

Trade Fair Location Germany

Auckland 22. June 2009 - Germany is hard to beat when it comes to trade fairs. Two thirds of the world's leading trade fairs are held in Germany. This makes Germany the world's premier trade fair location.

Annually around 150 international trade fairs with up to 170,000 exhibitors and around 10 million visitors are organized in Germany.

The most important positive feature of the German trade fairs is their internationality. More than half of the exhibitors come from abroad, of this total one-third from countries outside Europe.

Exhibitors from New Zealand amounted in 2008 to 124. These exhibitors were spread over 41 trade fairs. The most popular trade fairs for kiwis are the Frankfurt Bookfair, which attracted 13 exhibitors from downunder, CeBIT in Hanover, where 17 Kiwis showcased their products and the ProWein in Duesseldorf, booked by 15 New Zealand companies.

“The importance of Germany's trade shows is definitely underestimated in New Zealand”, says Monique Surges, CEO of the New Zealand German Business Association (NZGBA) and also Manager of the Trade Fair division.

Surges has been in the trade fair business for more than 15 years, assisting exporters from New Zealand, who are looking to exhibit at trade fairs. “Trade fairs are of great importance” she continues, “around 75 percent of all German decision makers attend only trade fairs that are held in their home country.” Add to this the international visitors and you have a very powerful platform.

Individuals and companies value attending and participating at trade fairs in Europe. Trade visitors come to the fairs with the purpose of doing business, comparing what's on offer, liaising with existing business partners and to find new business partners.

There are two main aspects that explain the great success of Germany as a trade show location. First, Germany is located in the center of the big European internal market and second, it offers a good infrastructure that facilitates the transportation of fair equipment at reasonable prices.

Trade fairs have been held in Germany for over 1,000 years due to Germany's position at the crossroads of the international trade routes between Europe and Asia. Some fairs in Germany like the famous Leipzig Trade Fair was first mentioned in 1165. This fair was a major fair for trade across Central Europe for nearly a millennium.

After the Second World War, its location happened to lie within the borders of East Germany, whereupon it became one of the most important trade fairs of Comecon and was traditionally a meeting place for businessmen and politicians from both sides of the Iron Curtain. Nowadays Cologne, Frankfurt, Berlin as well as Hanover, Duesseldorf and Munich are the main centers for trade shows in Germany.

The domestic trade fairs in Germany are able to offer participants a highly sophisticated outline program. Usually trade fairs include speaker's forums, conferences of international scope and

events where an active exchange of ideas and opinions about the latest business trends take place.

In 2008 international trade fairs in Germany recorded outstanding results. Compared with events held in previous years, rented stand space and visitor attendance rose by around 4 % respectively.

“In view of the extent of the recession the trade fair industry had until now remained relatively unaffected”, said Hans-Joachim Boekstegers, Chairman of the Association of the German Trade Fair Industry (AUMA), during a recent press conference.

The indications are that in the early months of 2009 exhibitor participation, at around 3 % less, remained more or less stable.

Visitor attendance had dropped by an average of 10 % due to the current economic situation. Nevertheless, downturns such as these had no impact as far as the general attraction of individual trade fairs and their ability to function were concerned. "There is a financial and economic crisis, but no crisis in the trade fair industry," says Boeksteger.

Boekstegers stressed that the key reasons for attending trade fairs, person-to-person dialogue for example, were extremely important, particularly in these times. Taking part in trade fairs represented a confidence-building measure and a means of maintaining relations.

Companies who maintained close customer relations were a step ahead not only as far as information was concerned, but also in terms of the confidence they had created.

“Take for example the ITB in Berlin”, says Surges. The No.1 tourism fair took place in March. More market players visited the leading platform of the international travel industry than ever before. In times of rapid structural changes and highly competitive markets they focused on gaining a comprehensive market overview and on new business approaches.

The seven New Zealand companies, represented in person and eleven companies, represented via the NZGBA without any funding, were more than happy with their participation.

“There was an immense number of visitors on our stand interested in what New Zealand’s tourist industry has to offer”, says Frank Hildebrandt from ANZ Nature Tours, an inbound tour operator based in Wellington.

“The ITB is not only the world’s biggest tourism trade show, it has become the doorway to new business in Eastern Europe, whilst still maintaining its hold on southern Europe and the UK. ITB is a cost effective platform for to sit down with your existing business partners but time should definitely be left in the exhibitors schedules to allow for all the new incoming inquiries”, says Surges.

“Nobody in the tourism business can afford not to go to Berlin,” says Birgit Neumann, from Conventions & Events Nelson Ltd.

Gerhard Uster, publisher of New Zealand News agrees: "The ITB is the biggest seller in our industry. At least every second year I try to travel to Berlin", he admits.

Another very important trade fair for New Zealand companies is CeBIT, the world's largest technology trade show in Hanover.

Ten New Zealand companies, seven less than last year, ranging from interactive multimedia technologies to space-saving miniature server rooms to voice recognition and business intelligence software, have showcased their latest solutions this year at the New Zealand Trade and Enterprise (NZTE) coordinated pavilion.

CeBIT is regarded as an important avenue for New Zealand companies, offering them the opportunity to meet those all important business contacts in one single location, to better understand how to market and sell products and to see what other companies around the world are doing.

"It is more important than ever for New Zealand ICT companies to demonstrate that they have the cost-effective, cost-saving IT solutions that customers are looking for," says NZTE's ICT Sector Director Hans Frauenlob.

Most German companies who export begin their marketing drive abroad by participating in domestic trade fairs. 70 % of German companies who take part in trade fairs and who export their goods consider international trade fairs in Germany to be important or very important for improving business abroad.

These are among the findings of the AUMA-MesseTrend 2009, a representative poll of 500 German exhibitors, 72 % of whom do export business. By contrast, only 57 % of exhibitors who export their goods consider trade fairs abroad to be important.

Smaller-enterprises, with a turnover of less than EUR 50 million, focus on international trade fairs in Germany to boost their export business. More than 70 % consider domestic trade fairs important for exports, only slightly more than half say the same for trade fairs abroad.

According to AUMA, it is obvious that in recent years leading international trade fairs in Germany have contributed significantly towards the outstanding successes achieved by German industry in exports.

Companies who exhibit at business-to-business-events augment their marketing efforts with a wide range of other instruments. 83 % additionally focus on direct mail, 76 % also advertise in trade magazines, and 75 % employ a sales force or company representatives.

However, an average of 40 % of the marketing budget is spent on trade fair participation, which represents the most important instrument in the B2B sector.

Trade fair participation is a much greater, important and familiar part of the marketing mix in Europe than it is in New Zealand. However, attending a fair could be a powerful marketing tool to Kiwi companies, as they can participate in the same way as local companies.

“One of the reasons why it is so important to participate in trade fairs is because they reflect market conditions”, says Surges. Trade fairs depict markets in a concentrated form. They bring representatives from the supply and demand sides ,of an industry, together at a single location and for a limited period of time. They give participants comprehensive market information and serve as a platform for business contacts.

At the same time, trade fairs allow companies to use the complete range of marketing tools that they have at their disposal. Instruments that promote sales – known as the marketing mix – include everything related to product, price, distribution and communication policy. When a company participates in a trade fair, all of these areas are simultaneously activated and focused on specific target groups.

When it comes to effectiveness and efficiency, trade fairs are the communication tools of choice, thinks Surges, “They allow companies to present their products and services and to address and inform visitors individually.”

However, booking a stand at a fair is only part of the preparation to participate. Too many New Zealand companies think their work is done designing a nice stand and waiting for the business to come to them, Surges criticizes. “So much more can be achieved by having a sound marketing strategy”, she suggests. With planning, a company really needs to start more than a year in advance of the show.

At a time when the economy is slowing down companies have to bring their products and services to market in order to retain customers and gain new ones. AUMA expects a total of 160,000 exhibitors renting stand space covering nearly 6 million m² at trade fairs for this year. Visitor attendance is expected to reach around 9.7 million.

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