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The role of trade fairs in European cities development strategies – one pattern or different ways to go?

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### **Summary**

The deliberations contained in this article address the issues of trade fair development, as a element in the development strategies of the cities in which they are located. On this account it is vital to address the question of what significance city authorities attribute to trade fairs and verify whether they influence the development of this important and unique resource.

The article is an attempt to isolate common trends of impact of local authorities on trade fair development in European cities. It is thus an attempt to identify the aspects of city - trade fairs relations that can function as the common pattern for European trade fair evolution. To achieve this aim field research was conducted among authorities of European cities in spring 2008.

On the basis of research results, the presentation of which is preceded by deliberations on the origin and role of trade fairs from the perspective of particular market players, as well as on their significance as the socio-economic function of the cities, one may conclude that the development of European trade fairs follows different ways and does not happen according to one common pattern. Despite this, however, it has been observed that respondent cities attribute great significance to trade fairs in their strategic records. Two common trends have been distinguished: location of trade fairs within city borders and supporting the convergence of exhibition and conference functions. Both phenomena were taken as features that can be common patterns of European trade fair development.

### **Introduction**

The first industrial exhibition was organised in Paris, in 1798. Following the French example, exhibitions started to be organised also in other countries. Gradually, the exhibitions gained the international dimension (the first one in 1850, in London), during exhibitions there started to be organised congresses and conferences devoted to the latest technological and scientific developments exhibited there (Wojciechowski and Dudziński, 1997). Today trade fairs are events that bring together, in a single location, a group of suppliers, distributors and related services that set up physical exhibits of their products and services from given industry or discipline (Black, 1986) and can be an important factor affecting city development; however, their role is most often examined from the point of view of exhibitors or visitors,

less often the trade fair operator, and least often from the perspective of the authorities of the city where trade fairs take place. From the city's point of view, in the area where trade fairs take place the activity is so focused on the subject and distinguished that it can form one of the economic specializations of the city. Trade fairs may be treated as a part of city marketing factors: infrastructure, attractions, people, image and quality of life, that have a potential to attract new or sustain current investment, businesses, visitors and residents (Kotler, Heider and Rein, 1993). In that way the competitive advantage of a city is created (Porter 1990). The research area of our interest is the relationship between the city where the trade fair grounds are located and trade fairs, which will allow for presenting new aspects of trade fair development. When treating trade fairs in a view of city management, as a potential element of creating a competitive edge, a question arises: to what degree city authorities influence their development. The question is especially valid with regard to the role of trade fairs located in Europe, since 60% of 15 million square meters of exhibition space available for exhibition worldwide is located in Europe (Flackett, 2006).

The spatial scope of the research presented in paper is crucial due to diverse levels of significance of trade fairs and their role in city development in particular European countries as a result of different economic, political, socio-cultural and technological factors. In Western Europe exhibitions developed into trade places, and then evolved towards a communication tool. The model of changes, however, was different in different parts of Europe. In Germany trade fairs, during which there are at the same place and time a dozen or so specialist shows, play a great role as a tool of communication of enterprises with the market. German trade fair industry has developed in more than ten cities, with trade fair grounds in Hannover, Cologne or Frankfurt being among the biggest in the world. Other examples of countries where trade fair industry is growing include Italy and Spain and their investments into exhibition space. In the UK, on the other hand, the importance of trade fairs is rather low and trade fairs are narrowed down to practically Birmingham and London [1]; conferences and marketing events, however, are developing dynamically (Ogden and McCorrison 2007).

In Central and Eastern Europe, including Poland, trade fairs in centrally planned economy used to be an essential (and for a lot of companies the only) tool of gaining foreign contractors. Therefore, the role of trade fairs was high for exhibitors and visitors, but the trade function was predominant. The end of the 20<sup>th</sup> century brought major changes in the trade fair industry. The evolution of attitude to trade shows, which had taken place in Western Europe, came about also in Central and Eastern Europe (Zieliński, 2007).

It is the authors' intention to examine whether, despite all these differences, one can map out a common for European cities direction of trade fair development. Although in the second half of the 20th century geographical differentiation of the trade fair function occurred, so far the issue how this influences city authorities' approach towards development of trade fairs in the cities has not been thoroughly researched. On the other hand, what is also missing are scientific studies holistically presenting the effect of trade fairs on cities' economic development. The few existing studies on this subject are commercial in character, have been commissioned by city authorities and are often confidential.

Bearing in mind the multidimensional character of the process of looking for a common for European cities direction of trade fair development, its two aspects were isolated to examine on their basis the existence of a common development model: the role of trade fairs in the city development strategy and the trends of trade fair development supported by the city. Distinguishing these two issues is dictated by cognitive and application reasons – they are currently the discussion subject of authorities of many European trade fair cities. The discussion on these two development issues will be complemented in each research field with characteristics of other factors in trade fair development.

Owing to the presented approach to the analysis of a city's trade fair function, the article can be classified into two scientific areas simultaneously. On the one hand, the presented issues are concerned with economics of the city. The discussion is especially on institutional aspects of city development with emphasis on decisions and activities undertaken by city authorities, seen as the stimulus or development stimulus of particular socio-economic functions of the city. On the other hand, the article fits the framework of place marketing. Trade fairs comprise one of the place marketing factors, designing the mix of community features and services for the current and potential buyers and users. Thus, the city-generating function of trade fairs (strategic factor) is combined with their marketing function (tactical factor).

### **City as a partner of trade fair activity**

International trade has been the fundamental element of European economic life ever since the early Middle Ages. It contributed to the establishment and development of trade fairs which were one of the main sources of income for the cities. Trade fair visitors took advantage of special protection granted by the king and church within the announced for the duration of trade fairs “God's peace”, “St Peter's peace”, “*pax habeatur*”, “*pax dei*”, etc. Besides their trade function, trade fairs already then had an important development function

through supporting trade development of countries, regions or cities. Among centres which were granted trade privileges at that time and have operated to this day there are, among others: Leipzig (the right to organise trade fairs granted in 1165), Frankfurt on the Main (1240), Poznan (1253), Cologne (1360) and Lyon (1420).

The classic approach to the issues of trade fair activity assumes the existence of three main partners of a trade fair event: event organiser (representing the supply), and exhibitor and customer (representing demand) between which there is strict reciprocal interdependence – i.e. each of them is influenced by the other two, and in turn influences their behaviour and makes it dependent on one's own. A broader perspective, represented in this article, adds an additional client of the trade fair activity to the triad – city authorities, interested not in a single trade fair event, but treating it as an element of a wider offer, and – as shown in practice – involved directly or indirectly in trade fair activity. From the city's point of view, visitors and exhibitors are treated as business tourists, and so the market of the city's product.

Institutions responsible for city development and promotion treat trade fairs as an element of the city's offer they shape. In the view of place marketing, trade fairs constitute a part of the city product, they are its sub-product (Szromnik 1997). According to Kotler, Heider & Rein, nowadays cities compete with one other on the global market, designing and marketing their identities and values as products (Kotler, Heider and Rein, 1993). Various communities launch drivers to attract business firms and industrial plants, corporate and divisional headquarters, investment capital, tourists and conventioners, sports teams and so on, all of which promise increased employment, income, trade, investment, and growth. In such a context, the trade fair product enriches the overall city product – by including unique services and properties of the city it creates its contributory components (Ashworth & Voogd, 1990). Trade fairs have a significant impact on developing such elements of the city product as: infrastructure and development, human resources, communication system, image and standard of living of city inhabitants, attractions, local cultural climate, the spirit of enterprise, or network relations (Markowski, 1997; Florek, 2007). The target market of trade fair product is first of all comprised of entrepreneurs, chambers of commerce, associations and business clubs, marketing companies and advertising agencies (Ashworth and Voogd, 1994; Szromnik 1997). The main place marketers are local governments, but the fortune of places depends on the collaboration of the public and private sectors – teamwork among governmental units, business firms, voluntary and civic associations, and marketing organizations (Kotler, Heider and Rein, 1993). Moreover, looking at trade fairs as an element of MICE industry leads to inclusion into the sphere of city's marketing subjects additional players: destination marketing

organisations, convention bureaus, international congress, conventions or exhibition centres associations (Davidson and Cope, 2003; Destination Marketing 2005; MICE Tourism – Europe 2005).

### **Trade fair as an economic city function**

From the point of view of local public authorities, trade fairs are lasting and inextricably linked with their socio-economic life and space, and therefore one cannot perceive them in terms of place marketing. They are an element of a city's functional structure and contribute to its development. Adopting various organisational forms trade fairs are often one of major enterprises operating in the city. According to Davidson & Cope, domestic and especially international trade fairs can have a great influence on the place's economy as a large number of visitors and exhibitors stay there for a few days, spending money [2] on transport, accommodation, recreation, entertainment, etc. (Davidson and Cope, 2003).

Consequently, exhibition activity, seen not only as one or more companies providing exhibition and related services, but also as facilities and equipment making up the infrastructure and companies providing supporting and complementary services, may have a great effect on the evolution of previously developed city functions or even form an independent economic specialization. In the first case it directly enhances trade and tourist service function, contributing indirectly, to a greater or lesser extent, to the development of other: industrial, construction, transport, financial, administration, cultural and university functions. In case of a dynamic growth of activity, it becomes a separate function, equivalent to the socio-economic potential of the city. Regardless of its intensity, trade fair specialization is one of exogenic functions, it involves beyond local level activity for the environment and it is an expression of city's openness (Domański, 2004). Adopting the criterion of intensity in relation to the city's size, the trade fair function – like tourist function (Page and Hall, 2003) – most often plays a supporting, less often main, and least often the dominant role. In each case, however, it is a specialized function and, in this sense, a city-generating one. One can conclude, based on Porter's Diamond Model of Competitive Advantage, that trade fairs are determinants of local and national competitive advantage: enterprises providing exhibition services have an influence on firm strategy, structure and rivalry, trade fair infrastructure in turn creates factor conditions, and the whole trade fair industry constitutes related and supporting industries in relation to other socio-economic specializations of the city (Porter, 1990).

Trade fairs and exhibitions are an activity generating mass travel movement and high spending type of business tourism with profound effects on cities (Jefferson and Lickorish, 1991). The economic potential of exhibition activity should therefore be assessed through the prism of MICE industry, a part of which – as previously mentioned - are trade fairs. This is the most profitable sector of tourism industry, in which large groups are brought together and travels are usually planned well in advance (Davidson and Cope, 2003). In that sense trade fairs are the part of or support the cities' tourist function. The specialist nature of the facilities and infrastructure required for such business means they are located in urban areas to make use of complementary facilities such as accommodation, transport hubs (i.e. airports) and the wider range of tourist attractions to provide a wider context for MICE (meetings, incentives, conferences or conventions and exhibitions or events) venues (Page and Hall, 2003).

The above deliberations in the case of numerous trade fair cities lead to a discussion on trade fair grounds location. The decision about trade fair grounds and facilities is usually an element of four factors at play: activating role of trade fairs as compared to other city functions, competitive edge in utilizing space, logistic solutions and impact on the city image:

- trade fair function is stimulating compared to other socio-economic functions – the existence of trade fair grounds in the city contributes to the development of related market institutions, and to the increase in the number of hotel, catering, transport, trade, recreation services, etc. enterprises; what is more, centrally located trade fair grounds result in the functional diversification (central place functions);
- trade fair activity is space-consuming and competitive in relation to other types of activity which could potentially develop in the attractive grounds it occupies;
- the location is a derivative of transport solutions – it implies an easy access for a large number of visitors. This is the reason why trade fair grounds should be a part of city development plan and should ensure an easy access from the city centre and international airport, connection with the network of main roads and the integrated system of frequently-operating and fast public transport. Attractive surroundings and infrastructure (business, scientific and research institutes, hotels, shops, institutions, recreation facilities) are also important to ensure a proper standard of services (Davidson and Cope, 2003);
- large international exhibitions taking place in exhibition centres located in an urban area are used to create the image of these cities as the centre of trade and industry (Davidson and Cope, 2003).

In the situation of constant growth of bigger cities and shrinking space available to develop socio-economic functions indispensable to the proper functioning of the city, city



authorities are faced with increasing pressure to relocate trade fair grounds. It is worth examining what the effects of such determinants are.

### **Change in the role of trade fairs as a result of convergence of trade fairs and conferences**

Traditional trade fairs were perceived as trade meetings concluded with a transaction, whereas trade fairs have also information-promotional function (Cavanaugh, 1976). The communication function of trade fairs became significant enough to start treating them as a tool of promotion (Seringhaus and Rosson 1999, Blythe, 1999). An indication of the approach to trade fairs as a communication tool is an assumption that they do not need to generate sale but can serve as an opportunity to establish and sustain relations with (potential or existing) customers.

Trade fairs have become a multifunctional and complex marketing tool that allows for the presentation of the enterprise and products, and also facilitates contacts between customers and contractors. Calling trade fairs “an arena of communication”, shows the diversity and complexity of communication processes taking place during trade fair events (Mruk, 2006). One may even predict that in the future trade fairs will evolve from the place of communication towards a tool of relations (Grimm, 2003, Hansen, 1998), and trade fair industry in Germany is becoming an example of this.

The result of such changes may be the application of various forms of communication during trade shows, with the key role played by activities from the business meetings category, especially meetings, events and conferences which often accompany the exhibition. This attitude is reflected in research and publications from last decade of the 20<sup>th</sup> century that relates to the choice of trade shows, defining their aims, evaluation of results and organization and services of the stand in the background of trade show trade functions (Parrety and Saschi, 1992; Kijewski, Yoon and Young 1993; Herbig, O’Hara and Palumbo, 1998).

The changes in the approach of trade fair operator and exhibitors to the nature of a trade show are to a large extent determined by expectations of visitors who increasingly treat trade fairs as a source of information (Centrex 2004). This is translated into growing popularity of specialist seminars and conferences among visitors. Wanting to meet this group's demands, exhibitors organise, either on their own or in co-operation with trade fair operator, more and more of this kind of business meetings.

An effect of functional complementarity of meetings, incentives, conferences, conventions, exhibitions and events is blurring the classic form of trade fairs. While exhibitors' offers are, as before, displayed during trade fairs, there also take place conferences



and marketing events. Through convergence trade fairs are becoming a multifunctional industry event. Especially noticeable is the trend to combine trade fairs with conferences, which as one of the forms of business meetings may be defined as participatory meetings designed for discussion, fact-finding, problem solving and consultation (Dictionary of Meeting Industry Terminology, 2006).

City authorities see a great synergistic potential in combining conferences with trade shows. It stems from complementarity of both kinds of activity. Owing to conference activity, one can use the trade fair infrastructure when there are no trade shows. Moreover, one must point out such effects of co-development of both functions as: considerable resistance to economic fluctuations, lack of seasonal character, change in city's economic specialisation, revitalisation and modernisation of city space, ensuring new facilities for inhabitants (e.g. transport, cultural, etc.). Conference and trade fair visitors' expenses constitute a source of income for the whole city economy, additional tax income, new workplaces. Indirect effects are also vital. The presence of businesspeople, experts, scientists and other influential people participating in international meetings is conducive to the transfer of information, knowledge and innovation, and strengthens local enterprise. What is more, the development of both functions reinforces the image and prestige of the city as a business, technological, cultural or commercial centre, which in turn influences the evaluation of its business appeal by other visitors and attracts foreign investments. Thus it constitutes a qualitative factor of location of business activity (Davidson & Cope, 2003; Page and Hall, 2003; Pender, Scharpley 2008).

Due to lack of research on trade fairs - city relations the authors decided to get to know selected elements of this system in an empirical way. Taking into consideration the earlier discussed conditions, one may acknowledge that from the perspective of city authorities trade fairs are a specialized, rare resource. For this reason local authorities, representing the place supplier, use trade fairs as an object of marketing activities (external marketing), on the other hand, they should appropriately shape and support their development (internal marketing). There is an important question to address here about significance attributed to trade fairs by city authorities, which may be determined on the basis of city development strategy records. If trade fairs are indeed significant from the city's point of view, it is legitimate to verify whether the city influences the development of this important and unique resource.

## **Research methodology**

To examine the pointed out research problems a survey was designed and conducted among European cities. It was assumed that a realistic impact of trade fair function on city development is reflected in strategic documents prepared by city authorities. One can state that the more significant the perceived role of trade fairs is, the more it is stressed in city strategies and promotional activities. Thus it is possible to collect such information by asking city representatives what role trade fairs have in the city development strategy.

A European network of cities – Eurocities [3] – was chosen for the research, since it consists of major (of great significance) European cities. Within the network there exists Economic Development Forum with 93 member cities, among which 78 (subject population) have trade fair grounds where according to data by Institute of the German Trade Fair Industry (AUMA) [4] international trade fairs are organised.

Because of the subject scope of the research, persons in charge of units/ departments responsible for city development were chosen as respondents. They were chosen based on an interview with representatives of Poznan city authorities, during which it became apparent that such people, owing to their position, would have the knowledge about the role attributed to trade fairs in their city strategies.

Due to complexity of research problem area, the wide spatial scope of the research covering the whole Europe, and also the kind of respondents, an Internet questionnaire method was chosen. Respondents received via email a personalised letter of intent in which the importance and usefulness of the research were stressed to ensure a high response rate (Bean and Roszkowski, 1995). The exclusive nature of the research was also emphasised (Jobber and O'Reilly, 1998). In order to generate interest in the research subject, a summary of research project was attached and a presentation of research results was promised (Jobber and Reilly, 1998).

Respondents received also a personalised questionnaire in the MS Word format. The research tool consisted of 32, mostly closed questions, in the English language. The questions were mainly concerned with the role of trade fairs in the city development strategy, but also with the data regarding trade fairs located in the urban area.

The questionnaires were sent out in April 2008 to all the subject population. The research project was based on The Tailored Design Method (Dillman, 2000), therefore an email reminder was used and followed by a telephone reminder. In the first stage, 16 completed questionnaires were received. The reminders increased the number of participating cities to 28, which accounts to a 35,9% response rate. The last questionnaire was received on June 2008. 25 questionnaires qualified for analysis. In all the cases there were given answers

to questions regarding the city development strategy, answers to questions concerning trade fair data, however, posed a problem to some respondents due to lack of details or inability to obtain the data from trade fair enterprises.

It was assumed that the obtained results will allow for the application of data clustering in order to isolate segments of cities with similar approach to the role of trade fairs in city development and factor analysis to identify the factors determining the city's approach in this respect. Despite attempts to receive response from as many cities as possible, the number of obtained questionnaires was not satisfactory. A small sample with a great diversity of cities from which did respond (variance for the number of inhabitants exceeded 70000 m) did not allow for conducting an in-depth statistical analysis to isolate segments of cities with similar patterns of trade fair development. Despite the fact that conducting a in-depth analysis is not possible, it is interesting to recognise for the sake of future research general tendencies in the subject area.

This is why the authors decided to only conduct an analysis of response composition and qualitative analysis of the results based on case studies of respondent cities. In the further part of the text there is information on respondents and research results embracing the following areas:

- the role of trade fairs and conferences in the city development strategy,
- trends of trade fair development and the scope of its stimulation by city authorities with particular consideration of relocation of trade fair grounds,
- integration of trade fair and conference functions.

### **Characteristics of cities participating in the research**

The cities taking part in the research were varied. The smallest was Tampere (204.000), the largest were Berlin and Madrid (more than 3 million). The population of half of the surveyed cities did not exceed 565 thousand. In the opinion of authorities of most (15) surveyed cities, tourist appeal of these cities was above average compared to other European cities. Tourist appeal was considered average in the case of 6 cities, and low in 2 cases (Chemnitz i Tampere).

The average size of trade fair grounds in the urban area of cities taking part in the research exceeds 143 000 m<sup>2</sup>. More than half of it is roofed. In three cities trade fair grounds are located also beyond city borders and in total occupy. Within trade fair grounds in the subject cities there are on average almost 6800 conference seats. The average of the largest

conference halls in respondent cities was 4726 seats. In 7 cities the largest conference hall is located on trade fair grounds.

Also ownership connections of the city with trade fair infrastructure are varied. In six cases the cities did not have any shares in the infrastructure, in eight cases the cities had minority shares. A different situation is in six cities which have more than 51% shares. Two cities hold 50% shares.

The average number of trade shows in the subject cities in 2007 was 47, but in half of the cities there took place not more than 31 trade shows. Only some of them were of world or European significance (number of indications on average: respectively 7 and 22).

When answering questions contained in the questionnaires distributed among EDF member-cities, respondents relied mainly on documents and data of city authorities (19 cities), and also data provided by trade fair operators and fair ground owners (15 and 14 cities respectively). Analyses of trade fairs' impact on city development served as the basis for questionnaire answers only in the case of 5 cities. In the case of 2 cities the source of information was research commissioned by city offices.

### **The role of trade fairs and conferences in city development strategy**

The EDF member cities taking part in the research may be considered cities with significant trade fair function. In the opinions of great majority of respondents, trade fairs as a business activity, together with the whole supporting infrastructure, have a vital, although not utmost, importance in socio-economic development. One needs to point out that city development is, according to the opinions of the majority of city representatives, closely connected with urban space.

It can be concluded from the respondents' opinions that trade fair development is treated to a large degree as a factor in city's economic development in development strategies in 19 out of 25 surveyed cities, where 10 cities indicated this impact as the most significant. Representatives of only two cities (Budapest and Tampere) stated that trade fair development has an insignificant impact on their development.

In the view of respondents, the existence of trade fair function is also used by the city as an object of promotional activities. It refers mainly to trade fair activity, i.e. events organised in cities, and to a lesser extent to trade fair grounds and infrastructure. Thus:

- in most cities (20) trade fair events are used to a large extent as an object and tool of city promotion, with representatives of 13 cities indicating its maximum use;

- trade fair grounds and infrastructure are used for promotional purposes in all surveyed cities, with 9 cities (out of 25 participating) using them to the full, 14 – on a considerable or basic level, and 2 cities used them to a minimal degree;
- forms and tools of promotion as indicated by cities embrace: city promotion linked to trade fair promotion, promotion on a national and international level, issuing promotional publications.

Greater potential of trade shows over trade fair infrastructure must stem from their scope of impact and diversity of functions. Trade shows reaching particular segments of recipients, on a national or international level, are at the same time a tool and a medium of city promotion. What is more, the very fact of organising trade shows may be used in such promotion. Trade fair grounds and infrastructure are static – possibly this is the reason why they are not widely used for city promotion.

Because of the vital role of trade fairs in city development strategies, city authorities foresee in these strategies activities directed at stimulating trade fair development. On the basis of research results, ways of stimulating trade fair development by the authorities of EDF member cities can be divided into two categories:

1. indirect activity, affecting the market context of trade fairs
2. direct activity, having a direct effect on trade fair product or fair operator.

Basing on the obtained data, the range of indirect support includes:

- the most frequently occurring form of indirect support is development of infrastructure serving trade fair or city activity, which is the case of 6 cities participating in the research – investment into city's fixed assets such as buildings and public transport was mentioned as a form of support;
- 4 cities declared representative activity in the form of organising open sessions with politicians, town twinning and business partnerships, patronage of major events during trade fair events (e.g. in Lublin);
- in 3 cities authorities back the organisation of supporting and complementary services through: integration of tourist, educational, cultural and entertainment functions with the trade fair function (e.g. activities undertaken in Vienna), activities aimed at enhancing the quality of life in the city and developing customer-friendly administration, and – as illustrated by Florence – adaptation of historic, medieval buildings for the duration of trade shows.

Among ways of providing direct support there are:

- financial relations, mostly property relations (as declared by 19 city representatives), which are about granting financial support and holding shares in companies involved in trade fair activity;
- undertaking developmental initiatives (as indicated by 12 respondents), which are about co-organising trade shows or conferences on trade fair grounds, co-operating with local and regional tourist organisations or initiating partnership with public-private enterprises dealing with development of trade fair and related services;
- promotional activity (undertaken in 9 cities) – linking activities aimed at city promotion with trade fair promotion, promotion of the trade fair function of the city on a national level and abroad, and producing promotional publications.

### **Relocation of trade fair grounds as a sign of stimulating trade fair development by city authorities.**

On account of the research problem, the impact of organisation of trade fairs, i.e. space-consuming business activity, on city development should be measured in relation to the location of trade fair grounds and facilities. Research results regarding location of all or part of trade fair grounds in the subject cities over the last 15 years are as follows:

- in 19 cities participating in the research the location of trade fair grounds has not changed in the last 15 years;
- out of 7 cases of trade fair grounds relocation, in 4 cities trade fairs were moved from central to peripheral area (Budapest, Chemnitz, Madrid and Leipzig), in two cities (Barcelona and again Budapest) – from central to suburban area, and in one city (Munich) - from suburban to peripheral area.

Among immediate reasons for the decisions to relocate trade fairs out of the city centre there were: respective records in the city's spatial development strategy (3 cases), development strategy of trade fair operator/trade fair ground owner (3 cases, e.g. in Leipzig it was additionally recorded in the city's spatial development strategy), lack of space for extension of trade fair facilities (Budapest), antiquated or impractical trade fair infrastructure in the previous grounds (Chemnitz and Munich);

The reasons for no relocation of trade fair grounds most frequently indicated by the respondents included: a strong tradition of trade fair activity in the city infrastructure and city image created on its basis (12 indications), the fact of trade fair grounds being deeply rooted in the city infrastructure (7 cities, e.g. Vienna, Dortmund, Utrecht or Poznań). Among less frequent reasons are: high costs of relocation (3 indications), former relocation in distant past

(more than 15 years before, as in the case of Brussels, Düsseldorf, Gdańsk and Madrid), no consideration of such an option (3 indications), as well as redevelopment of trade fair facilities on trade fair grounds (which was the case in Lille), or competitive pressure of other trade fair centres (Eindhoven).

Moreover, the authorities of most cities taking part in the research (16, which constitutes 70% of the total opinions on the matter) do not seek to relocate trade fairs to suburban area. In the case of 5 cities these aspirations are not strong, and only 3 respondents declared an average or high determination of city authorities in this field.

Reluctance of the majority of authorities of European cities to relocate trade fair activity to suburban area is confirmed in planning documents – in 22 out of 24 cities whose representatives answered this question development strategies do not contain any intention of relocation, which is justified by the fact that the present location provides sufficient benefits, and trade fair infrastructure is deeply rooted in the minds of recipients and tailored to their needs.

The respondents recognised the following actions as premises of the planned change: city's spatial development records, strategic decisions of the trade fair operator/ trade fair grounds owner, or – as in the case of Munich in Germany – the need to reduce environmental pollution and creating the image of trade fairs as a modern congress centre.

### **Integration of trade fair and conference functions**

The final research aim was to recognize the city authorities' opinions on interdependence of trade fair and conference development. The research results suggest that contemporary trade fair activity can be characterised by merging exhibition and congress functions. The views of EDF member cities' representatives show the power of connections between trade shows and conferences (Table 1). In most cities (18) there is agreement that trade fair infrastructure should be developed through the development of conference infrastructure in trade fair facilities (column 2). On the other hand, views on the need to develop the conference function based on trade shows taking place in the city (column 3) and the development of trade fair function based on conferences (column 4) are not so uniform, although also positive. Moreover, the structure of answers in both cases was similar. 12 cities were positive about the idea of integration of development of these functions, 6 did not see the need for it, and 6 had a neutral opinion on the matter.



Table 1. Opinions of city authorities on the relations of trade fair and conference functions

[1]	[2]	[3]	[4]
The degree to which city authorities agree with the given opinion on a scale from 1 - not at all to 5 - absolutely	Trade fair infrastructure should be developed through developing the conference infrastructure in trade fair facilities.	The city's conference function should be developed based on trade fairs taking place in the city.	The city's trade fair function should be developed based on conferences taking place in the city.
1	0	1	2
2	3	5	4
3	4	7	7
4	11	8	8
5	7	4	4

Source: Questionnaire survey

A lack of clearly positive attitude to the integration of trade fair and conference functions may be explained by the analysis of trends of development of trade fair grounds and facilities proposed by city authorities of the subject cities. It appears that development of conference facilities within trade fair infrastructure is not the most often indicated form of trade fair development – it was indicated by 12 city authorities. All the participating cities mentioned extensive changes in trade fair infrastructure, manifested in the development in at least two areas, where:

- most often indicated was the development of trade fair infrastructure through establishing office facilities (22 cities), exhibition facilities (19), enhancing transport accessibility to trade fair grounds (17) and establishing hotel facilities (16);
- about 50% of cities participating in the research indicated development of trade fair infrastructure through establishing catering facilities (14), recreation-entertainment facilities (13), trade facilities (12) and - conference facilities (12);
- for 5 cities development means facilitating moving around trade fair premises (e.g. Brno, Brussels and Chemnitz);
- two Spanish cities – Barcelona and Gijon – took actions to transform trade fair grounds into public open space;
- another form of trade fair infrastructure development is the arrangement of city space for exhibition purposes, an example of which is adaptation of town hall courtyard for the needs of trade fairs (Budapest).

Research results suggest that authorities of most cities participating in the research (17) believe that in the future trade fair grounds and facilities will take over also other functions, which now are at a minimal level. This may lead to the opening of trade fair grounds to the general public. The vision of integration of trade fair grounds with city space was not supported by three respondents. It must be mentioned that such solutions are applied only in two cities and one can suppose that others will follow in their footsteps.

The strength of perceiving relations between trade fairs and conferences can be recognized in the city authorities' attitude to the development of trade fair and conference functions in the future (table 2). A great majority of respondents (16) concurs with the opinion or is sure that significance of conference facilities within trade fair centres/facilities on trade fair grounds compared to other conference facilities will grow in the future; only 4 representatives of the surveyed cities hold a different opinion (column 2 ). These views prove the existence of a strong economic-spatial connection between the trade fair function and conference function of the subject cities. They must be compared to other opinions. According to 11 respondents, their city authorities do not agree with the view that development of trade fair events will depend on development of conferences organised during trade shows, still 9 cities (column 3) do not have a clear opinion on the matter.

Table 2. Opinions of city authorities on trends of future development of trade fairs

[1]	[2]	[3]
The degree to which city authorities agree with the given opinion on a scale from 1 - not at all to 5 - absolutely	The importance of conference facilities within trade fair centres/facilities in relation to other conference facilities will grow.	The development of trade fair events will depend on the development of conferences organised during trade shows.
1	0	2
2	4	1
3	5	9
4	8	6
5	8	5

Source: Questionnaire survey

**Research limitations**

As with all research, there are limitations to the interpretation of the results and other issues that need to be considered when trying to generalize these analyses to broader issues of interest. The following is a discussion of some of these issues.

The groups of respondents was comprised of city office employees responsible for city development. The authors' objective was to obtain an answer to the question whether one can indicate common for European cities patterns of approach to trade fairs within the city strategy. Due to the fact of a changing function of trade fair grounds, whose co-owner in many cases is the city itself, it was essential to identify opinions of city authorities' representatives responsible for city development strategies on the subject of convergence and co-existence of trade shows and conferences.

The first limitation the authors came across was too low, despite numerous reminders, questionnaire response rate. Consequently, it was impossible to consider research results representative. Additionally, an insufficient number of respondents prevented the authors from conducting a full statistical analysis of the obtained results as originally planned.

Lack of close co-operation between city authorities and trade fair operators seems to be another limitation. Low level of or no information flow between these two subjects equalled to lack of responses to the questions concerning economic aspects of trade fair function.

## **Conclusions**

The European cities taking part in the research varied in terms of the number of inhabitants, trade fair infrastructure available and significance of trade shows taking place there. Owing to this the obtained data is cross-sectional and reveals different types of city-trade fairs relations. From business tourism point of view, what is an especially important feature of the surveyed cities is their tourist appeal, which probably influences the development of trade fairs and conferences in these cities (Davidson and Cope, 2003; Jefferson and Lickorish, 1991). Due to a small sample one cannot draw statistical conclusions and the results do not represent opinions of European cities in general, since trade fair development is determined by the city's character and history. Therefore, each city should be treated as one of a kind. In this context it is important to say that the development of European trade fairs follows different ways, and not one common pattern. Nevertheless, one can observe that great significance is attributed to trade fairs in city development strategies and that there are two tendencies the cities have in common: having trade fairs within city borders and predicting a convergence of trade fairs and conferences.

Location of trade fair infrastructure within the city may be treated as a distinguishing feature of European trade fairs and their common development aspect. Its consequence is the fact that trade fairs have an impact on the city identity, and cities can build their image as a trade fair city and use trade fairs for city promotion. In recent years in few cases of trade fair cities (e.g. Leipzig) strategic actions in the form of trade fair grounds relocation could be observed, yet with few exceptions, one can observe a tendency to leave trade fairs within the city and no intention of relocating trade fair grounds. It seems that city authorities treat trade fairs as a distinguishing characteristic which should not be abandoned despite the inconvenience they bring. This fact can be explained by inability to identify and precisely measure benefits and drawbacks of a possible relocation.

The development of trade fair and conference functions, on the other hand, is and will be, in the opinion of the subject cities' authorities, interdependent. They expect that the dependence of trade fairs on conferences rather than dependence of conferences on trade fairs will become more and more noticeable. This is also confirmed by the respondents' opinion on the increase of significance of conference facilities in trade fair grounds. From the city's perspective, what is especially important is the complementary development of trade fairs and conferences which can attract a bigger number of business tourists. At the same time, trade fair grounds can serve to enhance the conference function of the city.

Research results revealed that in city authorities opinion trade fairs, which function as an economic activity, play a vital role in city development strategies. Consequently, trade fair development is supported and stimulated both in a direct and indirect way. Limitations to the support of trade fair development may concern exclusively territorial limitations. It seems important to examine virtual trade fairs and analyse diverse opinions on positive or negative impact the development of the Internet has had on trade fairs (von Baerle 2003, Evers 2003, Lee-Keeley, Gilbert and Al-Shehabi 2004) from the perspective of trade fair cities for which the demise of traditional trade fairs could have serious consequences. A threat to trade fair industry is overcapacity of exhibition space, and the connection of trade fairs, often referred to as the "barometer of economy", with economic situation. An example of this is an economic crisis in the early 21<sup>st</sup> century, as a result of which Polish trade fair organisers recorded as big as a 40% decrease in the number of exhibitors and visitors.

One still needs a deeper insight into the issue of co-operation of the city with trade fairs. At the same time, the results presented in the article met with great interest and resulted in a broad discussion during the EUROCITIES Economic Development Forum taking place in June 2008 in Poznan. Representatives of Leipzig, Berlin and Madrid, who presented their

experiences and observations in the area of trade fair impact on city development, in a discussion panel unanimously, stated that the issue requires further investigation with more active participation of EUROCITIES network members.

The issues of trade fair development and trade fairs-city relations undertaken in the research among European cities' authorities can be continued in another group of trade fair operators. On the other hand, it would be interesting to compare opinions of the authorities of European cities with the opinions of American or Asian cities' authorities. In this way it would be possible to verify whether the identified features of European trade fairs are a distinguishing characteristic in relation to trade fairs from other continents.

### **Endnotes**

[1] Trade fair industry in the UK stands out from other countries – in most cases trade fair operators do not have their own exhibition halls and trade fair grounds.

[2] According to UFI studies, half of the exhibitors' expenses remain in the exhibition city or its surroundings, and a visitor spends between 200 and 350 US\$ per day in the city. It is also estimated that a fair brings six times the organizer's revenue into the city/region, [www.ufi.org/pages/thetradefairsector/basicknowledge.asp#1.2](http://www.ufi.org/pages/thetradefairsector/basicknowledge.asp#1.2)

[3] [www.eurocities.org](http://www.eurocities.org)

[4] The AUMA database was chosen as the most complete and up-to-date according to representatives of trade fair industry, [www.auma-messen.de/contentDB.aspx?sprache=e&db=mw](http://www.auma-messen.de/contentDB.aspx?sprache=e&db=mw)

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