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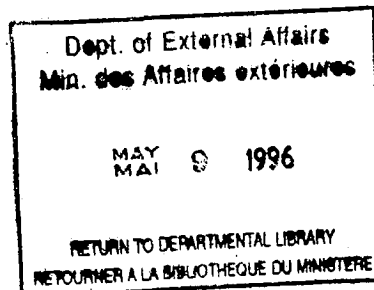
The attached paper has been commissioned as a part of the "Look Ahead" component of the Trade Commissioner Service Centennial. It has been designed to engender consideration and discussion of trends and issues that will effect the direction of the service as it enters its second century.

The paper is not in any way a policy paper and must not be viewed or quoted as such. The views expressed are those of the author, and not of the Department of Foreign Affairs and International Trade or any component of it.

The Changing Role of Trade Fairs and Missions

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Introduction:

Trade fairs and missions are proactive and carefully targeted forays into foreign markets that offer prospects for companies' growth and expansion. Because of their unique ability to bring together in sufficient number buyers and sellers with focused interests, trade fairs and missions are regarded as vital international marketing instruments. Missions typically serve an exploratory and learning function, while fairs become integrated in company's market entry, development and maintenance efforts.

Government's active role in missions and fairs is based in the importance of trade in our economy. Because trade support uses public funds, measuring resultant benefits should be a priority. Evaluation efforts, however, have been found lacking and results are not always conclusive. Hardly surprising, since the outcome and impact of both trade missions and fairs is influenced by the dynamics of the international business environment. Despite this complexity, evaluation of missions and fairs is regularly attempted seeking to improve our understanding of these important export promotion tools.

The aim of this paper is to discuss what is known about trade fairs, missions, and government support and their future direction. This challenge is approached by posing four questions the paper will attempt to answer: First, why the need for export promotion, second, what do we know about fairs and missions, third, how are trade fairs and missions evaluated - present and future, and fourth, what is the future role of trade fairs and missions? Finally, the paper presents conclusions and implications.

Why the Need for Export Promotion?

Over the past-quarter century world trade in goods and services has, spurred by trade liberalization, expanded by a factor of twenty thousand to more than \$ 4 trillion¹. For companies and countries freer trade has turned out to be a mixed blessing, creating foreign market opportunities while, at the same time, reducing the protection they enjoyed in home

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markets.

One overriding implication for a foreign market-oriented company is that competitive competence has become a *generic* requirement. Smaller companies find foreign competition more challenging than larger, resource-rich ones. Few smaller companies can sustain foreign marketing operations for very long without the skills and resources needed to effectively compete. For them in particular, export promotion by government provides an avenue to acquire or enhance competitive competence so essential in foreign markets. Export promotion programs seek to create awareness of exporting as a growth and market expansion option; assist in the reduction or removal of barriers to exporting; and provide various incentives to potential and actual exporters². The concept of export promotion is widely accepted and programs are broadly similar across countries, whether delivered through government, private sector or mixed public/private sector arrangements³.

Export promotion can also be viewed as trade intervention. The arguments pro or con are discussed extensively elsewhere and only highlighted here⁴. The *market failures* argument is given as a key reason in support of export promotion. Namely, lack of information, selective access to resources and markets, or uncoordinated industry-wide learning by doing, would lead to markets that are inefficient and lack *transparency*⁵. We also know that both information and knowledge are important in export strategy and performance⁶. At least one study of experienced Canadian exporters, which showed deficiencies in information and skill when entering a new foreign market, supports the *market failures* argument⁷. While companies entering foreign markets are willing to accept greater uncertainty, it does not follow that government should attempt to correct any market failure encountered.

Thus using export promotion as a strategic commercial policy tool to give companies an equal footing in global markets, is also suggested. Success stories in South East Asian countries associating export promotion with trade and export development are well known⁸.

Counter-arguments are the high cost of intervention in trade generally and doubts that governmental trade development for a select group of companies meets broader social goals⁹. Another view is that any subsidy is incompatible with a free market and free trade. Supporting companies' entry into global markets prematurely may produce marginal gains rather than the competitive competence for long-term success, thus exerting an opportunity cost for the

economic system¹⁰. In summary, four factors explain why companies seek and government provides export support:¹¹

- the growing importance of international trade
- the increasing intensity of international competition
- the necessity to participate in global trade expansion
- the need to strengthen domestic industrial sectors

What Do We Know About Fairs and Missions?

We saw that government is a provider of support that responds to perceived needs in the private sector, specifically those related to the competitive competence required at a certain stage of the exporting process¹². At each stage companies have key question to resolve and decisions to make. The appendix details the roles of trade fairs and missions as facilitators in the exporting process.

Research on trade fairs is often proprietary. It frequently consists of profile data on exhibitors or visitors and rarely of data on company behaviour or performance related to trade fairs¹³. Academic research is growing, although only about one dozen studies either deal exclusively or partially with the issue of trade fair decisions and performance.

Trade mission research is very scarce and only four studies are published. These examine trade missions in the foreign market entry process. Other proprietary research on government-organized missions often is not publicly available. Short accounts of missions, recounting what took place, are often found in trade publications. The following summarizes key differences between trade missions and fairs:¹⁴

<u>Features</u>	<u>Trade Missions</u>	<u>Trade Fairs</u>
scale of activity	smaller	larger
location of activity	movable (markets)	fixed (fair sites)
organizer	governments	commercial firms
visibility	lesser	greater
resources needed	lesser	greater
planning horizon	shorter	longer
performance measurement	harder	easier

Trade missions do not lend themselves as easily to analysis as trade fairs. Trade mission activity is much smaller than that of trade fairs, although between 100 and 200 missions are run annually by the federal and provincial governments in Canada. The potential trade fairs and missions hold

for trade expansion is underscored by a study of Quebec exporters. Rapid expansion of exports was the most striking difference setting trade fair and mission users apart from other companies whose export growth was moderate or slow¹⁵.

Trade Fairs: For companies, there is a classic rule: be present, be committed, be consistent, and try to understand the problems of the people you are talking to¹⁶. Trade fairs can be viewed from the perspective of exhibitors or visitors, of organizers' or supporting/sponsoring organizations (i.e. government). While research on the visitor side of trade fairs is emerging¹⁷, it is only relevant here to help us understand how much exhibitors and government know about visitor behaviour.

The contemporary significance of trade fairs is enormous: more than 2000 major trade fairs are held throughout the world annually, of which 60% take place in Europe, 10% in North America, 20% in South-East Asia, and the remaining 10% in Latin America, Australia and Africa¹⁸. While the US, as a trade fair venue, has become more important recently, it is expected that its trade show industry will expand by half again over the next decade¹⁹. It is a fact that Europe, and within Europe Germany, is where the largest and most important trade fairs are located.

To match trade fair and company needs depends on knowledge of which fair is most appropriate for reaching the target customer group in the desired competitive environment (i.e. level of specialization of the fair). A typology that views trade fairs broadly in terms of world significance is useful in sorting out the supply (exhibitor) and demand (visitor) side aspects²⁰. Product differentiation is a dimension that is related to different levels of globality of fairs²¹. Clearly, companies pursue broader marketing goals and use trade fairs in pursuit of some of these. Historically, fairs were seen as fulfilling an advertising or display function for companies. There is also the strongly held view among trade fair organizers that fairs should be regarded as sales events. While this view certainly has merit for the German concept of *Mustermesse* (goods for sale at the stand), the notion that both selling and the more complex non-selling objectives are pursued by exhibitors is now widely accepted²². Indeed, exhibitors pursue multiple objectives, the five most important of which are i) business contacts, ii) testing the market, iii) maintaining presence in market, iv) market access through channels, and v) taking care of existing customers and channels²³.

This multiplicity of exhibitor objectives is mirrored in the complexity faced by visitors to trade

fairs. While about four-fifth have some purchase decision influence, and about one-fifth are the final decision-maker, less than ten percent actually contract for purchase at the fair because that decision is often a group activity, which precludes a commitment at the fair²⁴.

A TRADE FAIR TYPOLOGY

Target market	Trade fair type	Product differentiation	Supply side	Demand side
World	Global/international	Global products/ problem solutions	Global	Global
Europe*	Global/international	European products/ problem solutions	Global	Europe
National	National	Differentiated country products/specific problem solutions for the national market	Europe	National
Regional	Regional	Differentiated national products/specific problem solutions for the regional/national market	National	National

- Europe is used as an example but the typology applies to other world regions such as North America, South East Asia, Latin America.

Visitors serious about purchase prepare systematically and spend most of their time pursuing their agenda. For more than four-fifth of them that includes checking out products or innovations on offer and gathering information on them. Visitors' schedules are hectic, 83% spend only one or two days visiting an average of 11 exhibitors. Exhibitors, therefore, must primarily be prepared for the *planned* visitors²⁵.

But we also wish to shed some light on the trade fair selection decision, the role, benefits and performance of fairs. Companies must make their choice in a crowded and confusing trade fair market, e.g. Hanover industrial fair has nearly 6000 exhibitors, and attracts one-half million visitors²⁶. Of importance are the global reach of the fair, type of customer targeted and reached, purchase decision influence of visitors, support services of organizers, logistical aspects, and cost of participation²⁷. Thus, the selection decision is influenced by company objectives, the audience and is taken in a complex multi-stimuli environment of expanding venues²⁸.

The next task is managing the fair participation process. All activities before, during and after the fair need to be clearly formulated and effectively implemented. The whole issue of exhibiting well and managing the interface with visitors is critical to the success of participation. Trade

fairs are also a source of learning for new as well as experienced exporters. Such learning may prompt increased marketing efforts after the fair, such as product modification, introduction of new products, further visits to the market and more fairs²⁹.

The participation process is important, but it is the performance of a trade fair that ultimately matters most to the company. The difficulty of creating and measuring useful performance indicators was alluded to before, and will be discussed in the next section in some detail. Here it suffices to point out that both qualitative and quantitative measures to evaluate trade fairs are appropriate. Interpretation of results is difficult. For example, the number of contacts made, leads obtained, leads ultimately converted into sales, and sales made on site or after the fair, all are statistics that are only meaningful for a company if compared over time, or related to industry experience.

The buyer/seller interaction is of core importance here. In one study, companies participating with government assistance felt that individual customer contact, rather than trade fair use, would yield better results³⁰. Other firms supported by government were found to have done so ineffectively³¹. One view is that the relatively easy access to government support attracts participants before they are ready to export, or have developed sufficient expertise to pursue opportunities. Whether these are shortcomings at the program implementation level or company level or both is not clear.

In sum, the decision to use trade fairs generally, and the selection of particular fairs, is influenced by perceived need to be at a key fair, or by access to government support. Effective organization, staffing and appropriate financial support, and an attractive stand, are all focused on the principal reasons for attending: personal contacts and sales. The expectation for results argues for the need to evaluate trade fairs. The nature of hard and soft objectives, and whether the focus is on the company, the visitors or the fair itself, makes evaluation challenging. Ultimately, the impact of such evaluation, for both company and government program, will influence future activity.

Trade Missions: The purpose of trade missions differs considerably from that of trade fairs, as they help companies decide whether and how best to enter a foreign market. Beyond general inferences about their positive role in international marketing little is known about them. Our interest here is with the role of outgoing missions in exporting, so that they might be better

understood, both from a company and government perspective.

Companies use trade missions when several conditions converge: when companies have export market objectives, when the mission target markets are appropriate, and when the company has some level of exporting competence, to name the main ones. As trade missions are generally organized by governments, participation may be by invitation only and requirements on the company may be stringent, thus screening out those not meeting the selection criteria. A more complete discussion of types of trade missions can be found elsewhere³².

While a fairly high proportion of exporting companies is aware of trade missions, relatively few use them, mainly due to the selection/participation criteria. Of initial interest is the fact that about two-thirds of companies going on trade missions are repeat users with experience of three or four missions³³. Another perspective of the role of missions is the fact that nearly one-half of companies would not have explored the markets visited without the trade mission³⁴.

We noted that missions are suited for exporters beginning foreign market involvement. One study of mission usage, however, reveals that less than one in ten participating companies are new while nine out of ten are experienced exporters³⁵. This, raises questions about the learning role of missions. They are supposed to make market entry less problematic for new exporters rather than subsidizing new market investigation or development for experienced exporters. New markets demand new knowledge and sometimes different skills. For example, an Exporter successful in Western Europe may find considerable knowledge gaps when entering Saudi Arabia. Research has shown that learning is an ongoing necessity³⁶. Thus, experienced exporters may very well view trade missions as an important and rather convenient aspect of new market entry. The question of the purpose and targeting of trade missions will be broached later in this paper.

A comparison of trade mission users and non-users finds several interesting contrasts. Trade mission participants with learning and contact objectives outnumbered those with performance or sales objectives by about 5 to 1. This suggests that missions are perceived to fit the early phase of export market involvement³⁷.

We know that marketing know-how and information can play a critical role in reducing the risk of market entry, and that lacking knowledge of the conditions and environment in export markets

can create significant problems³⁸. Trade mission users indicate greater knowledge-related barriers (such as undertaking market research, coping with foreign business practices etc.) than non-users. This appears logical. Competition and market access also are seen as more problematic. This is not easily explained. It is uncertain whether non-users are better able to cope with problems or that trade mission users show more sensitivity towards them. We know, however, that companies using trade missions attach greater importance to them as a market entry vehicle, as a source of marketing expertise and contacts, than do firms entering foreign markets on their own³⁹.

Trade missions are found to contribute to a well planned and orchestrated market entry. Users of missions are seen as more systematic in their market entry and generate customer enquiries more quickly. That is non-users had to re-visit the market before enquiries were generated⁴⁰. In addition, trade mission users repeat visits to the market came much later than those of non-users and seemed related to negotiating contracts. While these results suggest that trade missions can make market entry more effective, the percentage of users and non-users receiving customer orders within one year after market entry did not differ⁴¹.

How Are Trade Fairs and Missions Evaluated - Present and Future?

Program Evaluation at Present: Earlier we summarized how much we know about the role and management of trade fairs and missions in exporting. While very useful for service providers, evaluation goes beyond this and is concerned with impact from a private and public sector point of view. We look at evaluation of performance and impact of fairs and missions from a company perspective and from a government programs perspective. Our focus again is on trade fairs and missions.

The growing literature on the aggregate impact of export promotion is useful, however, program- or event-specific evaluations are important building blocks in understanding the value of export promotion in general. The need to determine the impact of export promotion programs became an issue in the late 1970s and, since then, awareness of the importance of evaluation of such public policy initiatives has been increasing⁴².

Evaluation for missions and fairs differs in several respects: We can compare companies entering a market with a mission and those entering on their own. Fairs, on the other hand, are one of several marketing methods in the international marketing process and the relative importance of

fairs would need to be assessed. As well, comparison of trade fair activity and events between companies participating with government support and those doing so independently should reveal differences in performance. The key point is that evaluation needs to be *comparative* and against a yardstick.

Governments need to know if an export assistance program contributes positively to company performance. Evaluation is concerned with systematic comparison of results of program use against goals and objectives. For users, the key question is: will the program have a measurable effect on performance? For government: will the program achieve a net benefit for the business community and economy as a whole that would otherwise not be realised? Four key issues are relevant in program evaluation:⁴³

- program rationale - does the program make sense?
- impacts and effects - what happens as the result of a program?
- objectives - has a program achieved what was expected?
- alternatives - are there better ways of achieving the results?

As various evaluation studies in Canada and other countries bear out, measuring the impact of an export promotion program on a company, or on the business community, is difficult. Let's look at the relationship of program and company. A company decides to enter a market with trade fair assistance and realizes export sales after the fair. What was the program impact on the company? Just as advertising is not the sole cause of sales, so too program use cannot be shown as the only determinant of export sales. Besides the program, other factors have come into play. For example, a substantial time lag may have occurred between program use and sales in question. During this period the demand or competitive situation in the foreign market may well have changed dramatically in favour of the company's products.

Consider another company entering the right market with assistance, but in fact was inept about foreign marketing and achieved minimal sales. Yet another company using a program to look for opportunities in a foreign market but, unable to find an agent, did not proceed. Its export interest piqued, it then focused attention on another market, making satisfactory representation arrangements and sales. In all three situations we can justifiably ask: What impact should be attributed to the government export promotion programs used?⁴⁴ No easy answer is possible.

The methodology and measurement of program evaluation is complex because the approaches used leave considerable uncertainty about program outcome and impact. There is the view that

export support has a *major* effect on the competitiveness of exporters. Is the effect sought that a fair or mission user becomes a better exporter? Does better mean more successful? How is success defined? Could it mean introducing a company with an export-ready product to exporting? Is the level of export know-how and experience an appropriate effect?

Often evaluations do not find a *major* effect that is attributable to a program. This neither negates the value of a program, nor discounts the importance of its effect. It simply means that expectations of a major effect may be unwarranted and most probably export support contributes only incrementally to export sales. And that, through understanding the multitude of factors at work in exporting, we need to focus on those outcomes where programs are likely to make a difference.

We know that often mission participants already have good prior contacts and sales prospects in the market. Thus, sales realized by a participant may truly stem from such earlier efforts. Participants may report and program management may interpret such sales as a mission result, when in fact the latter had little or no impact. Not only may there be no yardstick for aggregate results from events, but individual outcomes reported by participants can also be misleading⁴⁵. Clearly, on one hand a company's export activities are multi-faceted and the influence of a support program is one factor among many. On the other hand programs need to focus on needs of target companies, clear, specific and measurable outcome goals and objectives.

Recent research points to the importance of combining perceptual and objective measures, as well as qualitative and quantitative ones to evaluate fairs and missions. In a recent evaluation study the image of belonging to a Canadian stand or mission as well as the assistance from government officials were rated as *excellent* by more than one-half of the participants. Nearly as many expressed satisfaction with the event arrangements (program and itinerary for mission, physical setting of the fair)⁴⁶. This contrasts somewhat with the perceived value of such events. For fair participants only 14 percent felt that they obtained a better stand location because of the government program, and 23 percent of mission participants felt that they realized better business contacts than they might have achieved on their own. Both agreed, however, that subsidy to their export marketing costs constituted the single greatest benefit⁴⁷.

Taking account of the variety of mission and fair participants' objectives, some 74 percent of mission users, compared to 38 percent of fair users, achieved 'excellent' results introducing a

new product to the market. Making business contacts, maintaining market presence, meeting regular customers were other highly rated results among both types of participants.

The link between performance and trade mission participation was established in other evaluation studies. Nine out of ten participants made important contacts and five out of ten attributed these fully to the trade mission. Interestingly, one half of participants received a customer order within nine months. One-third of companies realising such sales attributed them fully to the mission⁴⁸. Another study reports that about one-third of sales reported (within 12 months and 'committed' sales beyond such period) are attributed to either the fair or mission by participants. It is noteworthy that sales by mission participants were double those of fair participants. This, coupled with the fact that mission participants were mostly experienced exporters, often with prior mission and/or market experience, clearly raises the issue of targeting.

When programs are made available to established exporters they deprive first-time exporters who more acutely need assistance. The unassisted company may then opt not to export or enter export markets ill-prepared. Conversely, encouraging companies to export before they are ready, wastes program and company resources and may retard export efforts because of an initial bad experience⁴⁹.

Program effectiveness has been analyzed by relating costs to commercial results. An interesting measure of *hard* performance is the ratio of average government cost per company and event to average export sales (within 12 months or committed to beyond) which companies related to the event: trade fairs generated 28 times and trade missions 84 times government costs in export sales. This result must be refined to reflect only those sales which a company attributes to the event. The ratios thus are lowered to 9.6 for fairs and 21.7 for missions (the sales-cost ratio at the company level is similar)⁵⁰. This, however, is still misleading, since the government-supported event is but one part of a company's export marketing effort - as noted above. A more realistic view must consider the likelihood of a company's sales without participation in the event, which reduces the ratio further to 6.7 for fairs and 11.9 for missions⁵¹.

The implication is that even with *hard* results, isolating the true impact of government support on performance, and thus aggregation of results to show program performance, is difficult and most probably questionable. Establishing the impact of a single event (fair or mission) on behavioural dimensions of participants, and then to develop aggregate indicators to evaluate the

program, is a sobering challenge. Small wonder then, that program evaluation varies in methodologies, is irregular, and often misleading.

Program Evaluation in the Future: There is little question about the necessity of program evaluation. Shrinking government resources demand justification of budget allocations and evaluation of their impact. As more is learned about company exporting behaviour and decision-making, including the use of trade fairs and missions, there is a need to bring this knowledge to government: namely to program design, program delivery, and program evaluation. So far we know that governments periodically evaluate programs and their impact on users; and that companies rarely assess a program's effects formally. A small budget component (relative to the cost of programs) should be devoted to evaluation, so as to make regular evaluation part of each program. This will allow for the development of yardsticks, continuity, as well as the improvement of measurement. Evaluation results may become a program management tool for the continual assessment of relevance and justification of such expenditure.

Past attempts to disseminate *good practice* in evaluation have focused on program, event, and user⁵². What then are the basic requirements of good practice? First, one seeks to identify those key impacts a program intends to produce in the user. Second, one wishes to capture the effects of lesser importance but still worth knowing. Third, which impacts resulted outside of program goals and objectives, but are being noted? It is not possible to fully pre-specify such situations, but impact on the program user is the proving ground based on the assumptions that:⁵³

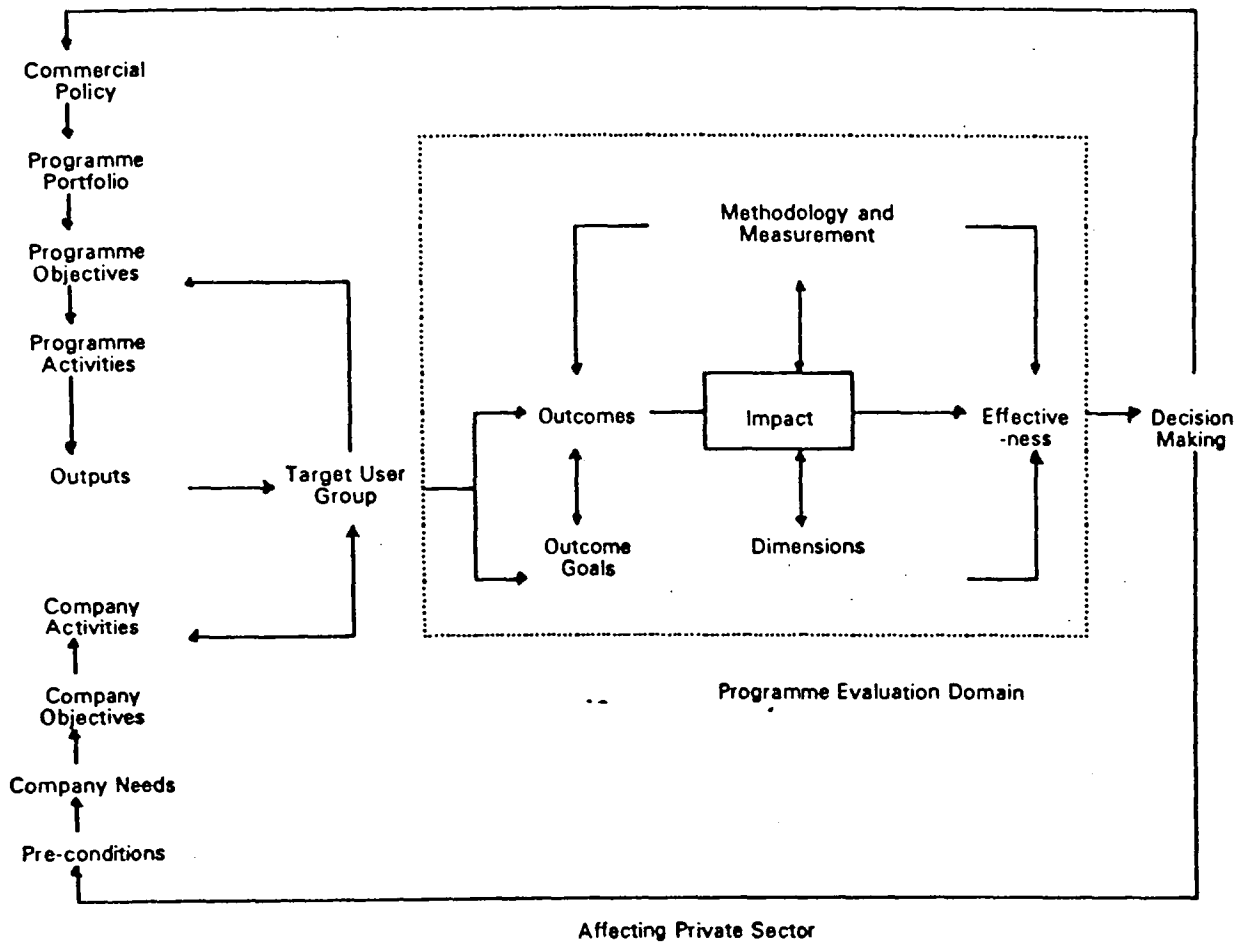
- preconditions are appropriate
- a match of user need and program output exists
- program implementation is as desired
- evaluation methodology and measures are reliable and valid

If there is any question about the need for regular, comprehensive program evaluation, then observations for improved practice from a recent evaluation of the fairs and missions program should remove such doubts⁵⁴. Clearer program criteria, objectives and procedures would benefit both provider and user. This includes more effective targeting of programs, better communication with target groups through more extensive planning and training, as well as viewing users in the context of the exporting process and the role of events within it. Monitoring of outcomes (post-event results) needs to be more extensive, systematic and regular. Stronger information systems with high quality information on participants, events and results, are essential to effective program management and goal achievement⁵⁵.

Before suggesting a different approach to program evaluation, it is desirable to create a better understanding of how program evaluation and government-business interaction are related. This can also help in clarifying the process of evaluation generally.

The chart on impact evaluation links the process to government and companies⁵⁶. Because of the complexity of evaluation, three main parameters are suggested within which program impact occurs and varies. This shows the need for a pragmatic approach but also the necessity for a multi-method/multi-measure approach in impact measurement and subsequent effectiveness assessment.

IMPACT EVALUATION: PROGRAM AND USERS
Affecting Public Policy



First, impact may occur at the company or environment level. An industry sector may have a greater export orientation and companies realize export sales attributed to trade fairs, missions or other programs. Second, impact may be intended, as in the case of contracts sought and achieved at a fair, or unintended as in devoting effort to a new market via a mission only to

discover that third-country competitors have decimated the company's chances for export sales. Third, impact can be primary, that is directly related to a company's objectives, or secondary, when participation in a trade fair leads to awareness of ideas for product modification and innovation and hence improved prospects in other markets or in the future.

The complex nature of the impact on the user, on the economic environment, and on the provider, suggests, at a minimum, to screen for primary/secondary and intended/unintended effects. In the extreme one would require an arsenal of methods and measures to attempt evaluation. It is also clear, however, that qualitative case-by-case analysis of program users is a rich source of information and insight⁵⁷. There is a limit to such enquiry and a point at which it becomes dysfunctional (users' complaints about red tape would suggest this).

Evaluation must draw, on one hand, on survey methods, and on the other hand, on better measures of incrementality. The former stands to benefit significantly from electronic survey and feedback systems. The latter will improve as our understanding of companies' export behaviour advances. We have learned that meaningful information for public policy makers requires that program evaluation is viewed in a holistic context. Methods and measures of evaluation are inextricably linked to provider, user and their respective outcome goals and objectives.

What Is The Future Role of Trade Fairs and Missions?

Trade fairs are moving towards the concept of a global market place in one geographic location. For the main trade fair countries this means staging a global market place at home⁵⁸. Trade fairs are becoming more focused. There has been a trend towards greater specialization, and consequently less emphasis on *general* fairs. Advances in electronic media, such as instant communications via fax, video conferencing, data networks etc. have not displaced the need and desire for personal interaction among buyers and sellers, as some had speculated.

There is the view that the cost of trade fair participation and the growing importance of advertising, combined with the ability to communicate electronically - allowing for speedy feedback and follow-up - may lead to less trade fair use by exhibitors. This development would exert a cost for the visitor, however. While trade fairs allow exhibitors to step out of their impersonal role and personify themselves, duplicating such personal interaction outside of a trade fair would be far costlier for the company⁵⁹. The concept of personal relationship as a basis for business remains pervasive and pronounced in many parts of the world (note: Latin

countries, Middle East, Japan)

It is well known that being able to actually view goods on display and to have personal interaction with an exhibitor person creates a basis for trust and a positive attitude towards product and company. Not only will practical demonstration and detailed information enhance this process, but it will also leave a much stronger impression with the decision-maker or -influencer than advertising or promotional material by itself. For the visitor, comparison between competing exhibitors is likely to remain the most striking advantage trade fairs hold over other marketing instruments⁶⁰.

From a visitor perspective trade fairs have a high *event value* when compared with other marketing instruments. On the basis of the event and participant schedules, visitors can prepare themselves well in advance in relation to their own goals and objectives.

Exhibitors have been planning for the event for a much longer time. Participation commitment, the whole process of planning and management surrounding the fair, and detailed consideration of the competitive and market environment are set in motion at least one or two years prior to the event. The increasing cost for exhibitors will ensure that participation will become, more so than it has in the past, a planning factor like other marketing instruments. This requires that planning data, similar to that for other media, are provided. Trade fair organizers must deliver on this need.

While *event value* is also critical for the exhibitor, other marketing instruments, such a promotion through advertising, market and contact development through sales force or representatives, are clearly important. The notion of *event value* of a trade fair is embodied in six factors:⁶¹

- International importance of fair
- Economic importance of fair and sector
- Image of trade fair venue and organizers
- Characteristics of exhibitors and visitor profile
- Trade-related and social events and services
- Innovation image of the trade fair

No doubt exists about the significance of trade fairs to commerce. The role of fairs has been shaped and refined over centuries. This process is ongoing, as the recent events in Eastern

Europe make new demands on the role of fairs. Economic developments both necessitate and promote the growing internationalization of trade fairs. Specialization of trade fairs is a clear response to the need of both exhibitors and visitors for increased efficiency of interaction.

Exhibitors and visitors want more focus in the competitive setting⁶². This trend has been clear since the early 1980s in Germany, Italy and France⁶³. Freer market access globally by companies will not only intensify competition, but trade fairs in particular will need to sharpen their focus to facilitate contact development, intelligence gathering, and consulting/counselling by exhibitors and visitors alike⁶⁴.

The image of trade fair venues, and with it that of organizers, will increasingly influence the choices companies and export promotion programs make. This does not preclude the existence of smaller or minor, regional or national fairs. But it does suggest that segmentation of fairs, as suggested earlier in the trade fair typology, is likely to become sharper. The shift towards preference for specialized fairs will require that trade fair concepts become clearly differentiated, closely tailored to exhibitor and visitor targets. Overall, the four constituents, organizers, exhibitors, visitors, and government, will influence and benefit from this process.

Competition between trade fairs will increase. They must establish or solidify a real presence in markets that present the key to their economic survival. This calls for agility and flexibility to respond to changes in, say, production patterns (location, technology etc.) and purchasing patterns⁶⁵.

Organizers thus will be concerned with *event value* as a means of competitive advantage. This means - they must deliver the greatest number of quality visitors (those with a distinct need for solutions and/or goods, and decision influence) from the markets targeted by the exhibitor, - they must provide a comprehensive choice of focused competitors (by industry, technology, market etc.) to visitors with specific problems or needs, - they must provide state-of-the-art support systems to their constituents, - they must provide information on event- and post-event behaviour on and to exhibitors and visitors. Indeed, better information on characteristics and behaviour of exhibitors and visitors, thus greater transparency, will aid in their respective decisions to select and attend fairs. European trade fair organizations are contemplating the creation of a 'eurofair database' towards this end⁶⁶.

The concept of the *showcase* will no longer suffice in the future. Organizers must become a source of pertinent information, ideas, projects and strategies to cope with significant changes in market dynamics. One call for action sees trade fairs becoming *laboratories* that look beyond what already exists to wider economic, cultural and social horizons⁶⁷.

New information and demonstration techniques will become increasingly important and need to be integrated into exhibition concepts. Leading trade fair organizations are concerned with providing infrastructure and facilities that transcend the present factual-communicative concept of stand or exhibit. The buyer-seller interface should become a more exciting and experiential happening⁶⁸. Indeed, concepts such as *virtual reality* electronics hold promise of innovative demonstration and exhibiting opportunities. The innovation capacity of fair organizers as well as their respective umbrella organizations (such as AUMA in Germany, Exhibition Industry Federation in the UK, Federation des Foires & Salons de France) will thus contribute to enhancing *event value*. This includes ancillary services, such as symposia, seminars, market research and so on. Because of the increasingly international atmosphere of trade fairs, socio-political topics arising from production processes, products and technologies with potentially broad application, will be of interest to exhibitors and visitors alike and organizers must cease on the opportunity to focus and disseminate such information.

The main dimensions: the internationalization of markets, rising costs, intensifying competition, all apply to companies generally. Where does this leave the small or medium-sized company that must compete under greater resource constraints? Government support has generally been targeted at such companies. Subsidizing trade fair participation will likely become more important for these companies. Their participation frequency will be limited, emphasizing their need to be present at the major fairs. The decision criteria used by program management in allocating resources to such support must be influenced by strategic considerations. Namely, the choice of trade fairs must match sectors of Canadian competitive advantage and opportunity, and consider those venues most critical in a global market context.

The selection of companies must take greater account of their competitive competence. This includes their resources and know-how to compete internationally, in other words their ability to undertake exporting and succeed in foreign markets. A balance needs to be struck between, on one hand, competitive survival of the fittest in a freer trade environment, and on the other, supporting companies whose success characteristics warrant government assistance. A recent

report addressed the complexity of judgement factors in making choices in program targeting and delivery⁶⁹. Supporting companies already successfully exporting would certainly be difficult to justify. Those planning foreign market entry or new exporters should logically be favoured.

There will likely be a shift away from assisting *solo* trade fair participation in favour of umbrella participation. This includes national stands under government auspices, as well as group participation of private sector networks. This approach has the potential to optimize the *country* presence through a strong image. This concept is being integrated into trade fair participation of Italian, French, Austrian, and to a lesser extent also German companies as well as the Canadian national stand at CeBit 1994⁷⁰.

The scope of trade missions is likely to become broader. Not that they will become more general, rather they will also serve as vehicles for the exploration of buyers and sellers as well as for market access or networking. Missions organized to trade fairs hold the potential of giving companies first-hand experience in a globally competitive market environment. This will serve primarily as intelligence gathering and comprehensive updating on trends, opportunities, and skills needed to compete.

The future funding of missions will be under the same constraints as that of trade fair participation with the effect of directing programs to areas of greatest need and potential benefit. Little justification can be found to support successful exporters or those companies who have already been on several trade missions. Such an argument is based on the fact that learning is internalized very fast in companies and thereafter government support through trade missions becomes a direct subsidy of export marketing costs.

The idea of networking, intrinsic in the purpose of trade missions, will be gaining credence for trade fairs as well. The German trade fair industry, which is the most advanced in the world, is characterized by a long-standing *Partnerschaft*, or cooperative networking. Various forms of voluntary collaboration which benefit the trade fair industry involve trade associations and trade fair organizers, and close working relationships exist between associations that represent exhibitors and visitors⁷¹. In essence, this approach is a role model by which trade fairs develop, and engage in, a network approach in addition to their function as highly specialized service providers.

The concept of interactive networking will increasingly become a feature of trade fair and trade mission activity. These interactions involve exhibitors and visitors (customers and other buyers), competitors, partners (agents, representatives, distributors), industry associations (trade associations, chambers of commerce, other sector or interest groups), trade fair organizers, trade fair associations, regulators, and government programs (export promotion programs at various governmental levels)⁷².

Conclusions and Implications:

This paper attempted to provide answers to the four questions posed: the need for export promotion has been explained, a state-of-the-art view of trade fairs and missions was given, the present and future of trade fair and mission evaluation was presented, and the role of trade fairs and missions in the future was discussed. The answers provide both appraisal and directions.

To predict trade patterns beyond broad dimensions, to anticipate spheres of influence and political climates, the emergence of alliances and new opportunities, and which particular implications they have for trade fairs and missions, is hazardous. It is noteworthy that lately changes are occurring more frequently and more rapidly and have had a more severe impact. For example, some countries may find their exports drop dramatically, after many years of steady growth. A nation's political stability can disintegrate in a matter of months or weeks, as we saw in the former east bloc countries, and with it trade patterns and prospects are profoundly affected⁷³.

Internationalization of markets is a process that will continue to place a premium on companies' abilities to compete. Two consequences emanate from this: i) the ability to function inter-culturally, and ii) the continuing need for learning. Competitive competence is a generic requirement. Trade fairs and missions play different but important roles in this context. Government support provided through fairs and missions then responds to specific needs in the private sector.

Advances in technology and communications are expected to speed the pace and intensity of competition further. For governments resources are at a premium. Programs will need justification in terms of targeting, goals and objectives, needs-focused delivery, and impact evaluation in the context of broader benefit. The trend towards privatization will likely affect export support programs and lessons can be learned from private-sector-based export promotion

programs. Then the question becomes which systems - the public, the mixed public/private, or private sector - are best poised to adjust to such a change. Trade fairs and missions, and the question of subsidy, will be squarely in the middle of such changes.

The concept of trade fair is evolving into a networking process that transcends the traditional role of primarily buyer/seller interaction. Trade missions will increasingly be folded into this process. The focus for all parties will be on *event value*, which will be critical for exhibitor, visitor, organizer, government and other networking partners alike. Trade fairs will require clear differentiation, targeting to specific exhibitor and visitor groups, become *experiential venues* that will incorporate state of the art support systems and ancillary events. For government the prime challenge will be to balance its support for free trade with the support to companies whose success characteristics promise broader benefit for society. Because export support is likely of marginal consequence to company and aggregate export performance, evaluation, while necessary, will continue to be challenged to show that support is justified.

Appendix

THE ROLE PLAYED BY TRADE MISSIONS AND FAIRS FOR TARGET COMPANIES

Target Company	Key questions to resolve	Decisions to be made	Role played by trade mission for company	Role played by trade fair for company
Non-Exporter	Should exporting be considered as a vehicle for growth?	<ul style="list-style-type: none"> • Notional interest in exporting; • Exportability of product or service; • Resources that could be available for exporting. 	<ul style="list-style-type: none"> • Trade mission not appropriate for these companies 	<ul style="list-style-type: none"> • Trade fair not appropriate for these companies
First-Time Exporter	Should exporting be initiated?	<ul style="list-style-type: none"> • Growth potential from exports vs. domestic market; • Problems to be overcome to tap export potential; • Likely cost/benefit of export involvement 	<ul style="list-style-type: none"> • Potential to investigate market buyers, competitors, distributors at first-hand; opportunity to discuss exporting with other, more experienced mission participants; make initial contacts; • Chance to better define what is involved in exporting - resources, commitments. 	<ul style="list-style-type: none"> • Trade fair not appropriate for these companies
Failed Exporter	Should exporting be reactivated?	<ul style="list-style-type: none"> • Determine if situation has changed enough to make exporting a better proposition; • Critical re-examination of factors leading to past failure. 	<ul style="list-style-type: none"> • As for first-time exporters but recognizing that failed exporters have prior (and negative) experience. Thus, need to assess competitiveness and capability very carefully. 	<ul style="list-style-type: none"> • Trade fair normally not appropriate for these companies.
Expanding Exporter	Which market(s) should be entered next? What market entry method is best?	<ul style="list-style-type: none"> • Determine market potential and barriers to entry; • Choose between feasible market entry alternatives; • Selection of foreign market partner (where applicable). 	<ul style="list-style-type: none"> • Opportunity to meet buyers, members of trade, and government officials; do market size-up; check on competition; • Advice from mission participants experienced in market and/or own government officials covering market; • Chance to meet prospective agents/distributors and/or other trading partners. 	<ul style="list-style-type: none"> • Chance to present product/ service to the market and test response prior to entry decision; • Since key competitors are likely to be exhibiting, able to check out rivals in an efficient manner; • Opportunity to make useful future contacts with buyers and prospective trading partners.
Continuing Exporters	How can performance be maintained/improved?	<ul style="list-style-type: none"> • Need to adjust/change existing operations for the market in question; • Decide what new initiatives look best. 	<ul style="list-style-type: none"> • Trade mission normally not appropriate for these companies 	<ul style="list-style-type: none"> • Provides a vehicle to renew contacts with buyers, trading partners and to solidify company position in market; • If necessary, presents chance to test out new ideas for product features, price, promotion, etc., prior to final decisions being made; • Opportunity to scout out new trading partners if changes viewed as necessary.

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