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### Dear visitor of this website!

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 communications type classes,
- students who want information about trade fairs as a marketing instrument and
- personnel of exhibiting organisations who want to learn about the benefits of participating in trade fairs.

The content is structured as follows: In Chapters I 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 the participation in trade fairs are described in Chapters IV - VI. A special focus is paid to integrated marketing and the future of the value of trade fairs and exhibitions in overall marketing strategies and action plans.

The course lasts approx. six 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 Lili Eigl, UFI Communications Manager ([lili@ufi.org](mailto:lili@ufi.org)); Prof. Dr. Beier, University of Cooperative Education, Ravensburg, Germany ([beier@ba-ravensburg.de](mailto:beier@ba-ravensburg.de)).

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# I. Description of Fairs, Expositions and Exhibitions

## A. Definitions

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 came to mean religious festival.<sup>1)</sup>

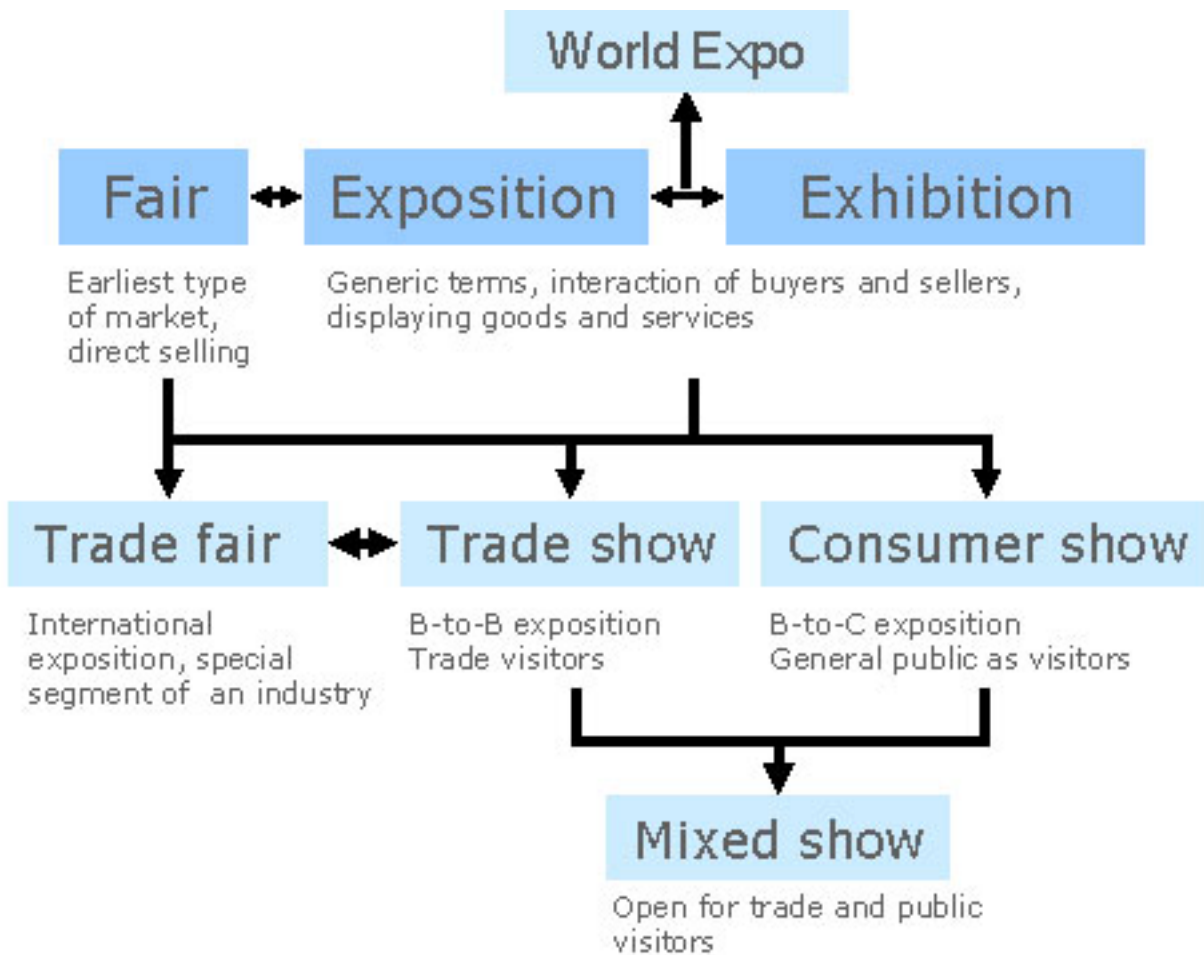
During the 12th century the importance of trade meetings increased; fairs were held close to churches, so that the concepts of religious festival and market fair was combined in the common language.<sup>2)</sup>

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 on the one hand communicate with the visitors on the other. 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 organised 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 developments which show the variability of today's exhibition industry. Have a look at the next page.



The early types of expositions and exhibitions were precursors for the world's fairs - today known as EXPO - and different types of fairs and shows. Follow the descriptions on the next slides.

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

### Fair

The Middle 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

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

### **Expositions and exhibitions**

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

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

First, exhibitions were usually one-time events. They did not enjoy a recurring life cycle. However, while fairs ran for a short period of time, many exhibitions ran for months, some for a year or longer.

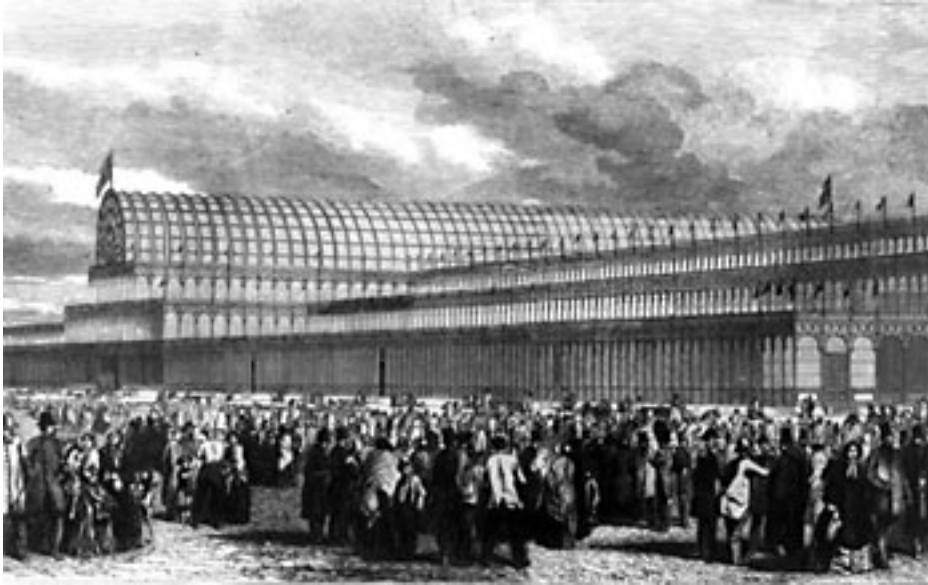
Second, exhibitions were housed in permanent facilities built specifically for them. Starting in the 18th century, the practice of building a facility for the express purpose of housing an exhibition was the precursor of the exposition/convention centre industry.

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

Finally, exhibitions differed from fairs in the very way in which business was conducted. Goods were bought and sold at fairs. At exhibitions, commercial activity or selling of the displayed goods, was not usually involved. However, inherent in displaying the goods was the hope of stimulating future sales. Today this is how most exhibitions still operate.

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions



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

### **World's Fair - EXPO**

is the generic name for various large expositions held since the mid 19th century. 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 in duration. Universal expositions encompass universal themes that reflect the full range of human experience. These Universal Expos usually have themes based upon which pavilions are made to represent the country's interpretation on that theme. For example, the theme for the Expo at Lisbon (1998) was "water" and the theme for the 2005 Expo hold in Japan is "nature's wisdom". To distinguish them from other fairs, expos require total the design of pavilion buildings from the ground up. As a result, nations compete for the most outstanding or memorable architectural structure.

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

The 2005 World Exposition, Aichi, Japan



### **Theme for 2005 World Exposition: "Nature's wisdom"**

Thanks to rapid technological development, the 20th Century was characterized by mass-production and mass-consumption, which in turn led to material improvements in our daily lives. At the same time, these trends resulted in various global issues such as desertification, global warming, and a shortage of natural resources. As these issues cannot be resolved by any one nation, the international community needs to unite in confronting them: we must come together and share our experience and wisdom, in order to create a new direction for humanity which is both sustainable and harmonious with nature.

### **EXPO examples**

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.9)

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions



The **Chinese Export Commodities Fair**, also called the **Canton Fair**, is 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. 2005 Canton Fair: Approximately 200 000 attendees from 210 countries and regions. Turnover of export: 29,23 billion US.

### Trade Fairs

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>10)</sup>



# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

### 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 the public and are attended by company representatives and members of the press. Examples of trade shows are [CeBIT](#) and [Hong Kong Electronics Fair](#) (computer 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

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions

### 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 to the show. The typical buyer is an industrial end user, or another 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 10 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>11)</sup>



### Hong Kong Electronics Fair

Asia's largest show for the computer industry

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions



### **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.

### **Consumer Shows (public shows)**

are events that are open to the general public. Exhibitors are typically retail outlets, manufacturers or service organisations 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.

# I. Description of Fairs, Expositions and Exhibitions

## B. Types of Exhibitions



**International Jewellery Dubai**



### **Mixed shows**

are a combination of trade and public shows. Exhibition organisers tend to open their trade shows to trade and to public visitors. Trade visitors are allowed to enter the exhibition on special days; other days are open to both the trade and the public.

### **Visitors Profile**

From the 2004 edition onwards "International Jewellery Dubai" is repositioning itself to focus primarily on trade.

IJD 2003 attracted 2,497 registered trade visitors (71% from the Middle East and 29% worldwide) and thousands of wealthy private buyers, VIPs and public. A total of 11,747 people attended the event over 5 days.

# I. Description of Fairs, Expositions and Exhibitions

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### Special types of trade fairs

Finally, trade fairs are combined with other events such as lectures, 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. A good example is the medical branch which has one of the highest needs for congresses. During the "Annual U.S. Psychiatric & Mental Health Congress" an extensive supporting programme of speeches and debate forums is served. Additionally a trade fair is attached.

### Virtual fairs

appeared in the 70's 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.

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 loyalty of clients remain advantages of exhibitions.

Nevertheless, the world wide web has very much effected the organization of exhibitions. Exhibitors and visitors take their information from the net and decide if they participate in the exhibition or not. Organizers try to communicate with their customers via internet to save money and to accelerate the communication process. See how to handle the exhibition services "International Fair Plovdiv".

## II. Historical Development

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, have been founded in the Champagne, France. They have started a continuous development which lasts to the exhibition industry of today. The development of the exhibition industry over some hundreds of years can be divided into several stages.

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

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

- **Privileges** for a town from sovereign, emperors, kings
  - Custom and exempt from custom and taxes
  - During the fair, strangers also were allowed to open their stands
  - Fair courts were established (mediation, contracts)
  - Military protection = a free escort
- France 629: Abbey of St. Denis gets privileges from Merovingian King Dagobert I.: Custom privilege + special protection of the king. Both were renewed continuously.
- Portugal 12th century: Tax exemption = feiras francas

## II. Historical Development

### 12th and 13th century<sup>13)</sup>

During this period the first exhibition sites and trade centres come into being. The first typical organizational structures of exhibitions can be identified.

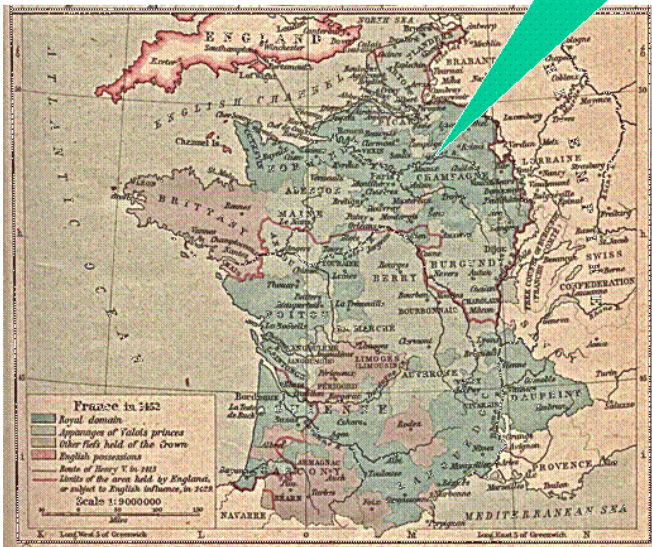
- Fairs of the Champagne (six different times at four places)
- Trading centre for Netherlands, France, Central and Northern Europe, Italy
- Products:
  - France: wine, cattle Italy: silk, pigments
  - Central Europe: cloth, linen, metal goods
  - Northern Europe: furs
- The four most important exhibitions sites are: Provins, Troyes, Bar-sur-Abe and Lagny. They organized the trade for Brabant and Flanders.

## II. Historical Development

The roots of the modern Western banking and finance system: Bill of exchange at the fair <sup>14)</sup>

- During the 15th and 16th century the first substitute for money (surrogates) was developed. Bills of exchange became payable at the next fair (e.g. promissory notes, purchase and transportation contracts). Credit and finance transactions became easier and less risky.
- Political and clerical institutions used the fairs for their transactions: The German bishops paid their contributions to the curia in Rome via the Champagne fairs.
- Until 1320 Champagne fairs became finance centres of Western Europe. The reasons for decline are: Change of traffic network, maritime traffic, settled merchants, war between Flanders and France, competition of the central and south European fairs.
- For further information see additional link.

### Champagne Fairs





## II. Historical Development

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

In the 14th century new trade centres develop. The trade west-east 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 South 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 Main 1240: Fall fair

1330 spring fair permitted by Emperor Ludwig the Bavarian

Leipzig - Frankfurt: Because of the change to the Gregorian calendar there was an overlapping of fairs in Leipzig and Frankfurt/Main. The transfer of the fair from Frankfurt to Leipzig became necessary.<sup>15)</sup>

### South France, Switzerland, Italy, Spain

Geneva, Lyon, Besancon, Piacenca, Medina Del Campo

Medina del Campo: Take-over of the imperial financial administration of Emperor Charles V.

After stoppage of payment: 1575 closed

### Geneva

1320 - 1464 largest fair in Europe, trade over the Alps, opened 4 times per year for 10 days per annum.

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

## 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 take shape. Sample fairs and industry-specific fairs were developed. This development is favoured by increasing industrialization, the improvement of the traffic infrastructure and the formation of nation-states which guaranteed certainty of law and transportation safety. At that time more than 95 percent of national industrial exhibitions were conducted in Europe.

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

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

- Pure samples fair: Glass, ceramic, toys, musical instruments
- Dealers only travel with commercial samples
- Also technical fairs carried out in 1918

### **First international exhibition - EXPO in London 1851**

First real international exhibition took place in London 1851 – Tradition of EXPO started. At least 14.000 exhibitors and more than six million visitors attended<sup>16)</sup>

This development did have an important influence on the American fair tradition<sup>17)</sup>. The London Expo from 1851 was the starting point and model for Horace Greeley and Phineas T. Barnum, organisers of America's first international fair in New York City in 1853.

## II. Historical Development

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

During this century the market segments have differentiated more and more. The work division has increased. The industrial sector and the service sector have grown to a large extent. In parallel international trade has expanded corresponding to a rapid increase of new enterprises.

The exhibition industry has met 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.
- Professional journals offer their services as cooperating 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 have evolved. From the exhibitor's view point the exhibitions had always been important distribution channels to sell products directly. Now new objectives have been developed: e.g. the improvement of the company's publicity and image, public relations and advertising.

Trade shows have become platforms for communication and developing relationships with clients. 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.

## II. Historical Development

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

The framework conditions for today's development of the exhibition industry were 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 prepared the ground for intensified trade and increased exchange of information.
- The formation of economically cooperating regions: e.g. EU, ASEAN, MERCOSUR, NAFTA und CUFTA is positively influencing the exchange of goods, services and ideas.
- The liberalization of the Chinese market is supporting this development.

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

- New and large exhibition sites were 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 organisers start to place their own exhibitions in Europe or are cooperating with worldwide acting exhibition organisers.
- In Eastern Europe numerous exhibition organizers have expanded their trade show programme.
- European exhibitions organizers meet these challenges in different ways:
  - Domestic trade show concepts are exported to the growth markets. They are following 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.

## II. Historical Development

### United States: The origins go back to London's 1851 Crystal Palace Exhibition<sup>19)</sup>

The first World's exhibition in London 1851 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, organize 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 organise an international exhibition to celebrate the nation's centennial and its reunification after the Civil War. The success of Philadelphia Centennial Exposition, attracting millions of visitors, launches the first generation of American international fairs: New Orleans (1884-1885), Chicago (1893), Atlanta (1895), Nashville (1897), Omaha (1898), Buffalo (1901), Charleston (1901), St. Louis (1904), Portland (1905), Jamestown (1907), Seattle (1909), San Francisco (1915), and San Diego (1915-1916)
- With the stock market crash of 1929 and the ensuing depression, the Century of Progress Exposition (1933-1934) takes on unexpected importance and spurs the organization of expositions in San Diego (1935-1936), Dallas (1936), Cleveland (1936), San Francisco (1939-1940), and New York City (1939-1940). Fairs during the depression era draw audiences that nearly equals the attendance at the earlier fairs and become 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. San Antonio hosts HemisFair '68, Spokane holds a fair in 1974, and Knoxville and New Orleans organize expositions in 1982 and 1984, respectively.

## 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 commercial development of nations, regions and cities

In many countries the exhibition industry has been, and is still, a political-economic instrument to stimulate the national economy. Nevertheless, the auditing of attendance figures of the exhibitions is not regularly imposed. Only a few of the worldwide exhibitions are audited. Therefore the following figures give only a rough idea about the worldwide significance of the industry.

Extract: "The UFI Code of Ethics is designed to clearly state the dedication to quality and professional conduct of all UFI members. It is a clear statement of UFI's ongoing support for auditing to ensure credibility and transparency in the business activities of trade fairs and exhibitions."

#### The situation worldwide 2002

(according to UFI, the global association of the exhibition industry)

- approximately 30.000 exhibitions held around the world
- approximately 3,2 million exhibitors participated in the exhibitions
- approximately 350 million visitors came to see the events

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Europe 2003<sup>20)</sup>

According to the Istituto di Economia e Gestione delle Imprese (IEGI, University Buccoini, Milano) the exhibition industry in Europe has shown the following results in 2003:

	<b>EUROPEAN UNION</b>	<b>TOTAL EUROPE</b>
<b>INTERNATIONAL EXHIBITIONS</b>		
Net space hired (sqm)	18.000.000	
Direct exhibitors (number)	420.000	
Total visitors (number)	36.000.000	
Number of exhibitions	750	
<b>NATIONAL AND REGIONAL EXHIBITIONS</b>		
Net space hired (sqm)	24.000.000	
Direct exhibitors (number)	710.000	
Total visitors (number)	87.000.000	
Number of exhibitions	7.150	
<b>TOTAL TRADE EXHIBITIONS</b>		
Net space hired (sqm)	42.000.000	50.000.000
Direct exhibitors (number)	1.130.000	1.360.000
Total visitors (number)	123.000.000	155.000.000
Number of exhibitions	7.900	11.000

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### North America in 2001<sup>21)</sup>

(according to CEIR (the Center for Exhibition Industry Research))

- A total of 13,000 exhibitions were held.
- Attended by 125 million visitors.
- Including 1,2 million exhibitors.
- The resulting contribution to the US and Canadian economy is estimated to approximately \$ 100 billion.

Tradeshaw week analyses the 200 largest shows (not including consumer shows) to take place in the United States. In **2003** the following interesting data and ratios were created on a one year base.

Total net. sq. ft. of paid exhibit space	55.262.000
Total number of contracted exhibitors	180.000
Total professional attendance	3.702.000
Space rte range per sq. ft.	\$ 2,05 - \$ 59,50
Total economic impact on host cities	\$ 4.96 Bil
Average number of contracted exhibitors	1.018
Average number of professional attendees	21.032
Average ratio attendees to exhibitors	21 to 1



### III. Benefits of Exhibitions

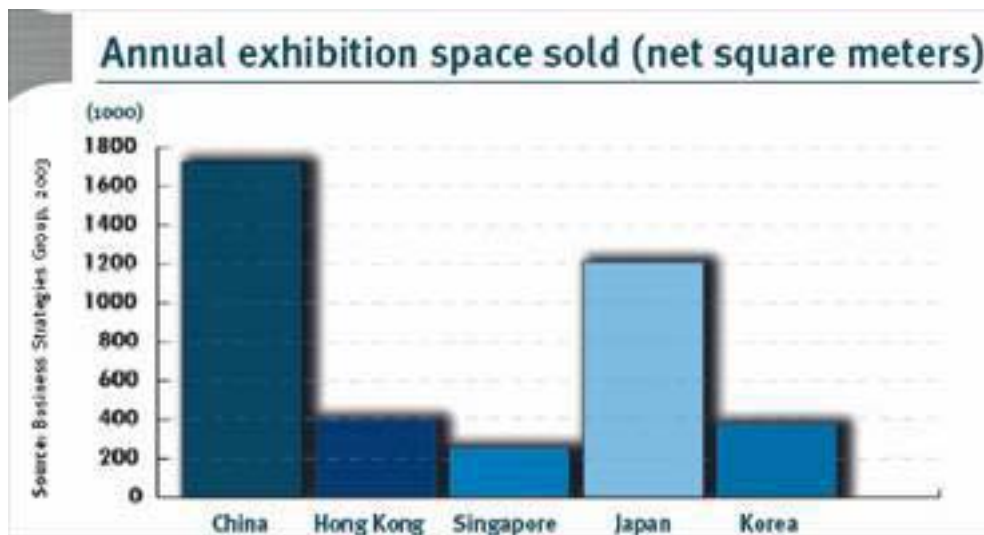
#### A. Economic Significance of Exhibitions

##### Asia

The Asian market for exhibitions is varied. There exist several regional exhibition markets because of the geographic extension of the region. The most important are:22)

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



### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

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

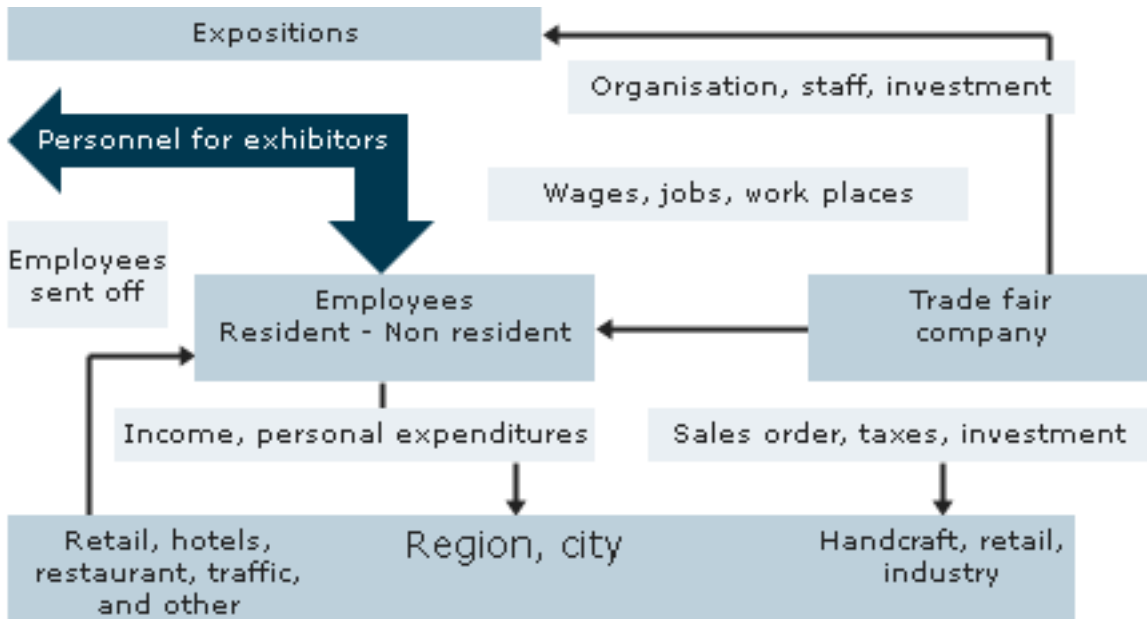
- Forecasts for China say that within ten years the exhibition industry will belong to one of the ten most powerful market segments in China.
- In 2004 118 exhibition centres are registered where
- approximately 2500 exhibitions take place.
- Growth rates of more than 15 % are currently achieved.



### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

**Network** – trade fair organizing company



An exhibition organizer places orders, pays taxes and invests in the infrastructure of exhibitions. Beneficiaries are the regional industry, the local government, and trade companies. To organize and support trade shows employees are needed. Wages, jobs and work places are established. These efforts lead to income in the region and/or the city. Personal expenditures multiply the beneficial impact.<sup>23)</sup>

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Spin-off Effect

The benefit of trade fairs is not only restricted to the direct participants. The spin-off effects also include the indirectly related players.

- first, the authorities profit from taxes paid on economic activities related to trade fairs
- secondly, all hospitality service providers profit by an exponential rise in demand, especially the accommodation industry, transportation, 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>24)</sup>



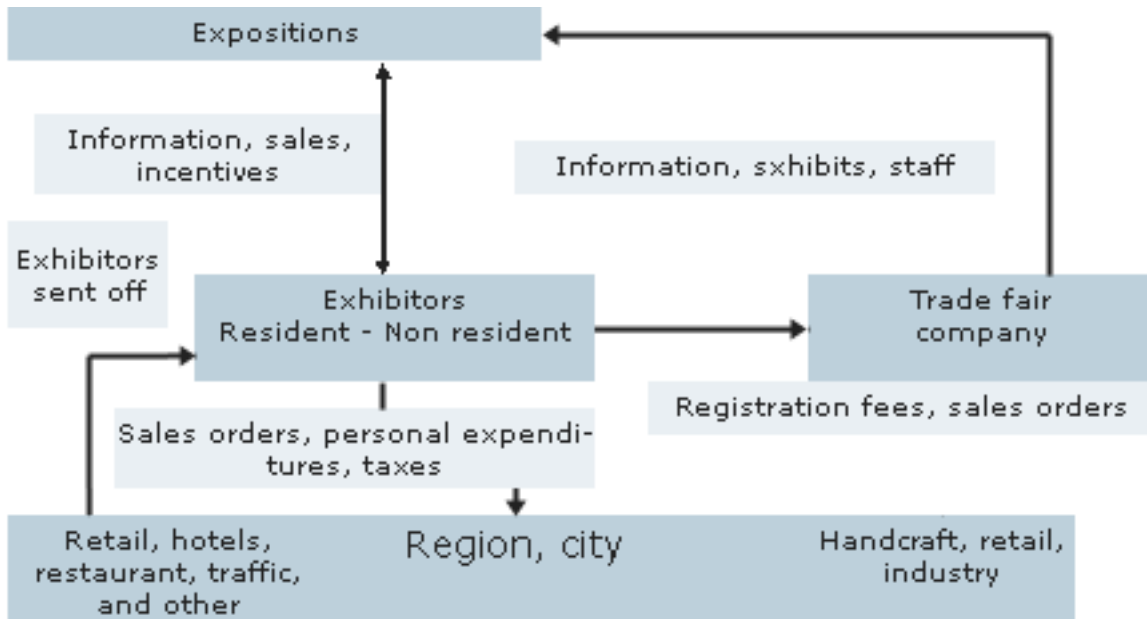
Bologna  
region  
100 km



### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Network - exhibitors

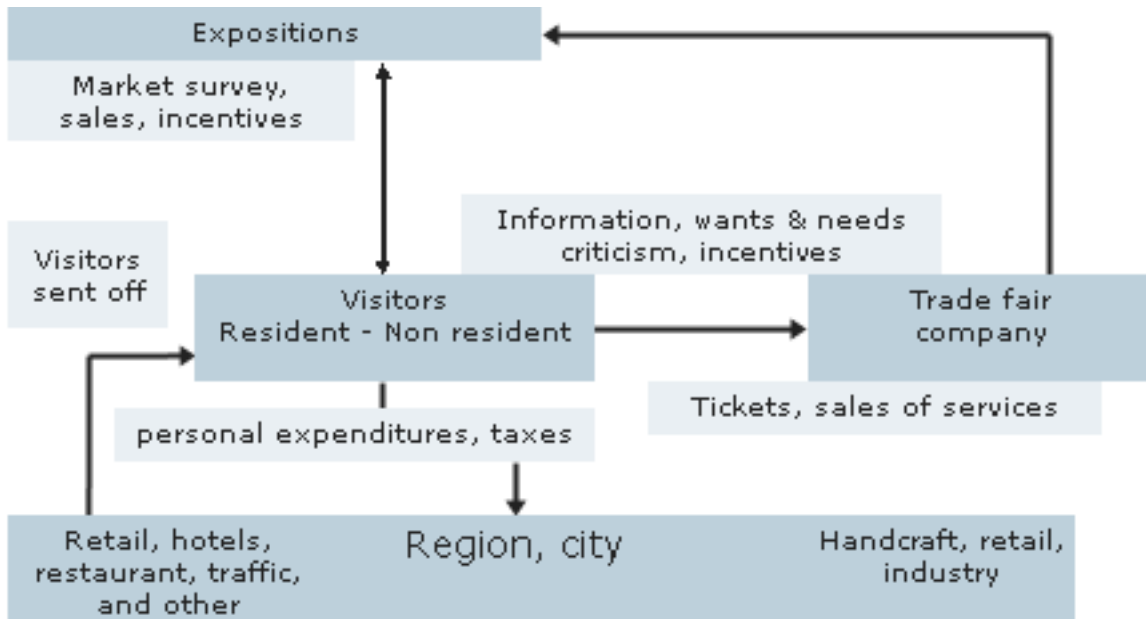


Resident and non resident exhibitors pay registration and other fees to the organiser. They place orders, buy personal goods, pay taxes, rent cars and pay for accommodation. They employ temporary staff and contribute to the exposition with information, incentives and sales orders. Beneficiaries, for example, are the organizer, employees from the region, retail companies, handicrafts, hotels, restaurants, transportation, entertainment and local government .

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Network - visitors

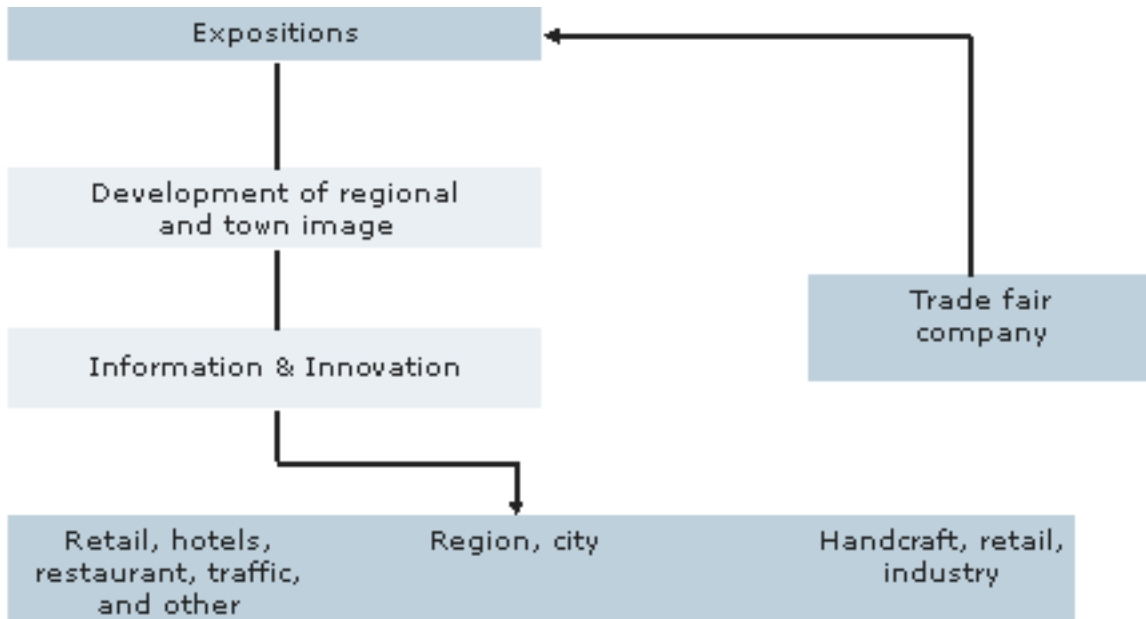


Resident and non resident visitors pay admission fees to the organiser. They invoke services, buy personal goods, pay taxes, rent cars and pay for accommodation and restaurants. They contribute to the exposition with information, incentives and sales orders. In return they get a market survey, information about products and services. Beneficiaries, for example, are the organiser, retail companies, hotels, restaurants, transportation, entertainment and local government.

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

Network - region



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

The region profits from information and incentives for the regional industry.

### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

Network - region

# International Exhibition City



SINGAPORE EXHIBITION & CONVENTION BUREAU

#### Demonstration of the image effect

For example, the excellence of exhibitions held in Singapore has been recognized by UFI which accredits fairs and exhibitions of exceptional quality. In addition to the already existing exhibition facilities, the Singapore Expo, which opened in March 1999, is one of the largest exhibition centers in the region. Singapore Expo has placed Singapore on par with the best exhibition cities in the world.



### III. Benefits of Exhibitions

#### A. Economic Significance of Exhibitions

##### Network - region: Linkages and the sales multiplier effect

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 hence wealth and the overall image of an area increase. The following rough figures are calculated to estimate the monetary effects of exhibitions. <sup>24)</sup>

<b>Sales volumes - exhibition sector</b>	<b>1.0</b>
<b>Multiplier for direct, indirect and induced regional expenditures</b>	<b>7,0 - 10,0</b>

##### How to read:

One EURO paid to the exhibition organizer for admission or for exhibitor fees has to be multiply with 7 to 10.

Then you get the amount of money that is directly, indirectly and induced spent in the region. In this way other enterprises, private persons, the region, state or the city profit from the exhibition and the corresponding events.

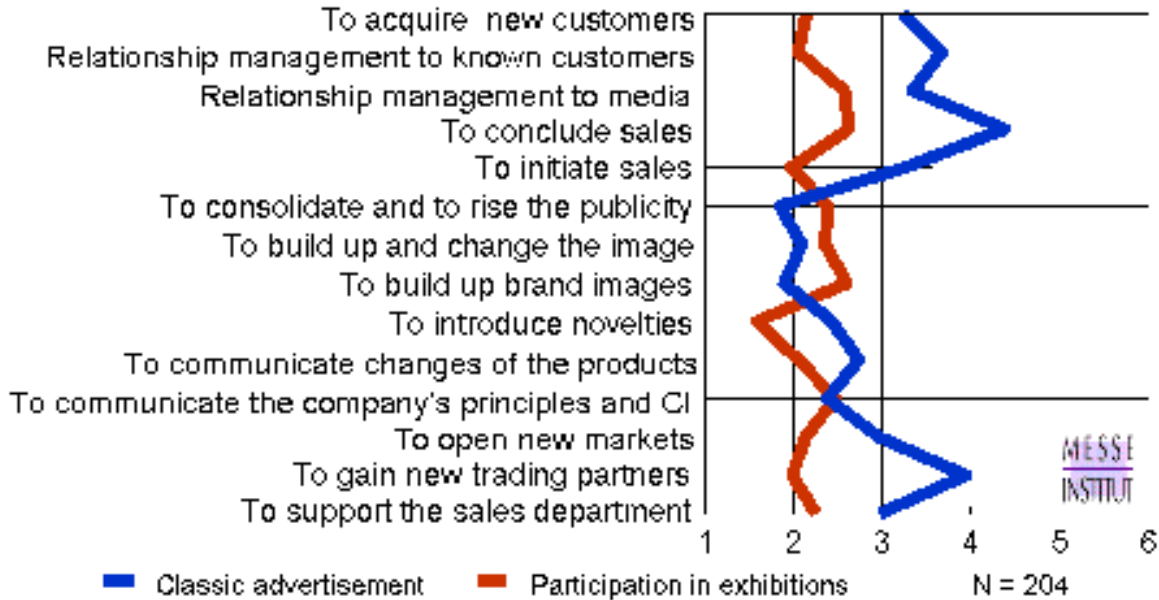
### III. Benefits of Exhibitions

#### B. Importance for Exhibiting Enterprises

##### Media comparison: Advantages of the marketing tool "participation in exhibitions"

In 2004, 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>25)</sup>

#### Classic advertisement versus participation in exhibitions

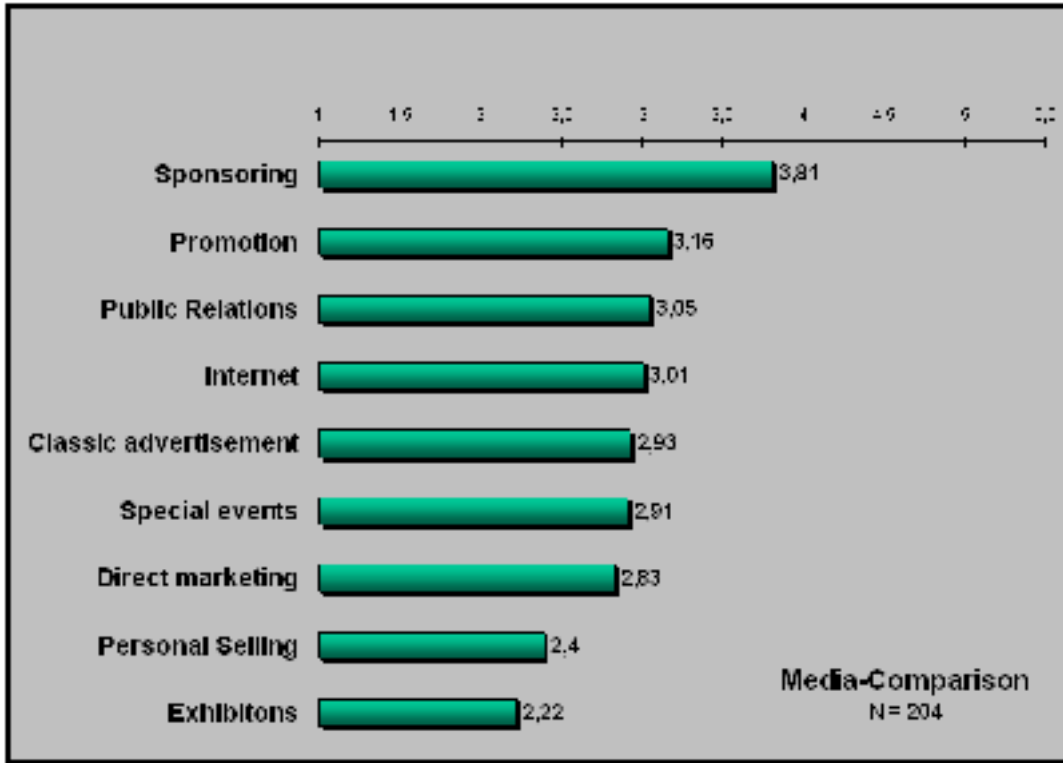


### III. Benefits of Exhibitions

#### B. Importance for Exhibiting Enterprises

##### Media comparison: Advantages of the marketing tool "participation in exhibitions"

Organisations use different communication instruments to reach their marketing objectives. To make a decision which instruments (see chart below) to use, it is important to know how efficiently 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 emphasise face-to-face communication. The other instruments are less effective. 26)



### III. Benefits of Exhibitions

#### B. Importance for Exhibiting Enterprises

##### **Advantages of a trade fair participation for exhibitors<sup>27)</sup>**

What are the reasons for such 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 and
- 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 exists a so called transponding-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.

The possibility to address potential clients directly allows face-to-face contacts. 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, i.e. 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.

## III. Benefits of Exhibitions

### B. Importance for Exhibiting Enterprises

The following cluster analysis of exhibitors shows that there are various approaches, objectives and priorities which determine different types of exhibitors:[28\)](#)

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

#### **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

## **III. Benefits of Exhibitions**

### **B. Importance for Exhibiting Enterprises**

#### **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 to 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

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

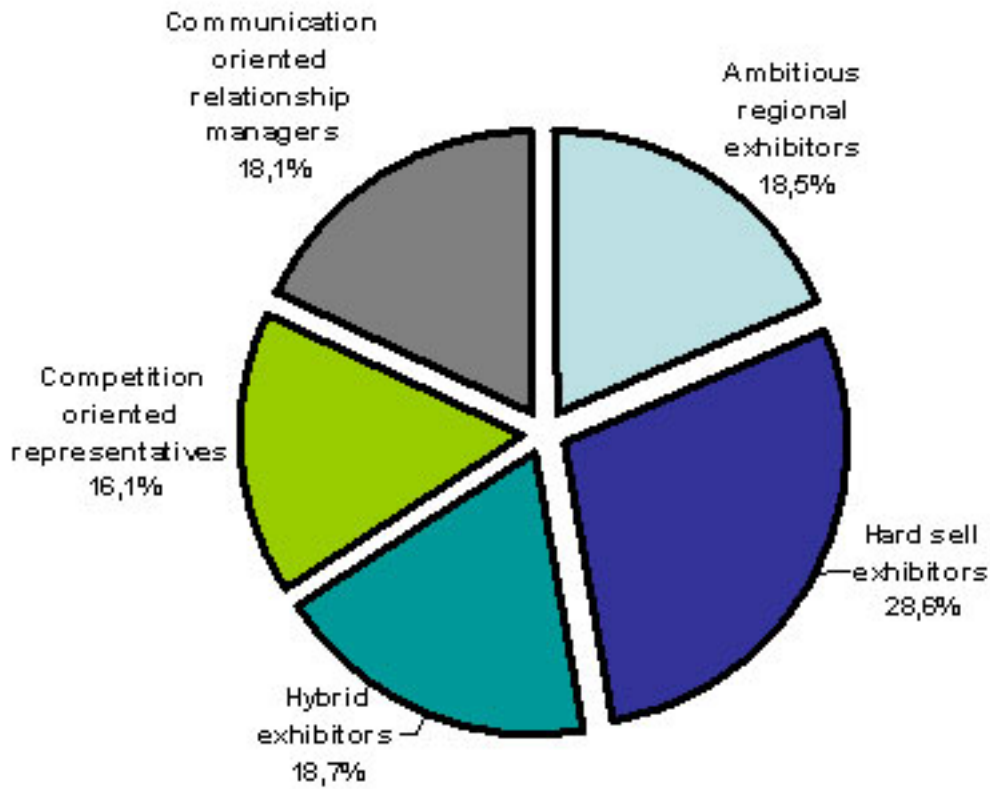
- Do not set extraordinary goals, although employee motivation as a goal is common
- Tend towards international trade shows because of their informational nature

### III. Benefits of Exhibitions

#### B. Importance for Exhibiting Enterprises

##### 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



## III. Benefits of Exhibitions

### C. Importance for Visitors

A comparable cluster analysis<sup>29)</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"

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

- Utilizes trade shows as an important source of information, particularly 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 use their visits intensively, carefully considering products or services
- Does not transact business directly at the fair



## **III. Benefits of Exhibitions**

### **C. Importance for Visitors**

#### **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

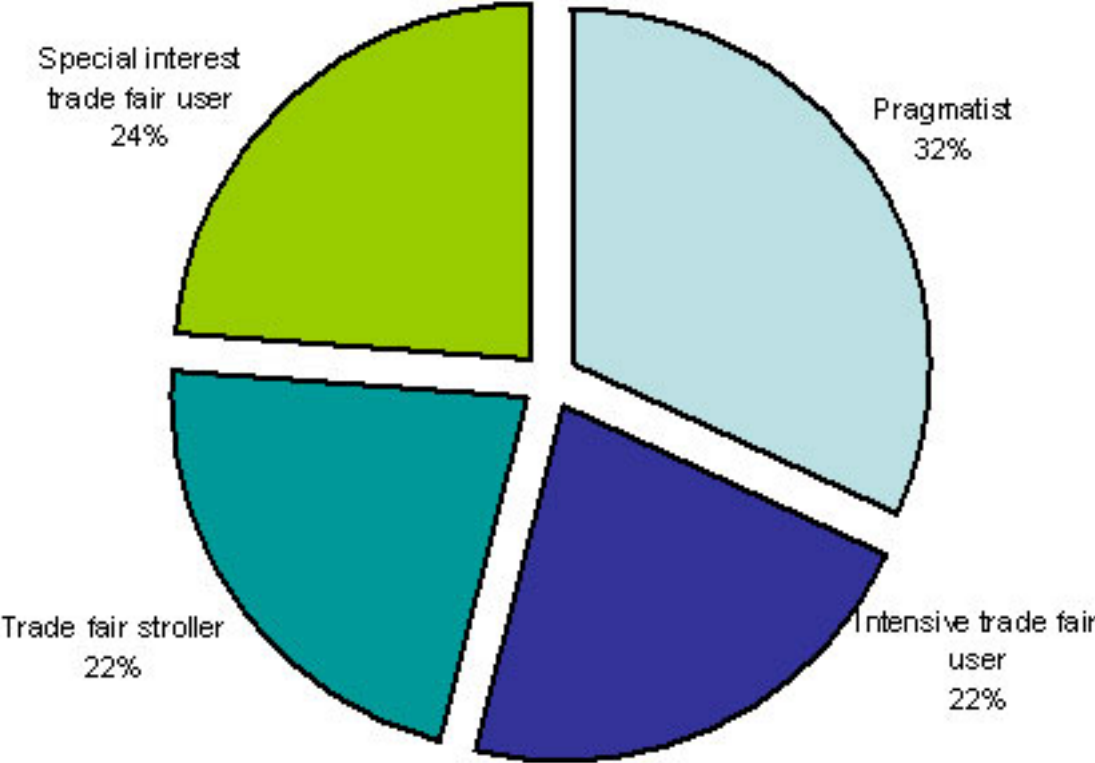
#### **Type D: "Pragmatist"**

- 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

# III. Benefits of Exhibitions

## C. Importance for Visitors

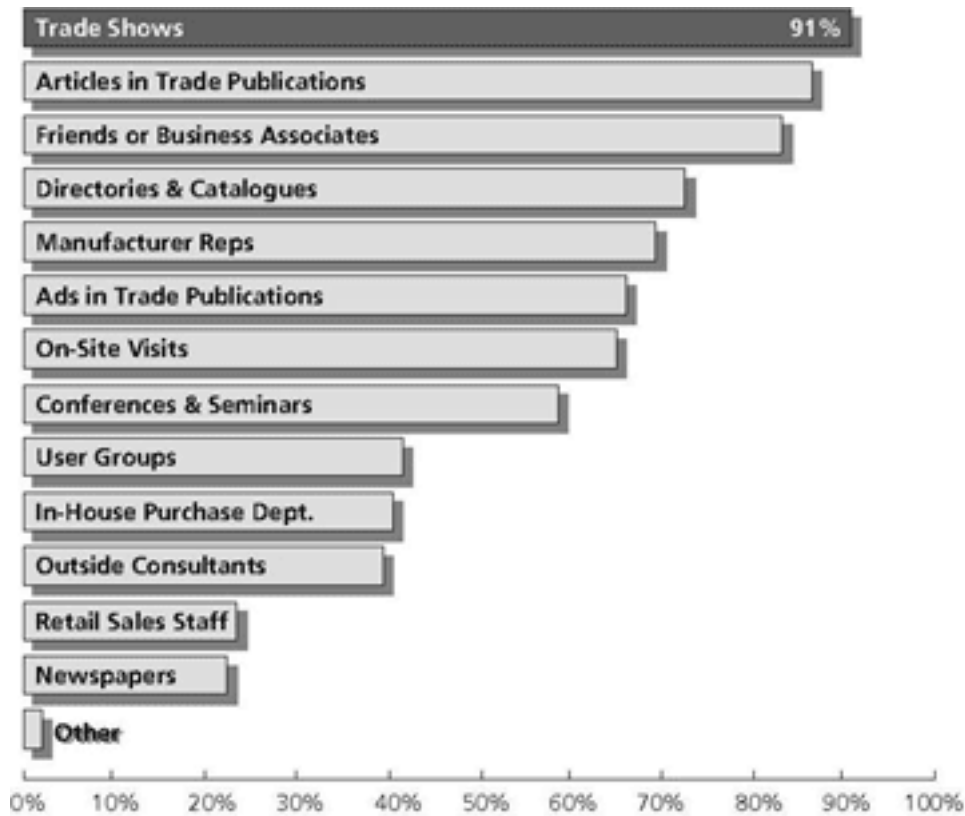
Allocation of Type A-D



### III. Benefits of Exhibitions

#### C. Importance for Visitors

##### Other sources of information for visitors<sup>30)</sup>



Trade shows are excellent events to prepare decisions. How to read the graph: 91% of the management queried use trade shows as an instrument to gather information for their business decisions.

### III. Benefits of Exhibitions

#### D. Outstanding Economic Functions

These are some special economic factors connected to trade fairs:

- **Lowering transaction costs<sup>31)</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.

- **Neutral sales area**

Trade shows are held at a location which is neither home territory of the exhibitor nor 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.

- **Conditional location pull<sup>32)</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, which means that he is fixed according to the place where the producer manufactures. This doesn't apply to trade fairs.

### **III. Benefits of Exhibitions**

#### **D. Outstanding Economic Functions**

##### **Limited availability**

A distinguishing feature of trade fairs is their limited availability<sup>33</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.

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. Trade shows are able to hyper compensate for this flaw by offering the opportunity to personal and intensive contacts.

## IV. Integrated Exhibition Marketing

### A. Information Sources

There are a number of **reliable sources** which distribute information about trade fairs. Many countries support their exporting companies. Information on where and how to participate in foreign 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 and economy associations
- International databanks
- National auditing companies (i.e. companies which audit statistical data of trade fairs)
- Associations of the national exhibition industry

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

headquartered in Paris, is the leading umbrella organization for fair organizing companies, exhibition centre managers and exhibition related service industries worldwide. UFI brings together important national and industry exhibition associations. As a networking platform, it stimulates communication between the members through several working groups and congresses. With more than 80 years of experience, UFI carries out studies about the trade fair industry and the research results can be used for marketing or educational purposes. As a representative of the trade fair industry, its responsibility is to provide added value.

## IV. Integrated Exhibition Marketing

### A. Information Sources

#### Expo-Online-Databanks Germany, USA and Asia

There are several databanks available to get information about trade fairs. Click on the companies name and you will get access to the different databanks.

- **Asian Sources ([www.asiansources.com](http://www.asiansources.com)):** Databank for Asian expositions. 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)):** Databank mainly for German expositions. The AUMA databank provides detailed statistical information about trade fairs in Germany and about foreign trade fairs organized by German companies.
- **Exhibitions round the world ([www.exhibitions-world.com](http://www.exhibitions-world.com)):** Asia-databank. 86 research categories. The following information are available online: Export- and exposition guide, directory of exposition companies, stand constructing companies and hotels.
- **Expobase ([www.expobase.com](http://www.expobase.com)):** Large databank of German and foreign expositions. Leads to information about: stand constructing companies; hotels, services, forwarding trade.
- **Expoguide ([www.expoguide.com](http://www.expoguide.com)):** Databank of all US expositions. Registration of all exposition names and exposition sites
- **Expoweb([www.expoweb.com](http://www.expoweb.com)):** Expo-databank of US expositions with 78 industrial segments, alphabetic registration.
- **Trade Show Central ([www.tscentral.com](http://www.tscentral.com)):** Databank of more than 30 000 worldwide registered expositions; less information. Additional information can be ordered by e-mail. Co-operation with "Asian Sources".
- **The Trade Show News Network ([www.tsnn.com](http://www.tsnn.com)):** Databank of US expositions with research within 108 industrial segments. Newsletter free of charge with tips about expositions and marketing. Online-Booking of hotels, tickets and car-renting. Experts answer to questions about expositions 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 repetitive, because "Trade show participation is too expensive to be limited to the exhibit alone"<sup>35)</sup>

#### **Trade shows and exhibitions have relations to the enterprise's**

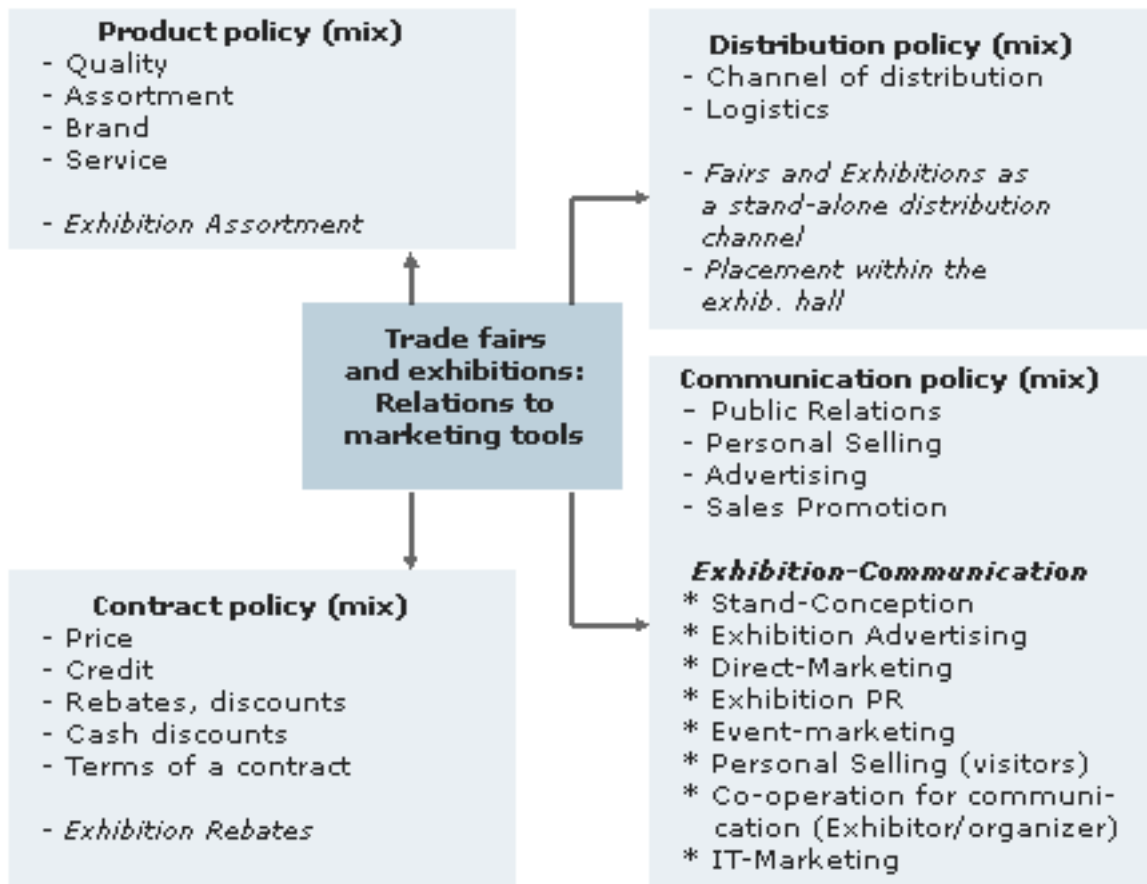
- Product policy
- Distribution policy
- Contract policy
- Promotion policy

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



## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Product policy<sup>36)</sup>



- The product policy does not belong to the original communication tools of trade fairs. However, 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.

# IV. Integrated Exhibition Marketing

## B. Specific Marketing Aspects

### Distribution policy<sup>37)</sup>

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 to sell the company's products (e.g. the jewellery and watch industry). Baselworld
- 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.



International Paris Air Show, Le Bourget, France

**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 exhib. hall*

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects



#### Contract policy<sup>38)</sup>

- 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.

## IV. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### Promotion policy<sup>39)</sup>

- 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:

**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

## 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<sup>40)</sup> show different ways of using the possible design elements.



# V. Integrated Exhibition Marketing

## B. Specific Marketing Aspects

### Trade fair communication activities

- An **advertising** campaign<sup>41)</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>42)</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>43)</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>44)</sup> Trade shows are a special tool to build up relations and to have personal contacts to actual or prospective customers. The chances to practise customer relation management at the trade fair are excellent.
- **Co-operation for communication**.<sup>45)</sup> The organizer's and exhibitor's interests are equal concerning the promotion of visitors. The more quality visitors there are 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.

## V. Integrated Exhibition Marketing

### B. Specific Marketing Aspects

#### IT-Marketing<sup>46)</sup>

- 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.
- A newsletter to announce the participation. 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 mail in a digital form.



## V. Trade Fair Participation

### A. Selection Criteria

Trade shows are useful for many company strategies: e.g. launching new products, opening new markets, improving many customer relationships. Each potential exhibitor has to select the right show for each purpose. Therefore he should use as 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.<sup>47)</sup>

#### 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 is not interested in international customers you should select exhibitions in which national exhibitors take part and where domestic visitors are expected.
- Considering the different type of visitors consumer and trade shows should be differentiated. Consumer shows are primarily for direct selling, while trade shows serve to develop relations with customers and clients. At trade shows purchasing decision may be made after the event.

# V. Trade Fair Participation

## A. Selection Criteria

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

- 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 importance of a trade fair can be determined by different indicators.
  - 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 base: 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 company's targets, this criteria is of importance for the final participation decision.

# V. Trade Fair Participation

## A. Selection Criteria

### 3. Client target group

- 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.

# V. Trade Fair Participation

## A. Selection Criteria

### 4. Competition

- Wanted or not

Following the rules of a market oriented system it is advantageous to be present where your competitors are, too. 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

- Defined budget
- Expected costs

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, budget or type of participation must be adapted.

## **V. Trade Fair Participation**

### **A. Selection Criteria**

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

- 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 geographically centrally located; is there sufficient accommodation available?

#### **7. Further conditions**

- Date
- Availability of personnel

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 work loads, sometimes the best booth personnel is not available. In this case the participation should be reconsidered.

## V. Trade Fair Participation

### A. Selection Criteria

The following chart shows a hypothetical example for choosing the right trade fair. Background: A Russian exhibitor (e.g. a producer of natural stones, see case study 2) intends to open the European market. Follow the explanation on the next slide.

		Alternatives							
Appropriate trade fair		Verona, Italy MARMOMACC		Valencia, Spain, MARMOL		Nuremberg Stone+tec		Brussels, Belgium, Batisbouw	
	Weight w	Points 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>		600		698		452		377

## V. Trade Fair Participation

### A. Selection Criteria

#### Scoring procedure:

- Choice of the criteria which are decisive for the quality of an event from the view point of the exhibitor. Some of the most important criteria are already suggested. Further criteria can be included.
- Weighting 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 view 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

### 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>48)</sup>**

- Within the market processing 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. For further explanation see the next slide.

#### **Exhibition style<sup>49)</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.

## V. Trade Fair Participation

### B. Exhibition Strategies and Styles

Products			
Markets	Present products	New products	
Present markets	<b>Market penetration</b>	<b>Product development</b>	
	<i>Customer oriented exhibition style</i>	<i>Product oriented exhibition style</i>	
New markets	<b>Markt development</b>	<b>Diversification</b>	
	<i>Contact oriented exhibition style</i>	<i>Advisory oriented exhibition style</i>	

#### 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 (like 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

#### **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

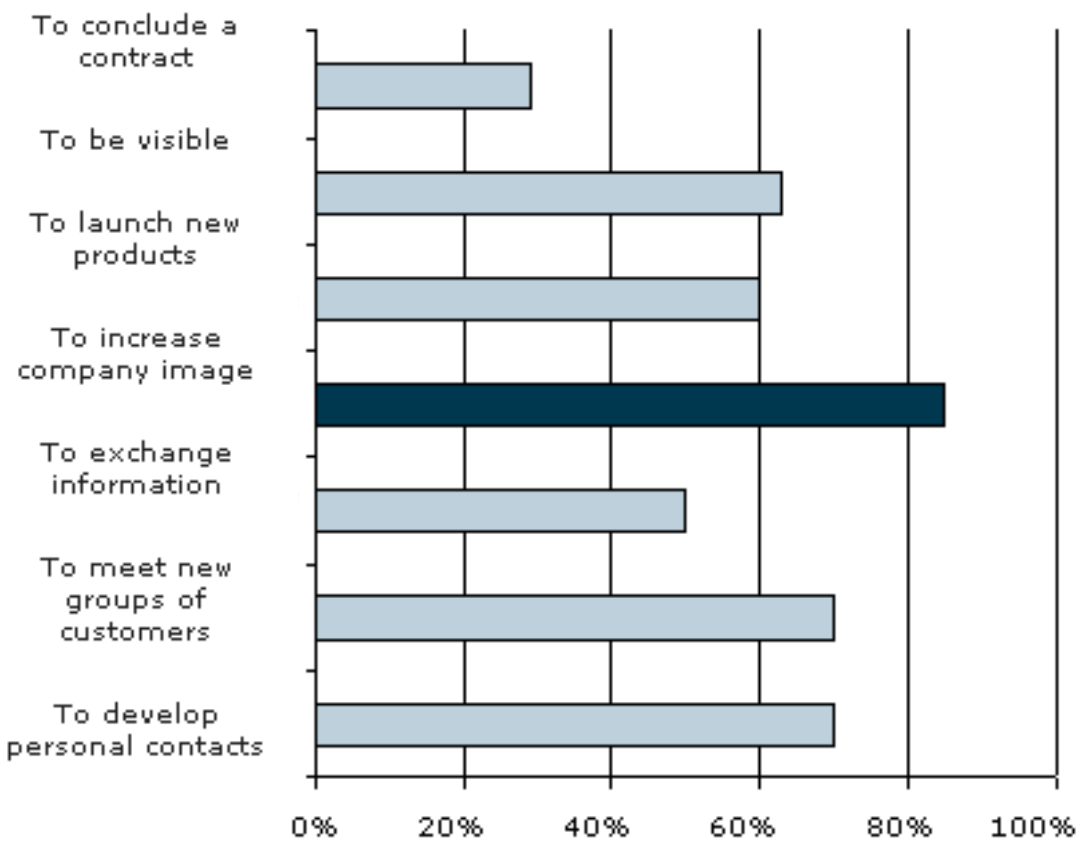
#### Why set targets?

- 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 organisational 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>50)</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“.

## V. Trade Fair Participation

### C. Exhibition Targets

**Targets must be operational.** This means:51)

- 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**52)

- 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.

## V. Trade Fair Participation

### C. Exhibition Targets

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
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

On the left side you find the category of targets; on the right side, contents and the method to audit the data are described.



## 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 in 2004, 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 2005; responsible: Trade Show Department.
- To increase the number of orders from American customers (2004: 25; 2005: 40); responsible: Marketing Department.
- To increase the sales of additional services by 15% (2004 – 2005); responsible: Field Service.
- Reduction of trade show costs by 5% compared to last years 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 companies brand four weeks after the show; today 25%, target 35%; responsible: Marketing Department, Marketing Agency, Market Research Team.

## V. Trade Fair Participation

### C. Exhibition Targets

#### **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, that also means an extension to possible presentation.<sup>52)</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 sensual. 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. Follow the explanations on criterion 2.

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

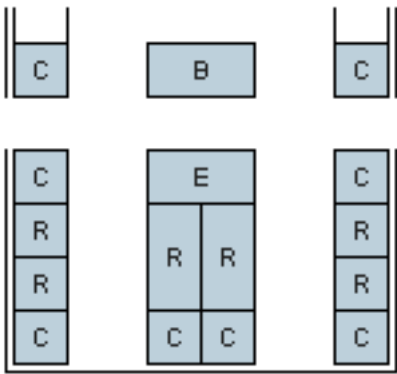
The decision concerns marketing and cost aspects. If the exhibitor likes to reuse the booth he has to decide which booth type will be the best alternative for him.

#### **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 to use the space: for presentation, for consulting or for easy and frequent contacts.

# V. Trade Fair Participation

## D. Stand Impact



### 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, higher numbers of visitors can be expected.

## **V. Trade Fair Participation**

### **D. Stand Impact**

#### **End booth (E)**

This booth at the end of a row is surrounded on three sides by aisles. It is qualitatively superior to the above-mentioned types, 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.

## V. Trade Fair Participation

### D. Stand Impact

Booth assembly
System or conventional booth
Design principles

#### 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?

Follow the explanations on the next pages.

## V. Trade Fair Participation

### D. Stand Impact

#### **Booth assembly** (see [picture](#))

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 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, know how and special expertise concerning the location and the trade show organizer is with the service provider.
- Some organizers offer turnkey booths which are simple system stands. They are assembled and disassembled without 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.





# V. Trade Fair Participation

## D. Stand Impact

### 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 from 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 relative high costs.

# V. Trade Fair Participation

## D. Stand Impact

### 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. Integrated Exhibition Marketing

## D. Stand Impact

Finance decision

Activities &  
time schedule

### Criterion 3: Booth planning and realization

The booth planning and realization stage contains several aspects:

- 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.
- Trade fairs start at a fixed date. Therefore the different planning and realization activities have to be determined. They have to be brought into a time schedule. This way the completion of the booth can be guaranteed.

# V. Trade Fair Participation

## D. Stand Impact

### Finance decision

The alternatives: 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.
- Renting a stand means paying for one use. In general a trade fair organizer or a booth constructing company takes the booth back.
- Leasing means a special type of finance. If the booth will be often used 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.

## V. Trade Fair Participation

### D. Stand Impact

#### Activities & time schedule

The planning procedure starts at least 6 -9 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 (8 months)
- Construction of booth (6 to 2 months)
- Preparing furniture, equipment and exhibits (6 to 1 months)
- Compiling material (3 – 1 months)
- Transport of material (4 to 3 weeks)
- Assembly of booth (2 – 1 week)
- Handing over of booth (day before trade fair)
- Disassembly of booth
- Transportation to company
- Repair and storage



# V. Trade Fair Participation

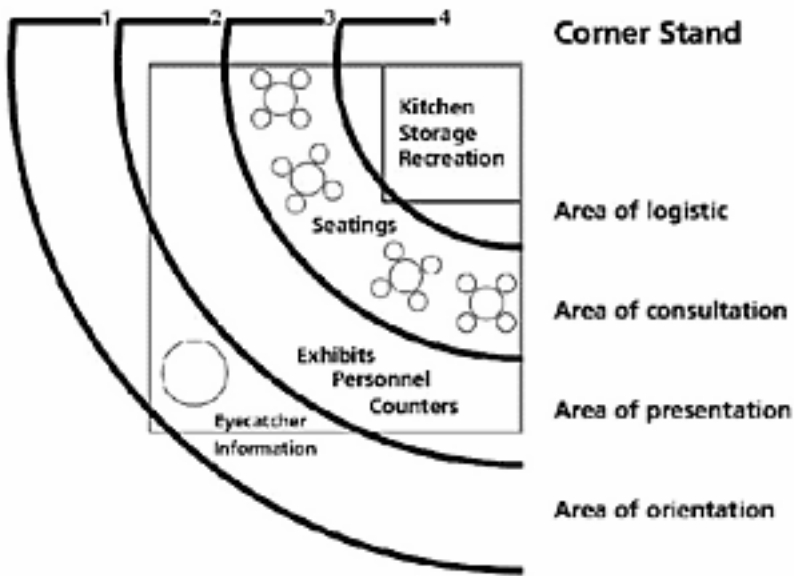
## D. Stand Impact

Areas and functions

### Criterion 4: Booth areas and functions

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

- Area of orientation
- Area of presentation and demonstration
- Area of consultation
- Area of logistic



# V. Trade Fair Participation

## D. Stand Impact

### 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 demonstration

- The advantages of the product should be pointed out in this area;
- Products are presented by the booth personnel;
- First interaction between staff and visitor;
- 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

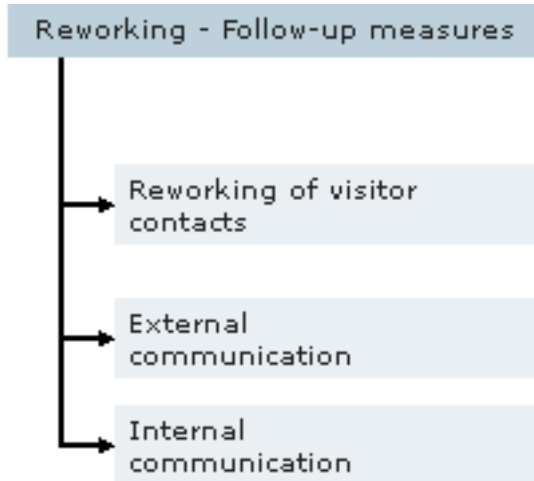
The assessment of a companies' activities is an integrated part of an efficient management process.<sup>53)</sup> At long last it decides after the closing of the fair whether the fair participation was a success or not. To be successful, however, the personnel has to work actively also during the time 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 material and contacts.



## V. Trade Fair Participation

### E. Follow-up Measures

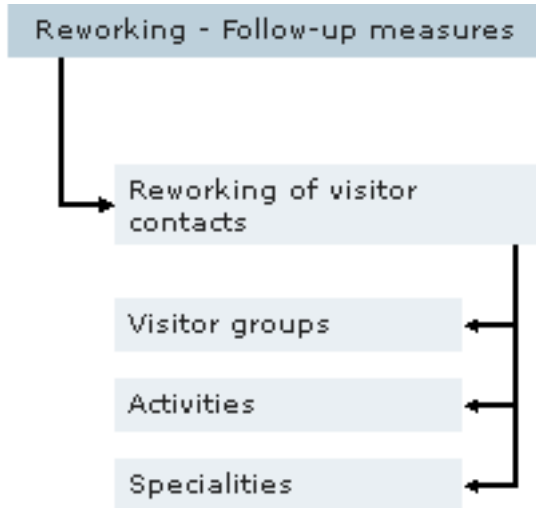


The reworking<sup>54)</sup> after a trade fair participation is the first step in the whole managing process after the trade show. Three different tasks have to be focussed on:

- 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.

## V. Trade Fair Participation

### E. Follow-up Measures

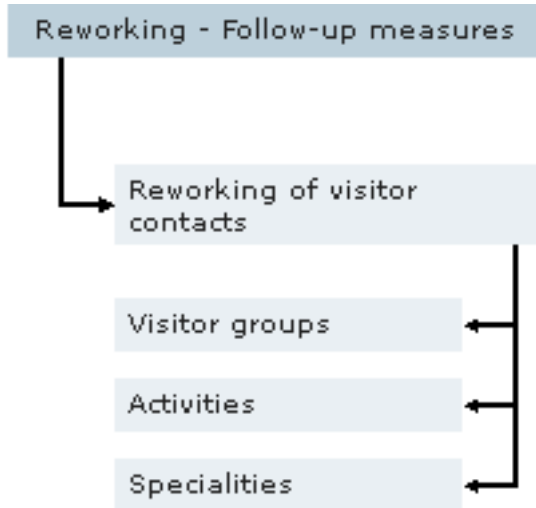


The visitor records which have been written during the trade show contain numerous details about the customers. This information is the starting point of the reworking process.

- 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;
  - To negotiate an order.
- **Specialities** see next slide

## V. Trade Fair Participation

### E. Follow-up Measures

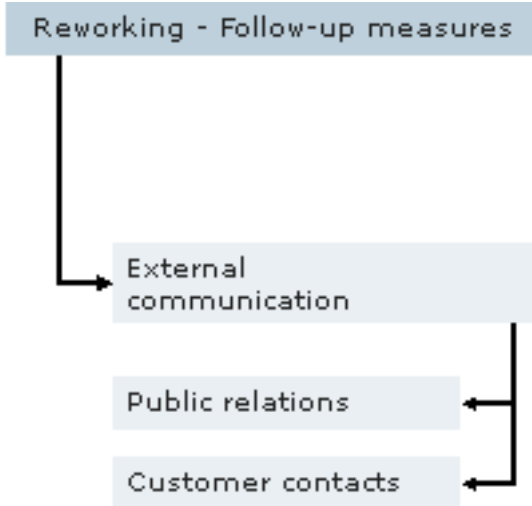


What is important for the activities after the show (**specialities**)?

- The customer wants his wishes to be fulfilled as soon as possible. This could mean that the exhibitor already sends information brochures while the trade show is still going on. To reach this quality of customer relationship the staff at home has to be prepared to do this job. Communication and personal responsibility have to be determined in advance.
- The customer contacts have to be continued after the show. One department, or even better, one person should be responsible for further contacts.

## V. Trade Fair Participation

### E. Follow-up Measures



The successful appearance at a trade show is a very useful opportunity to practice public relations:

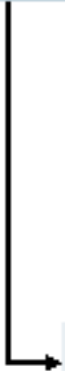
- If there is a successful completion of a contract this is very often published to show the importance of the company, the quality of the products and the acceptance of the customers. Press releases have to be prepared and meeting with media representatives should be organized.

- Not all customers have visited the trade show. It will improve the relationship with those 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. If the company uses customer newspapers these are excellent ways to inform ones clients. Well informed and prepared sales staff might support this initiative during personal contacts.

## V. Trade Fair Participation

### E. Follow-up Measures

Reworking - Follow-up measures



Internal communication

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

- Reports have to be prepared to inform the different departments: Procurement, R&D, sales, management, production.
- The instruments which can be used are:
  - News letters;
  - Personal meetings;
  - E-mail reports;
  - Staff newspapers;
  - Direct mailings;
  - Company meetings
  - Homepage of the company.

## V. Trade Fair Participation

### F. Risk Management

Trade shows combine opportunities and risks. The opportunities are meeting new clients, developing a better company image and placing orders. However, there exist normal economic risks such as less contacts and contracts; low turnover and a low contribution margin. These risks can be minimized if the planning and preparation for the participation is done correctly.<sup>55)</sup>

Other external factors 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:**

After September 11th, 2001 the visitor rate at the COMDEX, Las Vegas dropped from 250.000 people in 2000 to 150.000 in 2001

- **Medical Risk**

- For example infection risk by SARS

**For example:**

- Hong Kong Trade Development Council and China External Trade Development Council were forced to cancel four important industrial mega-shows in Hong Kong and Taiwan
- Fair organizers worldwide prepared special services for exhibitors and visitors from effected regions

## **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 decides after the closing of the fair 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.<sup>56)</sup>

As we have learned in former chapters, trade show objectives are important preconditions to carry out successful trade show participations. After the show, the aims have to be tested 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.

## VI. Evaluation of Participation

### A. Importance of Evaluation

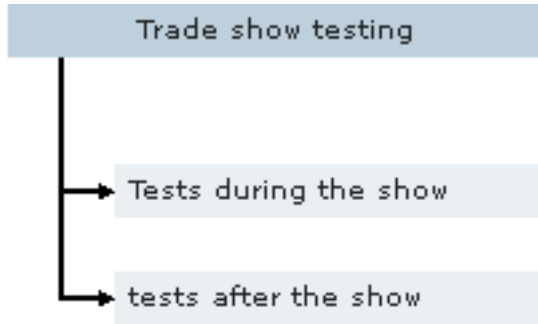
#### Return on investment (ROI)

- 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) they used for the participation and how much benefit they got out of the show.
- At present stage there are several differing 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 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.



## VI. Evaluation of Participation

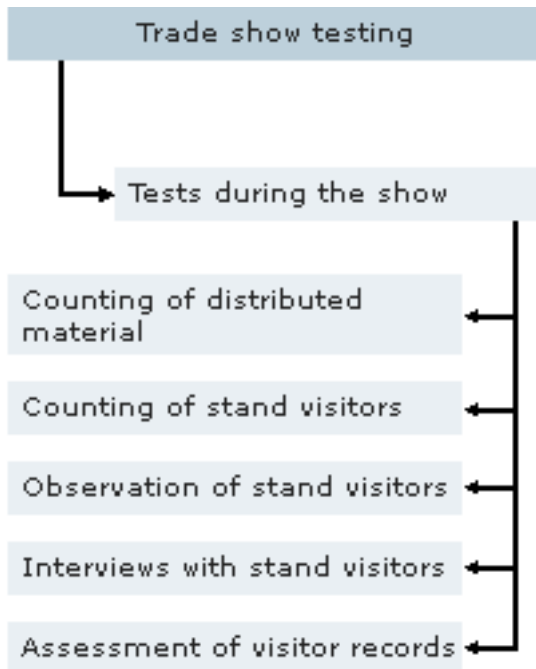
### A. Importance of Evaluation 57)



- Controlling as a management task serves 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 can be used during or after the show.

# VI. Evaluation of Participation

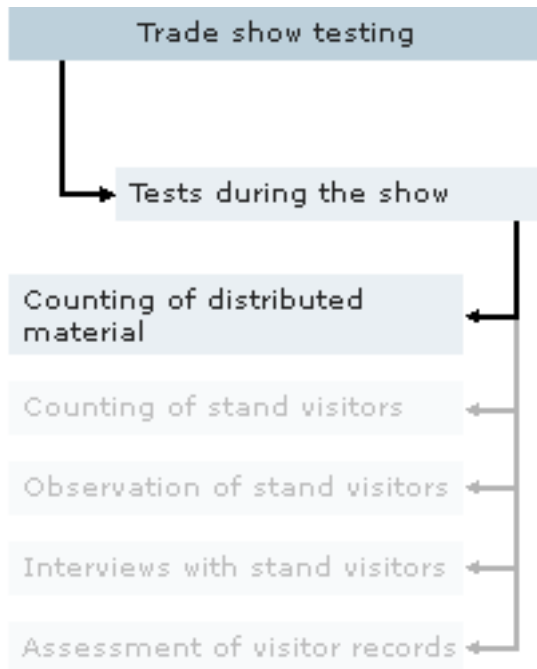
## A. Importance of Evaluation



- 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 timeline and organization of the participation? How do we use the results after the show?
- During the trade show the measures listed on the left side can be used. They will be described on the following pages in more detail.

## VI. Evaluation of Participation

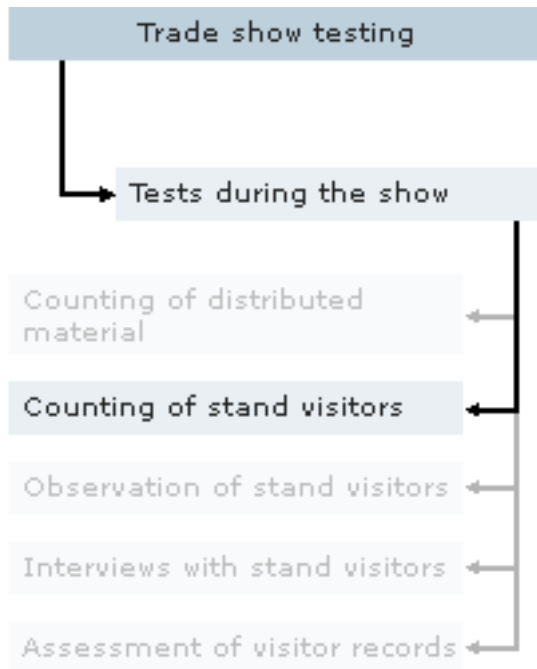
### A. Importance of Evaluation



- **Objective**  
Analysis of the information behaviour and the product's 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 visitor interests are recognized. Partly restricted information about perception and acceptance of the range of products and performances at the booth. As an additional control instrument recommendable.

## VI. Evaluation of Participation

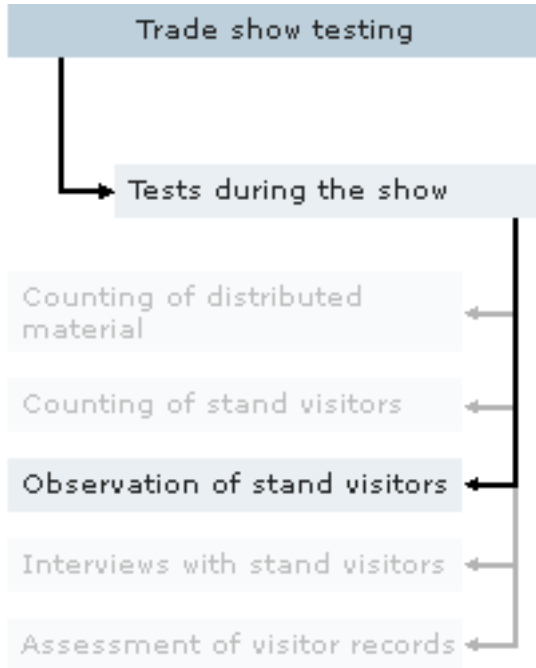
### A. Importance of Evaluation



- **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



- **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**  
Expensive control instrument. Use of specialized staff is necessary. Evaluated: The activation and customer contact aims in qualitative form. Only low case numbers are possible.

# VI. Evaluation of Participation

## A. Importance of Evaluation

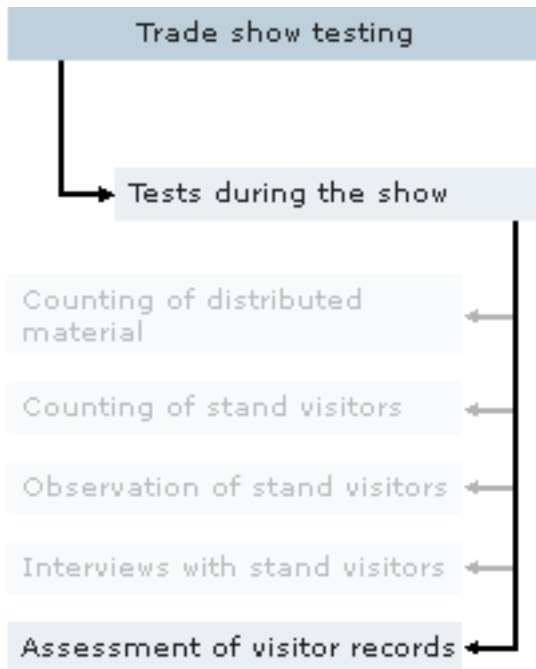


- **Objective**  
Investigation of complex and individual surveys of the exhibitors.
- **Method**  
Verbal, written and computer-assisted interviews with the stand visitors. Interviews last approx. 5 to 20 minutes depending on subject and surroundings.
- **Assessment**  
Expensive control and market research instrument. Evaluated: Stand visitor structures (short interviews); Judgement of the booth (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. No sample inquiry ensured; interviewers can have influence on the reply. Structure of the people asked can be one-sided.

## VI. Evaluation of Participation

### A. Importance of Evaluation



- **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 resume of the contacts by the exhibitor's staff at the stand.
- **Assessment**  
A report is not taken from every conversation. Hectic surroundings. Important information is partly forgotten. Knowledge about the judgement of the fair presentation and the exhibits aren't taken in general. Visitors who only look around aren't included. Instrument has to be used in any case. Makes re-working after the show easier.

## 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 reactions of the visitors referring to e.g. attitudes, opinions, image. Comparison of reference groups (visitor-not visitor) is possible. Important method with regard to the evaluation of the fair as a communication tool.



# 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 of suggestions from conversations with customers.
- **Method**  
Structured interviews with the exhibitor's staff at the stand during but also immediately after the fair.
- **Assessment**  
Cost-effective instrument. Experiences are documented and made useable for the coming events. Problem: Interviews with the exhibitor's staff are neglected as there isn't any immediate use.

## VI. Evaluation of Participation

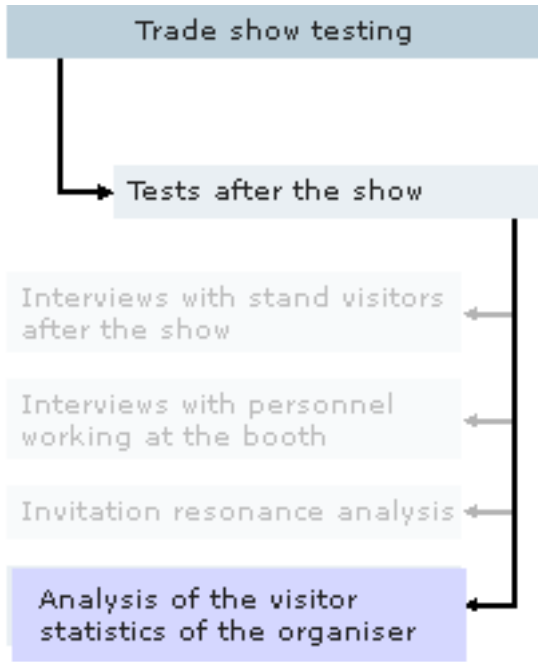
### A. Importance of Evaluation



- **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**  
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.

# VI. Evaluation of Participation

## A. Importance of Evaluation



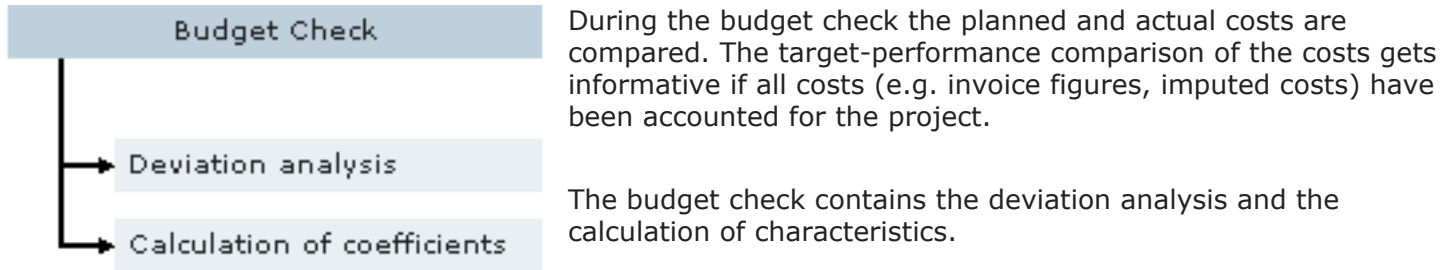
- **Objective**  
Check and comparison of the composition of the customers at the booth.
- **Method**  
Comparison of the structure data of the visitors raised by the organizer with the data investigated by the exhibitor. Visitor interviews necessary, at least to get the right structure data.
- **Assessment**  
Evaluation of the segment specific range of the trade fair is possible. Accessibility of the target group can be tested. Problem: 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.

## VI. Evaluation of Participation

### B. Efficiency Assessment<sup>58)</sup>

The planned budget has to be checked as well. 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.

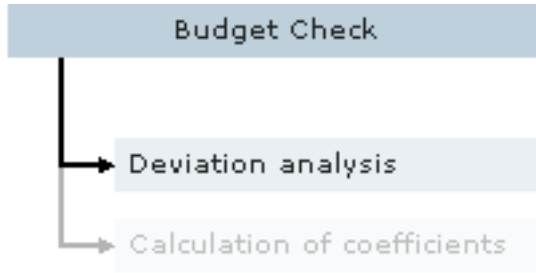


First of all the deviations are identified. The exhibition manager has to ask what are the reasons for the differences between planned and actual costs.

The characteristics calculated for one or, even better, for several (comparable) shows, prove the efficiency of the participation.

# VI. Evaluation of Participation

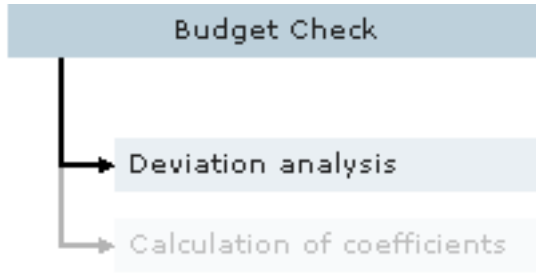
## B. Efficiency Assessment<sup>59)</sup>



	<b>Planned costs €</b>	<b>Actual costs €</b>	<b>Deviation €</b>
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>

# VI. Evaluation of Participation

## B. Efficiency Assessment

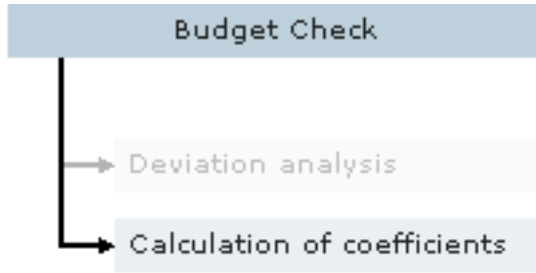


The reasons could be:

1. Construction (3.650; 42%); Design (400; 21 %); Equipment (60; 3,3%).  
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. Personnel costs (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**

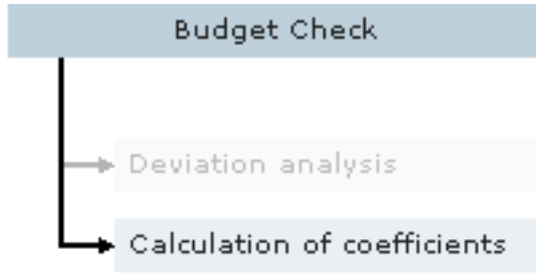
Recording of different data from different sources: Turnovers, costs, marginal contributions from the accountancy, visitor statistics, visitor records.

- **Assessment**

Suitable proceedings to check profitability of fair participations. Expensive data evaluation necessary. Interpretation of the results difficult. Continuous recording of the data over several trade fair periods necessary.

# 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.

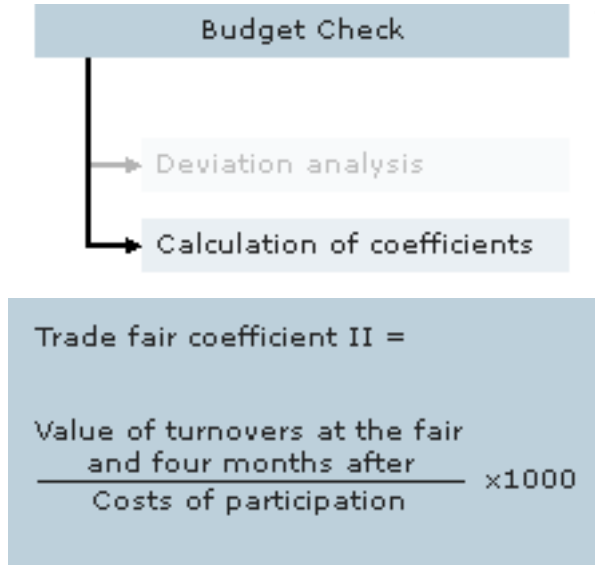
Trade fair coefficient I =

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



# VI. Evaluation of Participation

## B. Efficiency Assessment

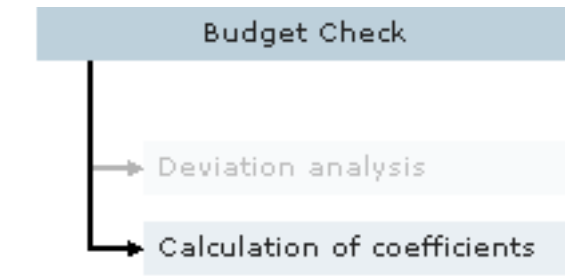


### Trade fair coefficient II

- Trade shows have become communication platforms. Therefore most of the contracts are completed after the show. It makes sense to assign the turnovers realized at the show, 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 380.00 € 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.

# VI. Evaluation of Participation

## B. Efficiency Assessment



### Trade fair coefficient III

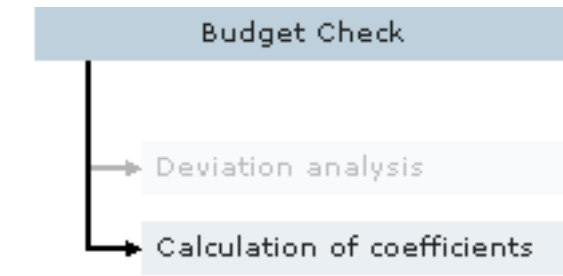
- To get to know more information about the importance of the marketing instrument "Trade show participation" and its relevance for the turnover of the company the coefficient III has to be calculated.
- Assumed an annual turnover of the company of 1.520.000 € and costs of totally 208.250 € (five trade shows) each 1.00 € have produced a turnover of 7298 €, or each € spent at the trade shows has led to 7,3 € turnover.

Trade fair coefficient III =

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

# VI. Evaluation of Participation

## B. Efficiency Assessment



### Costs per visitor

- The profitability of the participation is documented by the coefficient "Costs per visitor". 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.

Costs per visitor =

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

## VII. Summary

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>60)</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 communications concept;
- Supporting tools must be adjusted;
- Trade show concept must reflect the company`s strategy.

### **Benefits**

- High attention, not only by the target group but also by the media;
- Remarkable number of contacts with target group at relatively low costs;
- Efficient tool to realize Customer Relationship Marketing (CRM);
- Experience with trade shows help to improve and ensure maximum return on investment.

## VII. Summary

### Disadvantages of participations

- Relatively high expenditure;
- Practical utilisation of resources;
- Problem of limited availability of trade shows.

### Future development

- Trade fairs still play an important role in marketing, and they will continue to do so in the future;
- Marketing tools, such as special events, exhibitions and conferences grow together;
- Expanding markets for trade fairs in Asia and other regions.
- The internet plays an important role for future trade fairs: Not as an alternative, but as a supporting tool before, during, and after the trade fair.

## Footnotes - Chapter I A:

- 1) 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).
- 2) Cf. Walter, Rolf, *Wirtschaftsgeschichte: Vom Merkantilismus bis zur Gegenwart*, 3rd ed. Cologne 2000, p. 7.
- 3) 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 Unternehmensfuherung, Konzepte – Instrumente – Praxisbeispiele*, 9th ed., Wiesbaden: Gabler, 2000 p. 741.
- 4) Luckhurst, Kenneth W, *The Story of Exhibitions*, London 1951, p. 9.
- 5) 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.

## Footnotes - Chapter I B:

- 6) Cf. Morrow, Sandra L, *The Art of the Show, Second Edition*, Dallas 2002, p. 9.
- 7) Allwood, John, *The Great Exhibitions*, London 1977.
- 8) Cf. Morrow, Sandra L, *The Art of the Show, Second Edition*, Dallas 2002, p. 10f.
- 9) Anderson, Eleanor, *The Expo Story*, University of Toronto 1986.
- 10) Cf. Morrow, Sandra L, *The Art of the Show, Second Edition*, Dallas 2002, p. 14.
- 11) 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*.

## Footnotes - Chapter II:

- 12) Cf. Ott, Hugo; Schaefer, Hermann (ed.), *Wirtschafts-Ploetz, Die Wirtschaftsgeschichte zum Nachschlagen*, 2nd ed., Freiburg: 1985. Concerning the Bristis history see the interesting link: [www.stirbitch.com/cantab/profiles/medieval\\_fairs.html](http://www.stirbitch.com/cantab/profiles/medieval_fairs.html)
- 13) 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.
- 14) Cf. Sonntag, René, *Trading under the trees: Be prepared to run for cover*, [www.archive.hoehst.com/english\\_3er/publikationen/future/nyse/art4.html](http://www.archive.hoehst.com/english_3er/publikationen/future/nyse/art4.html)
- 15) 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).
- 16) 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.

17) Cf. Rydell, Robert W.; Findling, John E; Pelle, Kimerly D., Fair America, World's Fairs in the United States, Washington, London 2000, pp. 14 – 45.

18) Grabbe, Orlin, History of the Euro, [www.orlingrabbe.com/euro.htm](http://www.orlingrabbe.com/euro.htm), 1997

19) Cf. Rydell, Robert W., All the World's a Fair, University of Chicago Press 2002; Burton, L. Benedict, The Anthropology of World's Fairs, Scolar Press 1983

### **Footnotes - Chapter III A:**

20) Istituto di Economia e Gestione delle Imprese (IEGI, University Buccoini, Milano), 2004

21) Cf. Exhibition World, The Magazine for the Global Exhibition Community, London, September 2004, pp. 25. See also: Crum, Rachele 2003 Attendees and Exhibitors Help, Industry see the light, in: Trade Show Week 200 Analysis, Los Angeles 2004

22) Global Meeting Strategies, in: [www.businessweek.com/adsections/2003/pdf/0343meetings.pdf](http://www.businessweek.com/adsections/2003/pdf/0343meetings.pdf)

23) An example see: Klimecki, R. G., Nittbaur, G., Regionalwirtschaftliche und strategisch Analyse der Messe Friedrichshafen, Projektbericht, Konstanz, Friedrichshafen 1999

24) 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 host region awareness: A longitudinal study. Journal of Travel Research, 30, 3-10.

### **Footnotes - Chapter III B:**

25) Cf. Spryss, Wolf M. Spryss, Messe Institut, Laubenheim 2004

26) Cf. Spryss, Wolf M. Spryss, Messe Institut, Laubenheim 2004

27) 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.

28) Cf. Küffner, Georg, Mortsiefer, Joachim, Messeplatz Europa. Messen als Bestandteil des betrieblichen Marketings, Frankfurt 1990, p. 18]

29) 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.

### **Footnotes - Chapter III C:**

30) Cf. Anonymous, Trade Fairs and Trade Fair Visitors in Germany, Hamburg 1992, pp. 126 -131.

31) Center for Exhibition Research, in: Montgomery / Strick p. 155.

### **Footnotes - Chapter III D:**

31) Cf. Anderson, E. Transaction Cost Analysis and Marketing, Transaction Cost Economics and beyond, Boston , 1996

32) Cf. Unger-Firnhaber, Anne E., Pull Strategies for Parts and Components Suppliers in Business to Business Markets, Dissertation, Sank Gallen 1996

33) Cf. Unger-Firnhaber, Anne E., Pull Strategies for Parts and Components Suppliers in Business to Business Markets, Dissertation, Sank Gallen 1996



## **Footnotes - Chapter IV A:**

34) To get further information about UFI use [www.ufi.org](http://www.ufi.org)

## **Footnotes - Chapter IV B:**

35) Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, p. 379.

36) Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 317-330.

37) f. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 380-401.

38) Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 331-356.

39) Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 370-380.

40) Copyright. With permission of Rappenglitz, Munich

41) Mason , Ohio : South-Western, 2002, pp. 632-638.

42) Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 641-643.

43) Cf. Goldblatt, Joe Jeff; Special Events, 2nd edition, John Wiley & Sons, New York et al. 1997, pp. 6-10.

44) Cf. Czinkota, Michael R.; Ronkainen, Ilkka. A, International Marketing, International Marketing, Mason , Ohio : South-Western, 2002, pp. 638-639

45) Cf. Goldblatt, Joe Jeff; Special Events, 3rd edition, John Wiley & Sons, New York et al. 2002, pp. 261-275.

46) Cf. Goldblatt, Joe Jeff; Special Events, 3rd edition, John Wiley & Sons, New York et al. 2002, pp. 275-276.

### **Footnotes - Chapter V A:**

47) Cf. Kijewski, Valerie, Eunsang Yoon and Gary Young. 1993. "How Exhibitors Select Trade Shows." *Industrial Marketing Management* 22: 287-298.

For download see English version of Successful Trade Fair Participation: [www.auma.de](http://www.auma.de)

Cf. Team Canada, Successful International Trade Show Marketing, [www.exportsource.ca](http://www.exportsource.ca)

### **Footnotes - Chapter V B:**

48) Cf. Ansoff, Harry Igor, *Corporate Strategy*, revised edition, Penguin, London, 1987.

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

### **Footnotes - Chapter V C:**

50) 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.

51) 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.

### **Footnotes - Chapter V D:**

52) Cf. Schulte, Karin (ed.), *Temporary Buildings: The Trade Fair Stand as a Conceptual Challenge*, Stuttgart 2000.

### **Footnotes - Chapter V E:**

53) 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.

54) 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.

### **Footnotes - Chapter V F:**

55) Cf. Tarlow, P. *Event Risk Management and Safety*, New York 2002.

### **Footnotes - Chapter VI A:**

56) 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.

57) Cf. Meffert, Heribert, Ziele und Nutzen von Messebeteiligungen, in: AUMA Edition Nr. 4, Bergisch Gladbach 1996. See also: Morrow, Sandra, *The Art of the Show*, (2nd edn.), Dallas 2002.

### **Footnotes - Chapter VI B:**

58) Cf. Meffert, Heribert, Ziele und Nutzen von Messebeteiligungen, in: AUMA Edition Nr. 4, Bergisch Gladbach 1996.

See also: Morrow, Sandra, *The Art of the Show*, (2nd edn.), Dallas 2002.

Seringhaus, F.H. Rolf and Philip J. Rosson. 1998. "Management and Performance of International Trade Fair Exhibitors: Government Stands vs Independent Stands." *International Marketing Review* 15 (No. 5): 394-412.

59) Cf. Lilien, Gary L. 1983. "A Descriptive Model of the Trade Show Budgeting Decision Process." *Industrial Marketing Management* 12: 25-29.

### **Footnotes - Chapter VII:**

60) Cf. Robbe, D., *Expositions and Trade Shows*, Canada: Wiley 2000