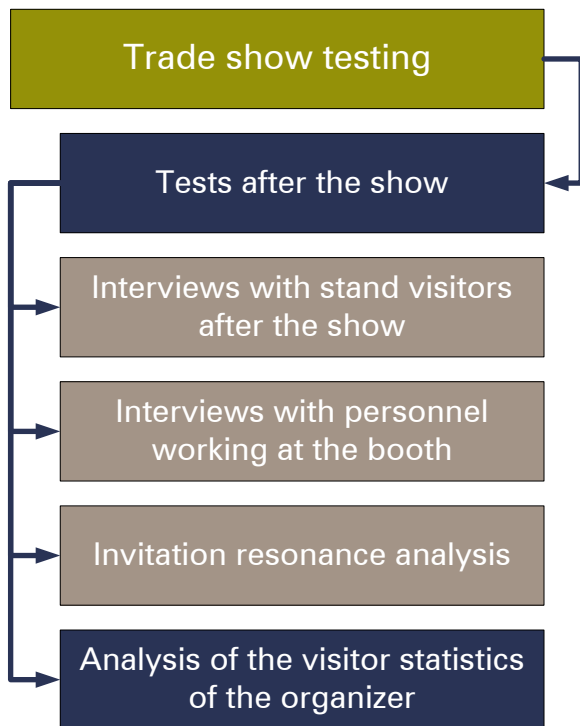
The invitation resonance analysis is a cost-effective instrument. The results can be used for a differentiated re-working of the visitors. Visitors met at the booth have to be treated differently than customers who haven't accepted the invitation.

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REMARKS

## VI . Evaluation of Participation

### A. Importance of Evaluation



- **Objective**

Check and comparison of the composition of the customers at the booth.

- **Method**

Comparison of the structure data of the visitors raised by the organizer with the data investigated by the exhibitor. Visitor interviews necessary, at least to get the right structure data.

- **Assessment**

The evaluation of the segment specific range of the trade fair is possible. The accessibility of the target group can be tested. However, the structure data of the organizer and those from the exhibitor are sometimes not suitable. The value remains restricted: Important structure data are missing as not all relevant data are investigated. Data aren't available for every trade fair.

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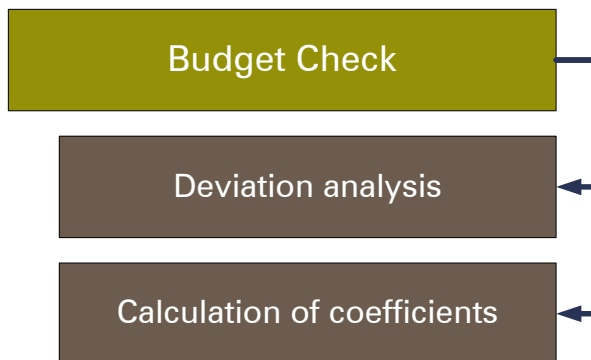
REMARKS

## VI . Evaluation of Participation

### B. Efficiency Assessment

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Efficiency analysis means evaluating the trade show participation. The exhibitor wants to know if the cost-benefit ratio is positive or not, therefore the planned budget has to be checked. Deviations have to be identified and to be analyzed. On the basis of the budget check, some coefficients can be measured to compare participation in different trade shows or to evaluate the annual participation in one show.

During the budget check the planned and actual costs are compared. The target-performance comparison of the costs is informative if all costs (e.g. invoice figures, imputed costs) have been accounted for the project.

The budget check contains the deviation analysis and the calculation of characteristics.

First of all the deviations are identified. The exhibition manager has to ask what the reasons for the differences between planned and actual costs are.

The characteristics calculated for one or, even better, for several (comparable) shows, examine the efficiency of the participation.<sup>6</sup>

<sup>6</sup> Cf. Kerin, Roger A. and William L. Cron. 1987. "Assessing Trade Show Functions and Performance: An Exploratory Study." Journal of Marketing 51 (July): 87-94.

## VI . Evaluation of Participation

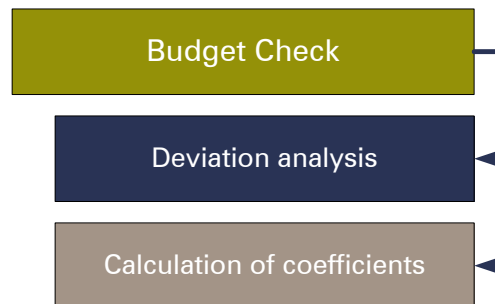
### B. Efficiency Assessment

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Budget for a trade show participation:

Planned and actual costs need to be compared.



	Planned costs €	Actual costs €	Deviation €
Rental of stand	6,200	6,200	0
Power Supply	600	650	50
Other basic costs	1,250	1,290	40
Construction	8,450	12,100	3,650
Equipment	1,800	1,860	60
Design	1,900	2,300	400
Depreciation	600	600	0
Stand Service	1,750	1,750	0
Communication	2,200	2,350	150
Transport	1,300	1,300	0
Waste disposal	50	50	0
Personnel costs	5,350	6,000	650
Travel costs	3,100	3,300	200
Other costs	1,850	1,900	50
<b>TOTAL</b>	<b>36,400</b>	<b>41,650</b>	<b>5,250</b>

After the show the exhibitor recognizes that the actual costs severely differ from the planned costs. The reasons could be:

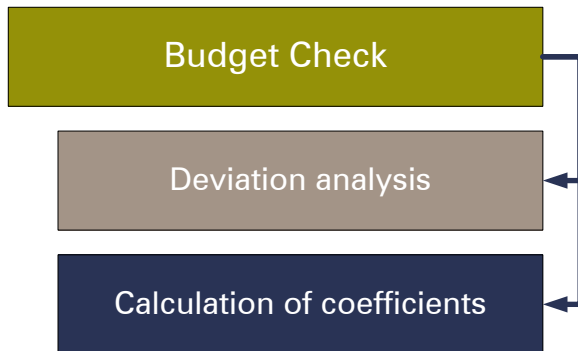
1. The costs for stand construction outvalue the planned costs by 42% (3,650 €). The costs for the stand design were 21% higher than expected (400 €). The equipment costs slightly increased (60 €; 3.3%).

The reasons could be: The exhibitor decided to improve the stand construction and design shortly before the trade show. Therefore the costs increased. However, the stand was more attractive; more visitors came than expected; therefore the communication costs rose as well (+ 150 €; 6.8%).

2. The deviation of planned and actual personnel costs were 650 € (12.1%). Because of the improved communication at the stand more personnel was needed. External staff was hired to manage the increased number of visitors.

## VI . Evaluation of Participation

### B. Efficiency Assessment



- **Objective**

Comparison of the participation in different trade fairs, but also comparison with alternative marketing instruments with regard to cost benefit relations

- **Method**

Recording of different data from different sources: turnovers, costs, marginal contributions from the accountancy, visitor statistics, visitor records.

- **Assessment**

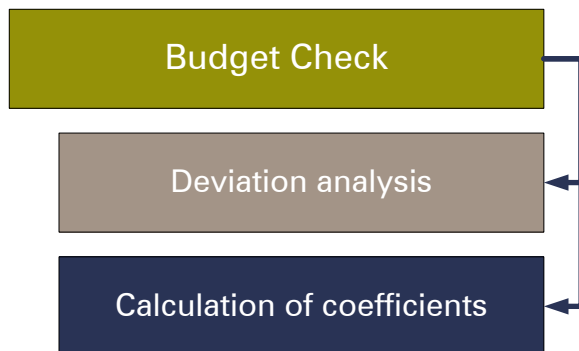
The calculation of coefficients is a suitable instrument to check the profitability of the fair participations. However, the data acquisition is sometimes expensive. Depending on the quality of the data the interpretation of the results is difficult. A continuous recording of the data over several trade fair periods is necessary.

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## VI . Evaluation of Participation

### B. Efficiency Assessment



#### Trade fair coefficient I

The exhibitor wants to know how much turnover has been initiated by the trade show participation. Assuming a turnover at the fair of 125,000 € and costs of 41,650 € each 1,000 € have produced a turnover of 3001 €, or each € spent at the trade show has led to 3 € turnover.

$$\text{Trade fair coefficient I} = \frac{\text{Value of turnovers at the fair}}{\text{Costs of participation}} \times 1000$$

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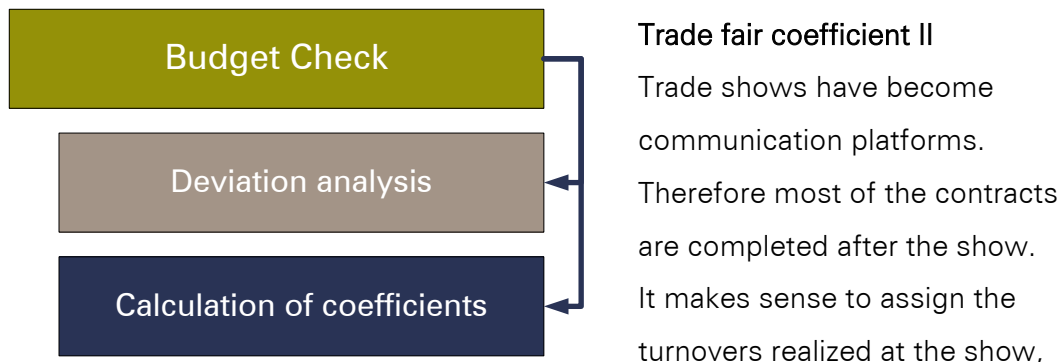


## VI . Evaluation of Participation

### B. Efficiency Assessment

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and several months after, to the participation. However, there are some interface problems. If the above proposed calculation is always done in the same way different trade shows become comparable.

Assuming turnovers at the fair, and four months later, of 380,000 € and costs of 41,650 € each 1,000 € have produced a turnover of 9123 €, or each € spent at the trade show has led to 9 € turnover. The cost-benefit multiplier is nine.

Trade fair coefficient II =

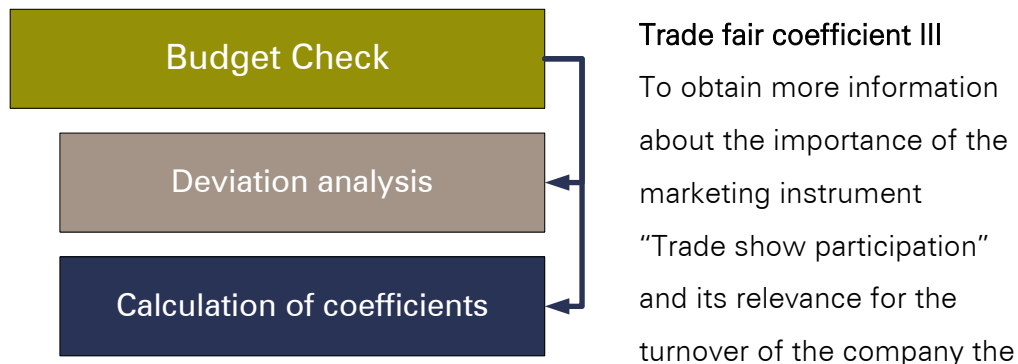
$$\frac{\text{Value of turnovers at the fair and 4 months after}}{\text{Costs of participation}} \times 1000$$

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### B. Efficiency Assessment

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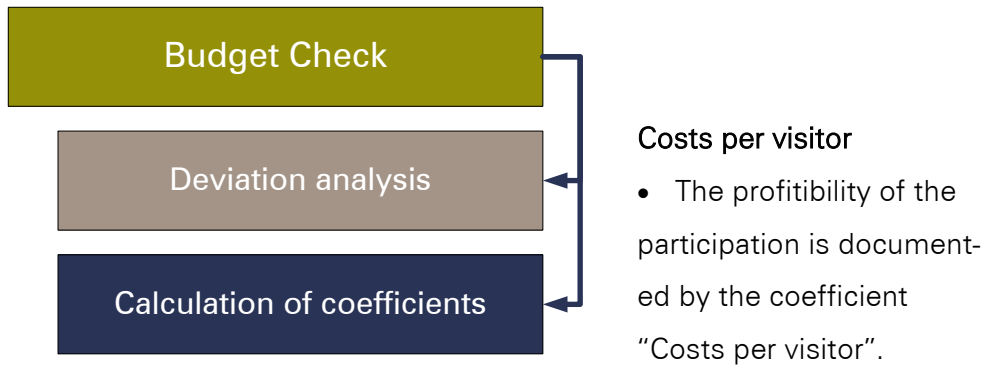
coefficient III has to be calculated. With an assumed annual turnover of the company of 1,520,000 € and total costs of 208,250 € (five trade shows) each 1,000 € have produced a turnover of 7298 €, or each € spent at the trade shows has led to 7.30 € turnover.

Trade fair coefficient III =

$$\frac{\text{Annual turnover of the company}}{\text{Costs of all trade show participations}} \times 1000$$

## VI . Evaluation of Participation

### B. Efficiency Assessment



How much money has to be spent to get contacts to potential customers?

- Assuming that 260 visitors have visited the booth of the company and costs of 41,650 € have arisen the costs for each visitor are 160 €. This figure can be compared with the costs for field service, direct mailing or advertisement.
- To get more informative figures it is possible to divide the visitors into different groups: professional, new, foreign visitors; management, customers with completed contracts.

$$\text{Costs per visitor} = \frac{\text{Costs of the trade show participation}}{\text{Number of visitors}}$$

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## VI . Evaluation of Participation

### C. Auditing—Transparency in the Exhibition Industry

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#### REMARKS

#### Auditing of Exhibition Statistics

Many companies annually decide about participating in trade shows. They are given tight communication budgets and high targets are set. A decisive factor for the success of trade fair planning is the quality of the data material.

Because anyone whose trade fair planning is not based on hard, verifiable facts, risks wrong decisions which can be very expensive. The industry needs audited exhibition statistics because the enterprises:

- Require transparency and reliable comparisons;
- Want to experience how the industry trends develop and
- Want to control the organizer's business destiny.
- Additionally the organizers and the industry need credibility.

Exhibition organizers promote the number of visitors who attended an exhibition; but who's to say that these numbers are strictly accurate? Are visitors counted or visits? What about repeat visits? Did those visitors come once, or several times? Among those who attended, do they live just down the street or did they travel from far away? And when organizers promote the size of an exhibition, is everyone on the same page? Is the exhibition space alone being taken into account, or all the facilities? How many exhibitors were there? And were they "real" (direct) exhibitors or did they just represent several companies?

It is difficult for a company to compare conflicting information when making a decision on whether to exhibit, and where. Which figures are audited?

- The number of visitors or visits, with a breakdown between national and international;
- The number of exhibitors and again with the international versus national breakdown;
- The net exhibition space

Some auditors go one step further, providing demographic analysis, market research etc.

## VI . Evaluation of Participation

### C. Auditing—Transparency in the Exhibition Industry

Certain countries have been actively promoting auditing as a concept. Some have even passed laws which make auditing obligatory (e.g. France). In other countries such as the United States, the notion of auditing is new but marketers within all media platforms are being held more accountable for spending decisions. Some countries have even linked auditing with government subsidies: only audited events may obtain financial help from the government. Difficulties arise in countries where auditors are not present.

Due to the various levels of development as outlined above and global diversity, the methodology used in exhibition auditing is not standardized.

UFI has developed a basic minimum standard (UFI's Auditing Rules) for all its members and is consequently implementing it.

## VI . Evaluation of Participation

### C. Auditing—Transparency in the Exhibition Industry

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Example of audited data of a trade show in France (source: AUMA, Germany)

Salon International de la LINGERIE			
Venue	Paris, France Paris Porte de Versailles (VIPARIS)		
Date	Jan 23., 2010 - Jan 25., 2010		
Interval	Every year		
Founded in	1960		
1 <sup>st</sup> organizer	Fédération de la Maille B.P. 121, 37/39 rue de Neuilly 92113 Clichy Cedex Tel: +33-1-47563232 · Fax: +33-1-47563299 <a href="http://www.textile.fr">www.textile.fr</a>		
2 <sup>nd</sup> organizer	Eurovet B.P. 121, 37-39, Rue de Neuilly 92113 Clichy Cedex Tel: +33-1-47563232 · Fax: +33-1-47563299 <a href="mailto:eurovet@la-federation.com">eurovet@la-federation.com</a> <a href="http://www.eurovet.fr">www.eurovet.fr</a>		
Industry sectors	Clothing, Fashion		
Main product group	Lingerie, Corsetry, Hosiery, Bathing Suits, Men's Underwear, Fashion Accessories, Pyjamas and Night-gowns		
Opening hours	trade visitors: daily 09.00-19.00 h , last day 09.00-18.00 h		
Statistics	2/2006	2/2007	1/2008
Audit	OJS	OJS	OJS
Space (m <sup>2</sup> , net)	15 470	16 015	15 967
Rented/hall space	15 470	16 015	15 967
domestic	6 034	6 189	5 742
foreign	9 436	9 826	10 225
Exhibitors with own stands	413	436	426
domestic	130	139	122
foreign	283	297	304
Trade visitors total	35 478	31 100	29 658
domestic	15 598	13 395	
foreign	19 880	17 705	
AUMA copyright – subject to change			



## VII . Summary

### A. Conclusion

Modern trade shows have developed from a long historical tradition, which mainly influenced the economic rise of modern Europe and increase of trade between Europe and the East.<sup>7</sup>

#### Today's trade shows

- Are a powerful marketing-tool;
- Represent themselves as information and sales platforms;
- Are important presentation instruments for special market segments;
- Initiate profits for exhibitors, visitors, organizers, service providers and the local economy.

#### Trade show participation

- Must be integrated into an overall marketing communication concept;
- Supporting tools must be adjusted;
- The trade show concept must reflect the company`s strategy.

#### Benefits

- High attention, not only from the target group but also from the media;
- Remarkable number of contacts with target group at relatively low costs;
- Efficient tool to realize Customer Relationship Marketing (CRM).

Trade show experience helps to improve and ensure a maximum return on investment.

<sup>7</sup> Cf. Robbe, D., Expositions and Trade Shows, Canada: Wiley 2000

## VII . Summary

### A. Conclusion

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REMARKS

#### Disadvantages of participations in trade shows

- The expenditures for trade shows are relatively high;
- The preparation and realization of a trade show participation requires personnel and other resources before the trade show;
- Trade shows take place once a year – as a rule. They are not available at other times.

## VII . Summary

### B. Future Development

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#### REMARKS

Trade fairs still play an important role in marketing and they will continue to do so in the future. The exhibition industry is part of the global economy and is therefore directly influenced by the economic and social changes. What are the influencing factors which have an impact on the exhibition business? A few factors are described below:

- The trade flows will change in the future. The BRIC and other developing countries will become more and more important for the international demand and supply. New players – especially venues and organizers - will enter the exhibition business following these trade currents.  
It is expected that the whole range of trade show portfolios will exist in each economic region.
- There is a rising awareness of green issues. They will become more important also for the exhibition industry. Waste management, water and energy saving, intelligent transport concepts, environmentally sustainable product use and other environmental issues will affect the exhibition industry.
- Shorter product life cycles are a wellknown phenomena in the industry. This means products reach the end of their use in shorter periods. Trade shows will have to follow this trend as well. The trade show concepts need continuous adaptation to the acceleration of the life cycles.
- The exhibition business needs travelling exhibitors. Because of travel restrictions and crises the mobility of the people around the industry will be affected more often than in the past.
- The internet will play an important role for the future of trade fairs. Not as an alternative, but as a supporting tool before, during, and after the trade fair.
- The exhibition business will diversify in the future. Especially, the integration of classic (e.g. print media) and modern media (e.g. the internet, special events) will be a success factor for the exhibition industry.
- Networking will become more and more important. Because of the globalisation of the exhibition industry, the cooperation of domestic and international enterprises will lead to a win-win situation of all partners.  
The global industry will be moving together.