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International Trade Fair Activity of Enterprises in Digital Economy

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Abstract

Taking part in international exhibitions is one of the main ways for B2B enterprises to find new partners, present their products, and expand export activity. Earlier, enterprises had to possess a combination of sales competence and intercultural competence for effective participation in international trade fairs. But now the efficiency of an international exhibition depends on the ability of both organizers and exhibitors to use modern digital technologies. The purpose of the article is to evaluate the results of using digital innovations in addition to live communication in relation to the previous experience of classic exhibition communication. The article analyzes the exhibition experience of one of the leading industrial enterprises of Sverdlovsk Oblast, Yalamov Ural Optical and Mechanical Plant, from 2007 to 2019 and provides a comparison of international exhibition activity of the plant before and after digitalization.

Key words: trade fair, international exhibition, digital economy, intercultural communication.

Revolution in digital technologies, Internet of all things, cloud technologies—despite of all these trends and processes of the modern world, the most effective way to conduct business is still face-to-face meetings. We can use e-mail, Skype, go-to-meeting, video conferences or social media, but only real “face time,” where we can shake hands and look someone in the eye, can allow to establish cooperation. It’s not enough to know

the company that makes the things we buy. We need to know the people who make them—their values, not just their value. That is why for many enterprises of B2B segment international exhibitions is still one of the most effective methods to find new partners, to negotiate with current partners, to develop cooperation with foreign companies, to enter the new markets. However, innovations in information and communications technologies have created a digital revolution that is changing the way the world works, learns, communicates and transacts business [1] and it becomes important to change the approach of preparation and participation in exhibitions and actively use new technologies and methods to increase the efficiency of these events.

In the context of the fourth industrial revolution and digitalization of the society, various Internet services, social networks, cloud technologies have become widespread, which make it possible to improve the efficiency of collecting, storing and transmitting information. The difference of the fourth industrial revolution from previous revolutions is the combination and interaction of different technologies, with the latest technologies and innovations spreading much faster and larger than before. The digital economy is a convergence of communications, computing, and information [1]. The connection between physical and digital reality provides the Internet of things (IoT)—interaction between things (products, services, places, etc.) and people, which is provided by interconnected technologies and different platforms [2]. According to researchers, in the future no event will be held without the use of IT-technologies and social networks, as this will not only increase convenience of working with information, but also reduce time and financial costs [3].

When we talk about digital transformation, we think of the digitization of all the activities of a company. In other words, it is the process of integrating new technologies at all levels of a company. And there are many ways to integrate digital transformation into an event. If we look at a photograph of a tradeshow 10 or 20 years ago, it looks much the same as most today: plenty of big stands, plenty of profit for the organizer. But the audience has changed. Visitors used to travel to trade shows to learn about

developments in their industries and to see product launches. Today's visitor expects instant access to information; there is no question of waiting for an annual event. Exhibitors now have increasingly sophisticated CRM and digital marketing tools; some may have better datasets and know more about the visitors than the event organizer [4]. They expect tradeshow to provide superior customer insight, engagement, follow-up and ROI. Otherwise they won't pay to be there.

The digitization of events, as well as the proliferation of platforms, applications, and devices designed to “retool” traditional trade shows, is proceeding much more quickly than many are prepared for.

Francis Friedman in his research *Modern Digital Tradeshow (MDT)* dives deep into digital transformation, increasing competition from online marketing channels and private corporate events, and the need to redouble efforts on improving the customer experience [5].

Reno Macri considers that digitization is changing how we experience events in following ways:

1. Digitization opens up engagement opportunities.
2. Events are easier to plan with digital solutions, leaving more room for creativity.
3. Attendees know your event inside out.
4. Events are becoming even more social.
5. Feedback is instant and richer than ever.

Generally digitalization of event strategy includes the following advantages:

1. Improving engagement—most event planners want to see more engagement among attendees because they know it drives ticket sales and breeds loyalty. Most people have a Smartphone addiction now and it can turn a Smartphone into a personal viewing center, broadcasting slides and presentations directly to an attendee's lap.
2. Saving time—digital solutions can give some of day back by cutting down on the amount of time it takes to perform a task.

3. Providing answers on demand — digital solutions provide answers to your guests when they want them from anywhere they are (assuming they have an internet connection).
4. Improving connections — the connections between digital tools and social media are becoming more integrated. Most event technology now has the ability to integrate social streams so that attendees can be present at your event while still sharing valuable information and fun with their online tribe.
5. Facilitating feedback — digitalization can help collect important feedback in a much more interactive way.
6. Reduce staff costs—through creating more efficient workflow structures.

There are now a lot of hybrid events: tradeshows, conferences, seminars, and other meetings that combines a “live” in-person event with a “virtual” online component.

If the enterprises want to increase the efficiency of participation at international trade fairs it is important to take into account modern trends of the economy and carry out transformation of internal system of management using digital technologies.

The main objective of the present research to determine the influence of digital economy on the preparation and participation of enterprises in international trade fairs and to identify the best practices in digital innovations implemented in the exhibition industry and to ensure that the combination of current and digital measures can increase the efficiency of exhibition activities of enterprises in the modern world. The research issues of this paper are mostly based on the data of one of the leading industrial enterprises of Sverdlovsk Oblast, Yalamov Ural Optical and Mechanical Plant, an export-oriented plant actively participating in international exhibitions.

The main purposes of the international exhibition activity are to intensify and strengthen export activities, increase sales volumes of the participants. The main task of the company, participating in the exhibition

is to influence on the potential buyer in order to stimulate him to purchase the goods.

The goals of participation in a trade fair are derived from the corporate goals, because a trade fair participation should represent not just a product, but the entire company. In addition, participation in exhibition includes all elements of marketing mix. Communication is a central function of trade fairs and personal communication has high priority in marketing policy.

Five hundred German companies took part in survey about the position of exhibition in their marketing mix portfolio and companies put the participation in trade shows to second place (84% in 2018) after website (91% in 2018) of the company [6].

But it is not enough to have good product and attractive stand to be successful at international trade fair. Earlier it was necessary to combine sales competence with intercultural competence for trade fair success.

Intercultural competence means that with growing number of international visitors it is essential to be aware of cultural differences at trade fairs. In order to create interest for your product or service among international visitors, it is necessary to adapt to different communication styles.

Sales competence means using effective negotiation tricks and tactics allow to carry out effective negotiation in time limits terms, presenting own products and receiving information from the partners to pursue them to conclude the deal.

But now we can speak about the necessity to add the third point, digital competence—the possibility to use modern digital technologies in effective way, including all processes: preparation, participation and evaluation of the effectiveness of exhibition events.

Nowadays taking into account digital trends it becomes important to change the format of participation in exhibitions and actively use new technologies and means to increase the efficiency of these events. In recent years there has been a decline in the role of traditional advertising and an increasing role is being played by Internet technologies, which is reflected

in exhibition events, from the registration of participation in the exhibition to the evaluation of the effectiveness of the exhibition. Computer exhibition management systems are also actively beginning to be used.

Thus, in Western countries CENTREX (the system of exhibition statistics, the standards of which are the basis of the UFI standard), APACS Expo (registration and counting of visitors) are used to solve private problems. It is also possible to highlight the program EXPO 1001: advertiser EXPONET-EXPERT, CRM program [7], computer subsystem of planning and determining the efficiency of exhibitions N. V. Zheleznichenko [8], which allows to plan optimal expenses for advertising of the exhibition event with minimal investments of money and to determine the efficiency of the past exhibition.

As the main methods of research we used case study. We studied the experience of participation at the exhibitions of Yalamov Ural Optical and Mechanical Plant (hereinafter—UOMZ) from 2007 to 2019.

UOMZ is one of the largest optical industry enterprises in Russia, which develops and manufacturers optoelectronic systems for various purposes as well as medical equipment, energy-saving LED lighting systems and surveying instruments. UOMZ possesses high-capacity engineering and industrial potential. Volume of funds invested by plant in technical re-equipment, modernization, reconstruction, introduction of breakthrough technologies are increasing every year. Annual growth of productivity in UOMZ accounts for more than 120%. Quality Management System of the enterprise is certified under ISO 9001–2001 standards, products have international certificates ISO 9001-13485 and CE. UOMZ exports products to more than 80 countries of the world and annually takes part in the largest international exhibitions such as Medica (Germany), Arab Health (UAE), GNPI-Congress (Switzerland/Germany), KIHE (Kazakhstan), BIHE (Azerbaijan), Light and Building (Germany), Intergeo (Germany), TIHE (Uzbekistan) etc. to promote the products and carry out negotiations with partners and potential clients.

We have analyzed the participation of UOMZ in international trade fairs from 2007 to 2019. The results are presented in table 1.

Impact of Digitalization on the International Exhibition Activity of UOMZ

Indicators	Participation of UOMZ in international exhibitions from 2007 to 2015	Participation of UOMZ in international exhibitions from 2016 to 2019	Results of using digital technologies
1. Submission of application for participation in the international exhibition	Download forms in Pdf format, filling in and signing in paper, sending a scanned copy by e-mail	Registration and filling out forms on-line on the exhibition site	Saving of time in 6 times
	Time expenses: 3 hours (per one exhibition)	Time expenses: 30 minutes (per one exhibition)	
2. Advertising materials for presentations on the booth	Paper catalogs, leaflets	Electronic catalogs on flash media, QR-codes for downloading presentations, Infostells with interactive presentations	- 15-50% cost savings - 100% visitors receive the advertising information
	- Expenses for printing and delivery: RUB 70000-90000 (per one exhibition) - 3 visitors from 10 refuse from paper materials because of weight	- Expenses for preparation and delivery: RUB 60000 (per one exhibition) - 10 visitors from 10 take the electronic materials	
3. Design of the booth	Banners, posters	Video panel, running line	- expenses of technologies 4 times higher, but with possibility of multiple use - Appeal of new visitors 50% higher
	- Expenses for printing and delivery: RUB 70000-120000, but single/double used materials (per one exhibition) - Medium level of appeal of new visitors - 80-90 new visitors per exhibition.	- Expenses RUB 300000-500000, but multiple used technologies (per one exhibition) - High level of appeal of new visitors - 120-130 new visitors per exhibition.	

4. Training and selection of stand-assistants	Selection of stand-assistants by the head recall	Annual trainings on exhibition activities and sales, computer testing to determine qualification and readiness of work on the stand	- 100% qualified stand-assistants
	- Big influence of personal relations, low qualification of some stand-assistants (10-15% of assistants per exhibition)	- 100% qualified stand-assistants	
5. Evaluation of the effectiveness of participation in the exhibition	Databases of visitors in Excel, calculation of effects according to the method of A. Renard, O.Kuznetsova, preparation of the report on the exhibition	Introduction of information on visitors to CRM and IFS systems, comprehensive evaluation of the effectiveness of exhibitions (Impact of all exhibitions during the year on export volumes, evaluation of exhibition activities by year to track progress, integrated accounting of costs and participation time).	- Time expenses to fill in the data: 2,4 times less - Time expenses to find information in the system: 5 times quicker
	-Time expenses to fill in the data: 12 hours (per one exhibition) - Time expenses to find information in the system: 5 min (per one client)	Time expenses to fill in the data: 5 hours (per one exhibition) - Time expenses to find information in the system: 1 min (per one client)	
6. Participation in virtual exhibitions, online trading platforms and information portals	No participation	Participation in the virtual exhibition “Medical Expo,” the trading platform “RSTrade” (Singapore) and the information portal “Made in Ural.”	- 3-4% sales growth (per year)
	-	- Additional clients and sales (80-150 clients per exhibition within 1 year)	

Таблица 1

Introduction of IT-technologies and systems CRM, IFS in exhibition activities allowed the enterprise to be in a trend with leading Western companies, to combine client bases into a single system, eliminating the problem of possible loss of information within the company when it is transferred between employees and increasing the speed of control over work with consumers. Also, the electronic exchange of information between employees allowed to increase flexibility of business processes in the company, analyze the effectiveness of advertising campaigns and marketing budgets, manage sales, store and use the knowledge and information accumulated by the company. Virtual exhibitions and online trading platforms allowed UOMZ to save money, to increase the number of visitors and place more information about the goods and related services, which led to positive dynamics in export volumes.

The processes of digitalization have big influence on all spheres of life and business and to be effective it is necessary to take into account challenges of the digital economy. Before digitizing processes for the enterprises key factors of success in international trade show were qualified staff (with high level of sales and intercultural competences, to carry out effective negotiations with foreign partners), well-designed attractive booth and hi-tech products for demonstration. In modern terms the big role in success in international exhibition plays the ability to use modern digital technologies.

The experience of UOMZ shows that using IT-technologies in exhibition activities allow the enterprise to eliminate the problems of possible loss of information within the company, to increase the speed of control over work with consumers and flexibility of business processes in the company and even to save money through participation at virtual exhibitions and online trading platforms.

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