

# *The Organization's Sales Policy Innovations in Terms of Exhibition Experience within the New Economy Conditions*

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**Abstract**— The new economy conditions show the challenges for the organizations in the field of marketing tools. The B2B market considers the exhibitions as an efficient promotion tool in sales policy, but it requires the innovative approach in management within the new industrialization. The purpose of the paper is to prove this statement and to present efficient recommendations for the organizations in order to improve their sales performance. The paper includes the analysis of modern approaches and trends to the trade shows activity; the review of the present resources and literature. **Methods:** the research involves methods of logical, statistical, functional, and comparative analysis, observation. **Results:** recommendations are given to improve the use of exhibitions in the organization's sales policy. **Conclusions:** the exhibition experience allows the company to achieve significant business goals such as business contacts development, reputation strengthening, favorable image building, sales targets implementation, inter-corporate staff loyalty creation, market research conducting in the selected industry in the new industrialization.

**Keywords** — sales management, exhibitions, experience, promotion, B2B market, business relations, reputation management, image and reputation development, new economy, virtual exhibitions.

## I. INTRODUCTION

In the period of economic recession the company's goals concerning business relations and reputation management are becoming essential for the strategy and for the sales policy. New economy deals with both: the management efficiency and with the communications. For B2B market the importance of different types of meetings, conferences, and negotiations, which can be conducted during the exhibition, gains the significant power in the global integrated scale [1]. Traditionally the trade shows organize committee key goal includes the possibility of certain quantity and quality contacts among the visitors and the exhibitors, it means that the

satisfaction level about the communication efficiency between the companies and visitors can have an impact to the next trade-show participation and the cooperation continuations [2]. According to Dekimpe findings, the exhibition uniqueness as a marketing tool is in the integration of the personal selling functions and the advertising activity in one particular place [3].

The European and Russian scientists have the common opinion about the high impact of the exhibitions on the company promotion experience. The exhibition is a vital tool for the active customer attraction activity [4]. For B2B market having an exhibition participation in the promotion plan is a traditional approach. This promotional tool can be considered as the only one efficient strategy for customer relationship communications, as the technical high level of product, the need for providing the big amount of data and the possibility for the future contracts with the large number of orders [5]. Moreover, by participating in the exhibitions the company can have an easy access to the macroeconomics situation evaluation in the short period in the particular area, since it is possible to find the information based on the feedbacks, conversations, and negotiations with the target clients, suppliers, partners, and competitors [6].

The exhibition provides the opportunity to get the relevant feedback from the customers who are interested in the products and the opportunity for reviewing the special demand in order to be flexible to market changes. To identify the reasons for exhibition participation, the researches have asked the company general managers and sales department heads the questions, and the answers include such conclusions that for the B2B company the exhibitions are the part of the promotion campaign focused on the image, strong and powerful reputation. So in case the company decides to skip the exhibition due to any reasons, the chance that the market environment starts the rumors about the company business performance is very high [7]. This follows that the exhibitions

refusal can be described by the market as a negative change in company business. Therefore, it is recommended to put the clear goals for exhibition participation by the company.

The major purpose of the exhibition is to create and to develop the mutual beneficial long-term relations with customer [8]. The exhibition can be the place where the full data about the market condition, trends, intentions from the influencers, and people, who have the impact to the industry development, are required. The data flows and the social environment can be judged as major and significant elements of the exhibition management. As for the sales management during the exhibition, the scientists Tanner, Chonko, and Ponzurick consider it to be an addition to the strategic communications with the customers and partners [9]. Based on the report by the “Exhibit Surveys” (the consultancy group with more than 50 years’ experience of research in the field of exhibition management), the half of the visitors has an intention of purchasing the certain goods or service in the moment of exhibition conducting or at least for the next 12 months, and 82% of visitors have the real purchase power<sup>1</sup>. Consequently, the company has to manage the sales during the exhibitions more precisely and with more care about their efficiency.

#### A. Key Indicators for Exhibition Choice for the Organization

The other important issue of the exhibitions activity is the fact that the participants create the unique and special environment with the distinctive atmosphere and culture [10]. Moreover, it includes the whole audience of the exhibition such as the clients, the guests, the salespersons, the company-producers, the retailers, and the suppliers. Therefore, we can conclude that the exhibition is the dialogue between all industry participants. The participation in the specialized exhibitions leads to the following goals achievement. They are the contract conclusions, the contact establishment with the potential clients and partners, the market environment study, the industry and market research, the new production technologies search, company image, and brand awareness improvement. The certain goals can be chosen according to the global company strategy. We suppose that the goals and reasons can be various for the companies due to different market situations, they possibly can be a part of corporate production sales policy or even a personal mission for the particular managers [11]. In order to achieve the settled goals it is required to hold the precise planning [12]. The clear goals help to emphasize the final positive results, to provide the specific resources definition and the achievement methods, and to make the control easier for implementation [13].

To select the particular exhibition for participation, the company should take the following factors into consideration:

1. Typical exhibition characteristics, the specifics, the major topics, the geographical location, the distance from the company head office, the target audience, and the infrastructure quality;

2. The budget, the participation fee, the total costs for displays and stand production, the staff wages, the cost of

equipment, transportation, the budget for additional events for the potential clients (such as work-shops, the lectures from the special guests and speakers, public talks), the budget for printing promo materials, POSM (point of sales materials), souvenirs, catalogues, and visit cards.

3. The exhibition image and reputation. The indicators are the following: the exhibition impact to the industry, the region, and the country development.

Each of the factors mentioned can be more preferable and can have the advantage over others as a result of any factors given below can define the exhibition choice for the company.

#### B. The Innovation in the Exhibitions Performance

In the B2B sector the exhibitions are still considered a contemporary demanded promotional tool, regardless of the ‘new media’ category massive development which includes the communications based on the internet technologies. The examples of the relevant ‘new media’ for the B2B segment can be the following: web-site with the online consultancy service, video-blogs, forums, and social media. The companies assume the important role of the interactive communicative forms development and create the sustainable understanding of its implementation [14]. As a result, the new term “virtual exhibition” appears. It considers the participants to visit the virtual exhibition stands online as well as online work-shops, video-lectures, webinars, and web-conferences to be represented [15]. The main differences of the “virtual exhibition” are as follows: there is no need to leave the company office and premises; it requires less cost. As we can see, the “virtual exhibitions” have the potential and the advantages as an innovative promotional tool.

## II. THE METHODOLOGY FOR THE ORGANIZATION EXHIBITION PERFORMANCE

The authors have conducted the exhibition experience research of the Russian company that is the fire-protecting equipment producer. The Russian fire-protecting equipment market is highly competitive and dynamically developing, the average annual growth rate is about 5-7%<sup>2</sup>. The market has 29 main developers and producers, the major ones are: as follows: “Meridian”, “Epotos”, and “Granit-Salamandra”. The market is strictly regulated by the government, for the equipment certification it’s required to prove the technical and operational characteristics by the real field test reports with high ecological standards.

The holding “Epotos” includes nine companies located in the different regions of the country. It has been operating at the market for more than 20 years. The company specializes in developing, testing, producing, constructing, maintaining the equipment, conducting marketing research, and export and internal selling. For the promotion the company uses the direct sales, trade shows, PR events, official website, and official accounts in social media (“Facebook”, “Google +”, “Vkontakte”, “Odnoklassniki”). The key company reasons for exhibitions participation are the following. The trade shows and the exhibitions are the traditional and efficient

<sup>1</sup> The trends report. [Online]. Available: <http://www.exhibitsurveys.com/trends>

<sup>2</sup> Russian market of fire-protecting equipment. [Online]. Available: [http://er-cons.ru/publ/ehkspertnoe\\_mnenie\\_v\\_smi/obem\\_rynka\\_rossijskogo\\_rynka\\_sistem\\_pozharotusheniya\\_vyrosla\\_na\\_5\\_7\\_rynok\\_pozharotusheniya\\_pervichnye\\_dannye\\_v\\_marketingovom\\_issledovanii/1-1-0-318](http://er-cons.ru/publ/ehkspertnoe_mnenie_v_smi/obem_rynka_rossijskogo_rynka_sistem_pozharotusheniya_vyrosla_na_5_7_rynok_pozharotusheniya_pervichnye_dannye_v_marketingovom_issledovanii/1-1-0-318)

promotional tools for this market; the company's specialists can hold the competitive analysis during the trade show and get the access to the contemporary customer demands and feedbacks.

In 2016 the company participated in the specialized international exhibition of security and fire protection equipment and products called "Securika". It revealed that the number of the exhibition participants decreased; only half of the companies were in the exhibition hall, the visitors' number was 35% that was less than last year. Moreover, the environment competitiveness has been changed. It means that the companies took a decision to participate in the exhibition only after the market-leader approval and his agreement to deal with the exhibition. As a result, the companies prefer to follow the strategy of the market-leader and to wait for his decision. For example, in 2014 the company "Epotos" (the market leaders in the industry of fire protection equipment) rejected the participation in two large trade-shows in Russia and it was crucial for the company image and reputation, the rumors about the company negative business situation extended rapidly. Thus, it can be concluded that the companies' attitude to the trade shows has been changed since the exhibition participation is the essential tool for image and reputation development.

TABLE I. THE USE OF PROMOTIONAL TOOLS IN THE FIRE PROTECTION EQUIPMENT MARKET IN RUSSIA

Promotion Tool	Company		
	<i>Meridian</i>	<i>Granit-Salamandra</i>	<i>Epotos</i>
Company's web-site	+	+	+
E-mail marketing	+	+	
PR-events			+
Social media	+		+
Local exhibition participation	+	+	+
Exhibition participation abroad	+	+	

All market leaders provide the information on the web-sites, it reflects the contemporary market conditions and it could be a recommendation for the rest market participants to include this activity in the promotional plan. In general, the communication mix is quite various, the companies start trying promotion with direct-mail, PR-events, and moving the attention to the social media.

The efficiency estimation for each particular exhibition can be quite problematic in case the company's top-managers are not satisfied with the results received and the participation rejection brings more disadvantages than benefits. The solution of this problem lies in replacing the industry by the trade-show, the theme. For example, it is suggested to deal with specialized exhibitions, not with the industry oriented ones. This experience was introduced by the "Epotos" company in the 3th quarter of 2016 when the PR-event "The Ural field" with demo-burning of the agricultural machinery was organized in order to present the range of company products for fire protection. Initially, it was analyzed that the fires, set to agricultural machinery, occur regularly and the

expensive harvesters and tractors fire-fighting is made with the usual manual fire extinguisher with the capacity of 5 liters. Obviously, such fires are impossible to put out with the manual fire extinguisher. Therefore, the "Epotos" company decided to demonstrate its competence and the equipment on demonstration arson on harvesters, tractors, and trucks. The exhibition was attended by several Russian major agricultural manufacturers who are interested in the installation of fire-fighting equipment. The participation result was favorable; the several supply contracts were signed. The event was efficient.

So, such an approach can be used in other exhibitions and trade-shows which can accumulate potential customers; it will help the company to introduce the narrowly targeted audience with the products. As a result, the company has used a combined approach. The industry exhibitions due to stress and high impact on the market reputation have been reduced to two or three key ones in the promotion strategy; the rest volume of trade-shows includes the specialized trade shows.

In order to improve the efficiency of exhibition participation the board of company directors decided to reduce the exhibition number but to increase to budget for the rest ones and to make to company presentation more valuable. As a result, the total budget for participation in the exhibition "Securika" in Moscow in 2017 was enlarged by 10 times. And this could attract the huge attention to the changed company stand which was very different in design from other participants. The company exhibition stand was full of white color, had a multimedia displays, the comfortable furniture for the negotiations with open space concept. The effect of such an innovative engineering and design solutions turned out to demonstrate the passing visitors an active work on the stand (the discussions, the product range presentations), and special atmosphere.

### III. RESULTS AND RECOMMENDATIONS

The authors estimated the results of company's participation in the exhibition "Securika" in 2016 and 2017. Two days after the exhibition "Securika-2017" company signed to the contract for the supply of fire-protecting equipment to Egypt with the contract price about 50 000 USD for the first year of cooperation. This case allowed implementing the methods of balanced scorecard and the key performance indicators. It should be mentioned that the set of fixed numerical indicators for the strategical goals is calculated after the end of trade-show. For the calculations the authors put the currency exchange rate 57 rubles for 1 USD, the contract conditions were fulfilled, the total costs for exhibition participation was 2 million of Russian rubles. The exhibition efficiency estimation is presented in table 2.

TABLE II. THE COMPARISON ANALYSIS OF KEY PERFORMANCE INDICATORS FOR THE EXHIBITION "SECURIKA" IN 2016 AND IN 2017

<i>The indicator</i>	<i>Securika 2017</i>	<i>Securika 2016</i>
KPI of the result	One contract was signed for the new country and market, where were no the distributor company	One contract was signed for the single supply without the distributing option
KPI cost	2 000 000 rubles	250 000 rubbles
KPI	The contract is signed in	The contract is signed

## References

<i>The indicator</i>	<i>Securika 2017</i>	<i>Securika 2016</i>
functioning	accordance with the developed algorithm	in accordance with the developed algorithm
KPI productivity	The exhibition and the contract signing took six days, so the performance was 2 850 000 rubles for six days	
KPI efficiency	1,425	+

The “Epotos” experience proves the hypothesis that the increase of the budget for high quality exhibition stand and the managing the company performance process, including the staff wages and the company personnel number growths, leads to the economic profit. The recommendation for the companies’ exhibition performance improvement and the trade-shows implementation as an efficient promotion tool in the company strategy are as follows:

1) to stick to the general corporate identity style, to have the common design, the visual elements, and promo materials in one concept. This makes the corporate style and company image stronger in the customer awareness;

2) to introduce the socially responsible slogan. It will help the company to differentiate you positively from the competitors;

3) to implement the “new media” to the exhibition performance. The latest video-materials development and online broadcasts make the company exhibition experience more contemporary and sophisticated;

4) to emphasize the staff attention to the technical aspects and competitive advantages of the negotiation process from the position of honesty and objectivity, it leads to the company personnel perception as a highly competence and improves the process of business contacts development.

#### IV. CONCLUSIONS

The exhibition performance of a company allows solving the important problems of the sales policy such as reputation and image improvement, sales increase in the new economy conditions. The innovative nature of the exhibition performance of the organization follows from the extensive internet possibilities for business growth. The success of exhibition performance in sales and company communication policy depends on the managing approach, the market environment analysis, and the orientation to the customers’ demands that is extremely important at the B2B market. The exhibition choice shows the company’s capacity to deal with market changes, therefore, the efficient strategy could be in combination with the industrial and thematic exhibitions with high concentration of the target audience. The increase in costs, the goals setting and the careful analysis of the received out-comes permit to receive the economic profit. The exhibition activity can be an efficient and innovative sales promotion tool in the high-competition conditions in new industrialization.

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