Influence of Trade Fairs on a Host City Brand

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Abstract. The influence of constantly held trade fairs on the brands of organising cities is rarely analysed, however it has been noted that they can be treated as a city marketing tool and their positive impact on city image is often underestimated. The potential contributions of fairs to the host cities are rarely exploited, because the organisers tend not to see them as part of a long-term strategy of the city.

The article analyses the potential influence of trade fairs on a host city brand. The investor-based place brand equity approach and the city branding framework are used as a theoretical basis for the analysis. The cases of two cities from the eastern part of Poland are analysed, taking their marketing strategies and the potential influence of constantly held trade shows on their brands into account.

Key words: trade fairs, city image, place brand equity framework, marketing of places.

Introduction

There have been numerous studies regarding the economic and social results of hosting sports, cultural and other special events. Events can have influence on the image of a community or organising country, which leads to their positive perception as a potential travel destination [14; 8; 10]. Due to this potential, large events are used by cities to improve their image, especially cultural events bringing about positive effects for the city by „enlivening” the city streets and making the citizens proud of their country [9; 25]. Local governments are using events as a tool to improve the local people’s perception of the region (e.g. Fundao Cherry festival’s effects on the community image described by Alves et al. [3, p.30]).

Among different types of events, trade fairs can also be treated as a city-marketing tool [29]. However, according to The Global Association of Exhibition Industry (UFI), the positive impact of fairs on the image of cities where they take place is often underestimated
Izabela Kowalik. Influence of Trade Fairs on a Host City Brand

[34]. At the same time, due to globalisation, the infrastructure, quality of life and amenities in big cities become alike and there is a need for them to differentiate [27, p.1931]. It is worth finding out how holding trade fairs can help these cities build strong city brands.

Therefore, the aim of this study is to analyse the potential influence of recurring events, such as trade fairs on a city brand from the theoretical perspective, and secondly, to examine the cases of two cities from the eastern part of Poland, with a focus on the potential influence of trade shows on their brands. The investor-based place brand equity approach [16] and the city branding framework [20] are used as a theoretical basis for the analysis. The mechanism of image enhancement via the transfer of event images to images of the host city is also discussed [5]. The presented results of the analysis will be used as a basis for an empirical study which will follow the theoretical part.

Trade fairs: definition and types

According to the definition by UFI [34, p.5], fairs (trade shows) are events that are held regularly, usually on public lands. They enjoy a recurring life cycle, they run for a short period of time, and contrary to exhibitions (like Expo) they are not highly organised. Their function is mainly stimulation of future sales – goods are bought and sold at fairs.

Initially, trade fairs were horizontal in their organisation, with various products and/or services in specified industry groupings. Vertical organisation is more commonplace today with the exhibits being confined to one industry or a specialised segment of a specific industry. Buyers are usually business members of an industry and often must be pre-qualified to attend the fair [25]. During trade shows, which are b2b events, companies in a specific industry can showcase and demonstrate their new products and services. However, mixed shows are also becoming popular, as well as special types of trade fairs. Mixed shows are a combination of trade and public shows, where the exhibition organisers open the event to trade and to public visitors. Special types of trade fairs are combined with other events such as seminars, fashion shows, special events and congresses. Such a combination raises visitor interest, driven by the high demand for information exchange and the availability of experts. The conference function influences the perception of a city’s attractiveness as a business, technology, science, cultural and commercial centre [36, p.78].

This article focuses on trade shows, addressed mainly at the b2b market. Therefore, the analysis of implications of fairs for the city brand takes the perspective of the investors target group and their perception of the city.

Currently, especially in Asia, but also in Central and Eastern Europe numerous exhibition organisers expand their trade show programmes [34, p.23]. However, the benefits of the trade shows on the regions where they take place are often underestimated [34, p.33-34]. The UFI claims that, besides other economic and social impacts, exhibitions, trade and consumer shows help develop the town’s image. Thanks to organising fairs the exhibition venue and the region become well known. Understanding of this impact on the brand of the city can help planning its branding activities.
The city brand and its elements

According to Moilanen and Rainisto [24, p.6], a brand is an impression perceived in a client’s mind of a product or a service. It is a sum of all tangible and intangible elements, which makes the selection unique. The brand attributes are the tangible, intangible, psychological and sociological features related to the product [18]. An important feature of a brand is that it is “made distinctive by its positioning relative to the competition and by its personality, which comprises a unique combination of functional attributes and symbolic values” [15, p.10].

Like brands, cities satisfy functional, symbolic and emotional needs [24, p.8] and the attributes that satisfy those needs need to be orchestrated into the city’s unique proposition [4]. Including the necessary application of branding principles, a place brand is becoming a mix combination of ‘assets’ and ‘values’ [16].

One of the elements of a strong brand is its image [1]. The place image shapes the way citizens, visitors and businesses respond to it [23, p.51]. Therefore, a place must manage its image. Strategic image management is the ongoing process of researching a place image among its various audiences, segmenting and targeting its specific audiences, positioning a place’s attractions to support its desired image and communicating those attractions to target groups [11, p.51].

The creation of brands can be efficiently used to increase the investment inflows to a host place [16]. According to recent studies [23], places having built strong and dynamic brands have an easier task of attracting firms within the knowledge industries, and finally increased investment inflows. Van de Laar and de Neubourg [35] found that over half of the location decisions taken by Dutch investors in CEE countries were affectively driven. Transposing this approach to post-industrial cities, focusing on the attraction of FDI requires the development of place brands. Some cities are intentionally assuming an events-branding strategy [19, p.191], which is designed not only to attract attention and place recognition, but also to raise associations between the place and attributes regarded as being beneficial to its economic or social development. The focus of such a strategy should be the increase of place brand equity understood as “real and/or perceived assets and liabilities that are associated with a place and distinguish it from others” [16, p. 43].

Based on an extensive place marketing literature review, Jacobsen has developed a model of investor-based place brand equity, actuated by place brand assets and place brand values, which can influence the investor’s preference in selecting a place for investment [16]. This model is helpful in understanding the role of events, such as fairs, in brand equity development (see Fig.1).
In Figure 1, the solid arrows represent the relations between place brand assets, values and then indirectly – the investor-based place brand equity. The dotted lines represent further direct relations between the place brand values and the preference in FDI site selection, as well as between the place brand assets and the investor-based place brand equity or the preference in FDI site selection.

According to this model, one of the tangible place brand assets is the impression. Its macro-elements include the level of urbanisation and the urban milieu, while the micro-element comprises the traffic infrastructure, the commercial and cultural infrastructure and the iconography in architecture [6]. The infrastructure built for holding trade fairs can be thus considered one of place brand assets, contributing to city brand equity.

Another factor in the group of place brand equity actuators in Jacobsen’s model is promotion. It supports the creation of brand equity indirectly by positively influencing the brand knowledge structures of the customer. By applying advertising, PR and e-marketing programmes, the brand knowledge expressed by the number of associations and the uniqueness of such associations is shaped, resulting in brand benefits such as increased marketing communications efficiency. Trade fairs, treated as a city promotion tool have the potential of influencing the city brand knowledge among its target markets. During fairs there is a possibility for the local politicians to present the vision of the local economic
growth in media channels. Moreover, the managers of the place can come into contact with possible investors and present arguments for investing in the given location [12, p. 89-95].

Furthermore, Jacobsen treats city brand awareness as one of the intangible brand assets. It is represented by the cultural familiarity of the place, its famous citizens, as well as the commerce-culture interface, the external portrayal of the place in culture and the existence of an entertainment industry. Considering that fairs, similar to other events, may contribute to an increased place brand familiarity among investors, thereby they contribute to building the city’s brand equity.

On the other hand, place brand values, including inward-directed (intrinsic) as well as outward-directed (extrinsic) non-material values, can be developed by holding fairs. To build the distinction value, the place brand must be appealing, allowing the investor to identify himself with the place and its business community. For example, the place brand needs to reflect creativity, to be attractive from the point of view of the investor. Such creativity can be associated with participation in fairs, where recent developments connected with a given industry are presented in an attractive way. Besides, taking part in an event which is grouping the most important players in a given industry and renowned figures from the world of politics, contributes to the prestige value of the place brand.

According to Kavaratzis and Ashworth, shaping the brand of the city means influencing the “mental maps”, i.e. the perception of the city by its customers [19, p.184]. Some authors even claim that ‘It is the image that should be planned and not the city’, because image is the basic way of communication with the target groups [20]. From this point of view, the “infrastructure projects”, connected with providing the facilities like trade fair and conference centres are part of the primary communication of the city image. These communicative effects of a city’s actions also include the city’s ‘behaviour’ which refers to such issues as the city leaders’ vision for the city, and the strategy adopted for its development. Through this form of primary communication, it can be announced that trade fairs play an important role in the city’s strategy.

Within Kavaratzis and Ashworth’s framework, the formal, intentional communication of the city which most commonly takes place through well-known marketing practices is called secondary communication [19; 20]. These practices need to be in accordance with the rest of the components and also in harmony with the reality of the city. Repeated information put in promotional messages of the city about the fairs which it hosts contributes to increased awareness of both brands, which was mentioned in the Jacobsen’s model.

Taking the two models quoted above into account, trade fairs may contribute to building the city’s brand equity in the following way (Fig 2.)
According to the model, through the infrastructure constructed to hold fairs, they contribute to building the tangible place brand assets. The commercial infrastructure is also part of primary communication of place image. Another element of primary communication is the ‘city behaviour’ expressed for example via the city development strategy, which can include fairs as element of competitive advantage of the place. These elements may contribute to forming brand equity in a direct way (the dotted lines) or indirectly, through forming brand values (the solid lines).

Moreover, the planned communication with trade fair clients contributes directly to an increase in city brand awareness, thus building the intangible place brand assets. The proper organisation of fairs can also contribute to forming a set of favourable associations in the customers’ minds, being a part of place positioning, which is an intangible place brand asset. As Rubalcaba-Bemejo and Cuadrado-Roura note [28, p. 396], local governments support the exhibition activity as a means of moulding a specific image, and creating a specialisation in a chosen branch of industry.

Source: author’s study.

Figure 2. Influence of Trade Fairs on City Brand Equity – a Theoretical Model
However, it is important to note that to achieve this desired city image, certain conditions must be fulfilled. A mechanism, which is important for image enhancement, is the transfer of event image to the image of the host city. According to Brown et al. [5, p.283-284] the linking of a destination’s brand to one or more events is a co-operative branding activity. In order to increase brand awareness and/or to enhance or change the brand image, the event’s brand image is linked to that of a destination. For an event to have an impact on a destination’s image there must be some spillover from the event’s image into the destination’s image. The strongest benefits for a city brand will accrue from an event, when customers perceive a meaningful match between the image of the event and the destination [13]. When these two brands are paired, the image of a city brand can be strengthened if its association set shares common elements with the association set of the event brand with which it is paired. Moreover, according to the study conducted among destination marketing managers and event managers in Australia [5, p. 289-292], events can be successful in branding the destination and enhancing its image if they have the following characteristics:

1. Longevity – after some time and systematic repetition of the event it becomes associated with the destination in the minds of potential visitors,
2. Strong community support – long-running, recurring, home-grown events are more likely to receive strong community support. These events may have an impact on self-identity of the local people, who like to be associated with them.
3. Professionalism of organisation – it may be transferred from the event to the image of the destination, if the event is compatible with the destination.
4. Compatibility with the destination – it helps the event to be successful in imaging.
5. Media coverage – it is essential for the event to play a role in the destination branding.

Trade fairs are usually characterised by longevity and good media coverage; they also seem to receive strong community support because of the beneficial effects they bring to the local economy. However, if such events are to be successful at city image enhancement, they must also be a part of a long-term city development strategy that links them to the current economic and social environment of the city and to its own identities and core values. According to Jago et al., contributions of mega-events are rarely realised, mainly because cities do not include mega-events as part of their long-term strategy [17, p.233]. For example, the Olympic Games of Athens as an event did not bring changes to the city brand. It was used as a media opportunity, but not a branding activity itself [6, p.116]. For countries that prepare for such an event it is important to know precisely what they are going to say and prove about themselves as the media spotlight is switched on. Therefore, a communication strategy is needed for such events, which must also be congruent with the city’s development strategy. In contrast to the example of Athens, in Budapest there is a significant role of an events-centered approach to city-branding. The Budapest festivals and Budapest Fair are events that constitute an important element of the city branding strategy. Budapest has long positioned itself as a ‘festival city’, striving to become one of
the leading cultural capitals of Europe. The city already has a strong brand and it can attract events which can further reinforce the brand [6, p.128].

The Cases of Lublin and Kielce

There are two trade fair centres in the middle-sized cities in the central-eastern part of Poland – Kielce and Lublin. Both of these cities have started a conscious branding policy only in the last decade. There still is a potential for their image enhancement with the use of fairs, which could also lead to an increased flow of investments. Considering the model presented in Figure 2, holding trade fairs could influence brands of these cities in the following way:

(1) In terms of the contribution of fairs to the tangible city brand assets, i.e. the commercial infrastructure:

In Lublin, the present centre of 2,500 sq.m. is the largest exhibition and conference facility in Eastern Poland. It is currently being enlarged by building a new exhibition hall of 8,000 sq.m. In addition to the existing one, new conference rooms are now being constructed to accommodate 300 people. An external exhibition square of 5,000 sq.m. is now under construction. The whole exhibition facility is currently under extended modernisation programme, which is to be completed in 2013. Its total value is about EUR 10 million (PLN 46,553,231), partly financed from the EU funds. The new facility will have the capacity to host 5,000 guests at one event. The closeness to the Ukrainian and Belorussian markets makes it a perfect venue, where investors from these countries could meet1.

In Kielce, the exhibition and conference centre hosts over 50 events yearly. Its share in total conference market in Poland is over 20%, making it the second largest player in the Polish exhibition market after Poznan fairs. The yearly number of visitors (Polish and foreign) is 300,000. The exhibition space equals to 30,000 sq.m. and 60,000 sq.m. of open air exhibition area. Three shows taking place in Kielce (International Metallurgical Industry Exhibition – METAL, International Synthetic Fibres Exhibition – PLASTPOL and International Armament Industry Show) are members of The Global Association of Exhibition Industry (UFI) in Paris. Participation in UFI guarantees high level of organisation and international importance of these events2. Targi Kielce is also a founding member of the Kielce exhibition industry cluster, comprising 56 companies [22].

(2) In terms of ‘city behaviour’:

The Lublin city development strategy in its initial, analytical part does not mention the Lublin Fairs as an element of the city’s competitive advantage or as a future development direction. It only considers the city’s favourable location close to Poland’s eastern border

2 www.um.kielce.pl, accessed on 25.03.2012
as a source of potential development of the commercial sector [31]. In the operational part,
the development of infrastructure connected with Lublin Fairs is only mentioned as one of
the many projects used for implementation of the main goals of the city strategy.

Another strategic document of the city ‘Strategia Lublin miasto wiedzy do roku 2020’
(Strategy for Lublin as a knowledge city to 2020) mentions fairs and their infrastructure
development as a way to stimulate Lublin’s international cooperation [33, p.116]. The city
does not include in its strategic plans concerning the city brand and promotional strategy
any separate provisions on the promotion of Lublin Fairs.

In Kielce development strategy for 2007-2013, fairs are included as an element of
the city’s long-term competitive advantage. Moreover, the strategy aims at creating a
specialisation of the city on the leisure industry, and development of an image connected
with sports, recreation and cultural attractions. This choice of specialisation is based on
primary research among target groups. Therefore, the proposed concentration of Kielce
fairs on organising events connected with this branch of industry is in line with the strategic
goals of the city [21, p.74-76].

The promotional strategy of the city treats Kielce Fairs and conference centre as
elements of the unique selling proposition of the city. It includes plans concerning the
choice of communication tools with the target groups, especially business visitors and
participants of various meetings [30, p.53-55]. The promotional strategy of Kielce also
includes plans concerning the cooperation of city authorities and Kielce Fairs authorities on
the communication with Fairs visitors. Moreover, specific promotional tools which should
be used by Kielce Fairs are included in the city promotional strategy [2, p.52-54].

(3) In terms of place brand awareness:

The influence of fairs on this element of brand equity of both cities may be assessed on
the basis of primary research. Therefore, two research questions are proposed:

*RQ1: What is the influence of locally held trade fairs on the level of brand awareness
of Kielce and Lublin among investors?*

*RQ2: Is the communication strategy of the city connected with trade fairs?*

(4) In terms of city image:

To determine the influence of fairs on the image of both cities, a research among
fair organisers and investors has to be conducted. Therefore, the following questions are
proposed:

*RQ3: What is the current city image among different target groups?*

*RQ4: What is the current trade fairs image among different target groups? Does it
match with the image of the host city?*

*RQ5: What values are ascribed by different target groups to the city brand? Are they
similar as values ascribed to the trade fairs brand?*

The research questions proposed above will be used to formulate hypotheses to be
tested by further empirical study.
Conclusions

The influence of fairs on the city brand concerns the place brand assets, both tangible (such as infrastructure, strategy) and intangible (city brand awareness, image). The tangible place brand assets may be enhanced by building appropriate infrastructure for holding fairs and by including them in the city’s strategic documents. The intangible assets of the city brand may be enhanced through primary and secondary communication which is connected with holding fairs.

The image enhancement due to holding fairs may result in positioning of the city as a specialist in a chosen industry. However, the transfer of an event image to the city may occur only if there is a strategic fit of both brands, that is – the brands have common association sets.

The brands of Lublin and Kielce have a possibility to benefit from trade fairs held by these cities. However, for this to happen, especially in case of Lublin, the long-term development strategy of the city should include fairs as an important element of competitive advantage. This role should also be reflected in the city communication plan and in the choice of industries, on which the exhibitions should concentrate. In case of Kielce, the influence of trade fairs on city image is emerging, but its extent has to be confirmed by empirical studies.

References


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**Prekybos mugių poveikis miesto prekės ženklui**

Anotacija


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Straipsnis įteiktas redakcijai 2012 m. liepos mėn.; recenzuotas; parengtas spaudai 2012 m. spario mėn.