



## Trade fairs: *why you need to be there*

International trade fairs offer a great deal to exporters keen to secure new offshore business. Simply ask anyone who's been there, done that, and has the new business to prove it. By Glenn Baker.

Mike Seager had not long stepped off the plane from attending a trade fair in Bangkok when I spoke to him, and in a couple of days he was about to step on another bound for China – his 37th trip to the Peoples' Republic in just four years.

This is what it takes to build sales in new markets – get face-to-face with your customers and potential customers – and arguably the best forum for this is an international trade fair that caters specifically to your industry niche.

Seager, along with managing director Neil Spencer, heads PWT Limited – an R&D business that focuses on process technologies for the galvanised wire industries. The company has developed a unique electro-magnetic wiping (Quantum-EMW) system that delivers a major improvement in production efficiencies, product quality and cost savings for the world's wire manufacturers. The system can be applied to new galvanising lines and retro-fitted onto existing lines. It's also

environmentally and operator friendly.

PWT's entire target market lies offshore – primarily China, where they've already sold 16 units, but also Japan and Korea, where they've sold a similar amount.

The two directors quickly realised that to sell their technology to potential buyers, they would have to meet as many as they could where they all congregate under the one roof. In 2007 that strategy led them to exhibit at Interwire in Cleveland (before the Chinese mills had a major impact on North America's wire manufacturing industry) and visit Wire South-east Asia in Bangkok.

In 2008, it was off to Düsseldorf in Germany to visit the international Wire & Tube, the world's biggest wire show spanning five massive halls. Later that year they exhibited at Wire China in Shanghai, the second biggest show. Seager describes the foot traffic there as "vast".

This year it was back to Cleveland, then a stand at Wire Russia in Moscow, where the market is still in its infancy, on to Wire Asia in Tianjin, China, and then Bangkok again.

PWT has already secured space at Düsseldorf and Shanghai for 2010.

The nature of the Quantum-EMW equipment means that a lot of time passes between initial contact and eventual sale – and this is why it's important to use the fairs as a means of moving discussions forward, says Seager. "You normally won't seal a contract during a fair – you're planting the seeds for prospective buyers and explaining the technology. But there's no doubt that the fairs secure business." In China, where wire factory management involves several layers, securing that business can take a long time – it pays to be patient.

Seager is grateful to the trade fairs for also providing the opportunity to network with various government and industry agencies, such as the China Wire Association. He says a partnership company based in China has been instrumental in opening doors for PWT Limited.

Also instrumental in opening doors has been NZTE, which awarded the company a grant to assist with marketing and selling its products. Seager says this funding has gone a long way towards travel, exhibiting costs, accommodation and marketing literature, and without that support they simply would not have attended the same number of fairs. "It's been absolutely vital – but unfortunately we hear that government cutbacks might mean there's no more funding available after this year."



**Mike Seager (right) and fellow director Neil Spencer at Wire Asia 2009 in Bangkok.**

### Tips for attendees

Seager and Spencer are seasoned trade fair exhibitors and visitors, and believe the key to success is in the planning.

"As early as possible, secure an exhibitor list – then send personal invitations to potential customers and current customers to meet on your stand. Generally, they will come," says Seager. "Also, gauge the types of customers other exhibitors will attract to their stands – give those exhibitors your business card and ask them to send any potential clients over to you. Provided there's no conflict of interest of course. Offer to do the same for them."

Following up after a show by email is crucial adds Seager.

Other advice? "Don't sit down when you're exhibiting – it shows lack of respect. Look presentable, approachable and interested. Wear a corporate uniform if possible – our Asian customers especially like that."

If you're not in an English-speaking country employ a translator, Seager advises. "And remember to use lots of graphic and descriptive images on your stand showing your product in-situ. For an attendee every picture paints a thousand words."

And one final suggestion – Seager says it's important to leave your Western mindset or 'way of doing things' behind when you attend these trade fairs. "Acknowledge that it's a different world out there – you need to understand the local negotiation tactics and be resilient. In China especially, things take longer, particularly when building long-term relationships. Get a feel for the culture – for where they're coming from."

### Trade fairs still rule

Despite the recession in 2009 there have been no real changes in the international

trade fair market, according to Robert Laing, whose company Messe Reps. & Travel takes care of the fair participation and travel arrangements for PWT.

"The events we are dealing with that New Zealand businesses are participating in are mostly international industry leading events, many of which are only held every two, three or four years anyway. Whilst visitor numbers are down slightly at some events, it's typically domestic German or European visitors who're down in numbers.

"Importantly, the decision makers are still travelling, so in some instances the actual 'quality' of visitor has improved," he says.

Laing, whose company is the New Zealand representative for trade fairs held in the German cities of Cologne, Düsseldorf and Munich (and their 'daughter' fairs around the world), says because of the infrequency of these events and their importance to their respective industries, attendance by New Zealand companies has not been significantly reduced.

So what is his advice for intending participants or visitors?

"First, remember that all the information is available on the Internet. The trick is to be directed to it clearly and quickly. The next trick is to cut through the myriad of information. The forms that must be completed by a New Zealand company wanting to exhibit at an event in Germany or China are the same forms exhibitors from other countries must complete. "Second, the German trade fair organisational model does not merely offer a modular size which companies take one, two or three, etc modules of. Each stand is allocated according to the size and shape request of individual exhibitors. So the exhibiting



paperwork must allow for the range of possibilities this model offers as well as obtain the necessary information from exhibitors.”

Laing says practical knowledge of what has worked and can work for New Zealand exhibitors at events in Germany and China is easily available from trade fair representatives such as Messe Reps. & Travel. “This is our job; we are appointed by the trade fair companies we represent to do this. New Zealand exhibitors can use our assistance and knowledge for free.”

**Germany still fair central**

Two thirds of the world's leading trade fairs are held in Germany, making it 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 come from countries outside Europe.

In 2008 there were 124 New Zealand

exhibitors spread over 41 trade fairs. The most popular for Kiwis are the Frankfurt Bookfair, which attracted 13 exhibitors from ‘down under’, CeBIT in Hanover, where 17 Kiwis showcased their products and the ProWein in Düsseldorf, 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 manager of the Trade Fair division.

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

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.

Second, it offers a good infrastructure that facilitates the transportation of fair equipment at reasonable prices.

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 four percent respectively.

“In view of the extent of the recession the

**Trade fair participation leads to accolades**

“It was a success from the start”, says Peter Hubbard, MD of Hubco Automotive. “We had 120 serious inquiries and German powerhouses such as BMW and Volkswagen showed interest in our products. The participation certainly pushed the business and increased our number of export countries from three to 14.”

Hubbard is talking about Automechanika, the leading trade fair for the automotive industry, which takes place every second year in Frankfurt and offers a unique spectrum of products. In 2008 the Christchurch-based company decided to approach customers overseas and exhibit at the fair.

Automechanika is unmatched in terms of scope and internationality. Around 50 percent of trade visitors and 80 percent of exhibitors at the last event came from outside Germany.

In 2008 Automechanika attracted more than 165,000 visitors from 130 nations to Frankfurt. With more than 60,000 visitors coming from outside Germany, the level of internationality reached around 40 percent and included more top decision makers than ever. 4658 exhibitors from 72 countries presented their latest products and innovations.

Hubco showcased the ‘Prorack’ and ‘Whispbar’ products at the trade fair. The Whispbar is regarded as “the world’s quietest, greenest, most stylish and technically advanced roof rack”. It eliminates roof rack noise and reduces drag and fuel consumption. “It really is the new generation roof rack system, perfected by science after 10 years of development,” says Richard Cutfield, director of Hubco-brand Prorack.

Whispbar has consequently been included into Automechanika’s “Green

Directory for Eco Friendly products”. The Prorack design won the German IF Product Design Award 2009 and has been nominated for the German Design Award 2010, the highest official design award given in Germany, known as the ‘Prize of Prizes’.

“It was a real eureka moment,” says Cutfield.

“We believe the single most important issue facing the roof rack industry is the reduction of aerodynamic noise and drag. Since 1994, our R&D team has spent thousands of hours investigating this issue. We have partnered with the University of Canterbury and Industrial Research Ltd on four major studies into the aerodynamic mechanisms that produce wind noise and the development of technology to reduce them.”

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International Trade Fairs and Exhibitions

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trade fair industry had until now remained relatively unaffected," said Hans-Joachim Bookstegers, chairman of the Association of the German Trade Fair Industry (AUMA), during a recent press conference.

Visitor attendance had dropped by an average of ten percent due to the economic situation. Nevertheless, there was no impact as far as the general attraction of individual trade fairs and their ability to function were concerned.

Bookstegers 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. 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."

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

Ten Kiwi companies, seven less than last year, 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.

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 time. They give participants comprehensive market information and serve as a platform for business contacts.

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 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, says Surges. "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.

*Glenn Baker is editor of NZBusiness.*



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