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INTRODUCING PR STRATEGIES INTO CHINESE EXHIBITION PLANNING SERVICES

By

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A professional paper submitted in partial fulfillment of the requirements for the Master of Science in Hotel Administration William F. Harrah College of Hotel Administration Graduate College University of Nevada, Las Vegas August 2009
PART ONE

Introduction

A trade show is a forum for selling products or services (Herbig, 1997). Companies from a specific industry use trade shows to demonstrate and promote their products and services as well as to introduce the latest industrial trends and opportunities. Since the first international exhibition was held in London in 1851, development has brought about profound changes to the convention and exhibition industry (Findling & Pelle, 2008). This industry is today one of the most important contributors to the world’s economic structure. With profit margins ranging from 20% to 25%, the high growth and high profit convention and exhibition industry undoubtedly makes a tremendous contribution to cultural exchange and the global economy.

China boasts the world’s fastest-growing economy, offering a wealth of opportunities for investors who are prepared to participate in markets that contrast with those of typical American culture (Revis, 2008).

The exhibition industry is booming in China, and has grown over the course of more than 30 years’ development. In some cities, the industry is even becoming the mainstay of the local economy, thus promoting the growth of the whole region. According to research conducted by an academic department in China, the exhibition industry will become one of the country’s most prominent industries over the next decade. Considering the prospering Chinese economy compared with current global economic trends, there is no doubt that the exhibition industry holds high promise for success, especially in the Chinese hospitality industry.
Chinese manufacturers and trading companies currently are aware of the importance of public relations (PR) in establishing their brand image. Therefore, exhibition management, a relevant component of PR management, is not limited to the activities of product exhibition. It is also an integral part of well planned PR strategies and projects that incorporate complex financing, human resources, and logistics from pre-event planning to post-event follow-up.

This professional paper focuses on case studies from three Chinese companies’ exhibition experiences. This paper will use the case studies to investigate clients’ perspectives on the planning deficiencies of Chinese exhibition companies or professional associations. Finally, this paper will propose a relatively executable guide that includes an advanced U.S. planning process for Chinese exhibition companies.

Purpose

The purpose of this research is to emphasize the importance of public relations strategies for Chinese exhibition companies. A brief operation guide will be developed to standardize a planning process for those companies.

Statement of Problem

As a product of economic and cultural conditions, the exhibition industry is a part of the service industry, and faces challenges specific to people’s high expectations of its economic growth. When analyzing the intricacies of management systems, theoretical research, specialization, industry structure, market order, and exhibition professionals, researchers may find that the Chinese exhibition industry remains in a stage of relative naïveté. The industry still has no unified exhibition management authorities or industrial self-regulatory organizations (Xiao, 2007).
Statement of Objective

This study will highlight strategies like customer satisfaction and trade show branding and internalization in order to help local exhibition companies work in a more systematic way. Additionally, this study can be a reference for those who may be interested in entering the Chinese exhibition industry.

Justification

Chinese exhibition companies need to develop a concise but effective planning guide to help them grow as business consultants. The standardization of practitioners will lead to the standardization of the Chinese exhibition market, which will eventually meet customers’ requirements across multiple dimensions.

Constraints

The interviews for the case study focus on companies from three different industries: electronics, manufacturing, and hospitality. Consequently, it might be hard to obtain a comprehensive result in this paper, as the relevant points of emphasis may vary across industries. Some exhibitions depend heavily on mass media promotion, while others do not; discrepancies like these may lead to differing expectations. However, the basic processes of the guide remain essentially the same, despite apparent differences.

Another limitation to this study might be a lack of available academic information related to the Chinese exhibition industry, mainly due to incomplete management mechanisms and the lack of a unified exhibition management department. It is difficult to acquire accurate statistics and to obtain the appropriate research and guidance.

Glossary
Pseudo-event: the term was coined by Daniel J. Boorstin (1962) in his book *The Image: A guide to Pseudo-events in America*. A pseudo-event is designed in part to attract attention (Coombs & Holladay, 2006).
PART TWO

Introduction

As a field related to public relations, exhibition management is becoming more and more crucial to building a positive corporate image. Public relations and exhibition management are two high-growth sectors in China. With the application of PR strategies to exhibition management, professionals in these two fields can add value to the Chinese exhibition market. This section will introduce public relations and exhibition development, and will discuss applications of PR to today's trade show industry.

Literature Review

Definition of Public Relations

Public relations is the practice of managing the flow of information between an organization and its public (Grunig & Hunt, 1984). In other words, PR is a series of communication management activities aiming at various strategic audiences, including media relations, consumer relations, investor relations, government relations, community relations, and more. PR also consists of employee communication, with the purpose of building strong relationships between executives and staffs.

Origin of Public Relations

Public relations first developed in response to the news media in the most developed modern capitalist country – the United States. Fast-growing media enterprises sparked the rise of modern public relations. The icons of early public relations included the Penny Press Revolution of the 1830s and Phineas T. Barnum, the great American showman of the nineteenth century (Straubhaar & Larose, 2008). P.T. Barnum was the master of the
“pseudo-event,” and is best remembered for his Barnum & Bailey three-ring circuses. During the late nineteenth and early twentieth centuries, the Progressive Movement produced the most tangible examples of public relations (The Columbia Encyclopedia, 2006). Under public and media pressure, enterprises had to effectively communicate and connect with the public in order to change their image and decrease losses from the spread of negative information. These strategies inspired the development of a new industry that was built for enterprises to connect with the outside world.

Cognition of Public Relations

There is very little empirical information about the nature of public relations in many regions of the world (Sriramesh & Vercic, 2003). Mature academic research of public relations has a long way to go to establish itself as a strong discipline. Theoretical research has tended to grow in areas where PR practices have developed, primarily the United States and a few Western European countries (Sriramesh & Vercic, 2003). In the new millennium, it is important for all countries to apply public relations strategies in their corporate and industrial realms.

Public Relations in China

Public relations is the product of a capitalist market economy, and has developed in China in conjunction with the political reform since the early 1980s. Chinese traditional culture has provided unique conditions for the growth of the PR industry.

There are three periods of development in China; these will be addressed below (Xie, 2003).

Period of active introduction and quick expansion.
In the early 1980s, new political and business reform brought capital, technology, and advanced managerial experience into China. As a theory and profession, public relations was first introduced to China via Sino-foreign joint ventures and exclusively foreign-owned enterprises in Shenzhen and Guangzhou. In 1982, a PR Department was established in the Shenzhen Zhuyuan Hotel, with the goals of attracting customers and expanding social influence. In 1983, the Beijing Great Wall Sheraton Hotel established its own PR Department. Later, this hotel became internationally famous for its reception for President Reagan. In September 1984, the first PR Department of a state-owned enterprise was founded in the Guangzhou Baiyunshan Pharmaceutical Factory. These developments reflect the first stage of public relations’ import to China.

In the middle and latter half of the 1980s, PR entered a highlighted importation stage in China, and professional PR companies and PR associations grew rapidly during this time. In 1985, Hill & Knowlton Inc. and Burson-Marsteller, the two most powerful PR companies, entered the Chinese market (Corporate Watch, 2002). At the same time, PR was gradually becoming an academic course in many Chinese universities.

From the early to mid-1990s, the development of public relations in China entered a relatively steady stage. The Chinese government put a high priority on PR achievement in the country. In April 1994, the China International Public Relations Association was founded, and by that time all universities offered PR courses and programs.

*Period of inharmonious times for public relations.*

In the middle and latter half of the 1990s, the application of PR in the Chinese market entered a chaotic stage due to mechanical limitations. In addition, a PR program was
cancelled as part of a new subject rearrangement, which was definitely a setback for enthusiastic PR professionals. Many enterprises began to neglect their PR departments in favor of human resources, financial capacity, and material resources considerations. The most serious problem during this time was the overly broad understanding of the PR industry. Many professionals believed that PR could be replaced by other functions, a belief that was not healthy for PR standardization or company development. All the above reasons threatened the expansion and development of PR in China.

*Period of new chances after the WTO entry.*

Public relations had been active in China for about 20 years before China’s entry into the World Trade Organization (WTO) in 2001. The market environment in the country was gradually entering a steady track, and after much effort, public relations was growing to a mature stage. Statistics show that the rate of average annual growth of the PR industry was more than 30% (Cipra, 2009). As a new method of operational management, public relations in China today has extended its influence from service industries to industrial enterprises, from foreign capital enterprises to state-owned enterprises, and from business organizations to government organizations (Xie, 2003).

*Review of Trade Shows*

Trade shows, expositions, scientific/technical conferences, and conventions may vary in specifics, but their basic function is as major industry marketing events (Herbig & O’Hara, 1998). International business promotes the development of the convention industry, and trade shows are becoming increasingly specialized in today’s world. Each country uses different terminology, has different labor situations, and has various degrees of formality (Herbig,
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1997). A company must schedule its trade show attendance about a year in advance so that all the necessary arrangements can be properly planned. In the U.S., there are currently over 2,500 trade shows held each year, and several online directories have been established to help organizers, attendees, and marketers identify appropriate events. On any given day in almost every major city around the globe, there is a trade show, conference, or convention taking place. For example, in Las Vegas, at least five shows take place every day (Marken, 2004).

Exhibition Industry in China

The exhibition industry is a fast-rising industry in the twenty-first century, and has its own promising future in China. It enables the development of other relevant industries, such as lodging, catering, communication, tourism, textile and garment, and shopping (“Study Finds,” 2008). At present, more than one million practitioners have engaged in the PR industry.

From 1998 to 2008, policies helped to make the exhibition industry stable and positive. Statistics from the China Council for the Promotion of International Trade (2008) showed that the exhibition industry will continue to grow annually by 15% to 20% over the next five to fifteen years. In 2010, the total income will exceed 20 billion RMB, and by 2020, the total income will be more than 100 billion RMB.

Existing Problems in China’s Market

Even though the exhibition industry is booming in China, it still faces challenges. Most Chinese exhibition companies merely provide basic logistic services for their customers, including booth assignment, product transportation, travel arrangement, etc. They take no responsibility for the company’s advertising, promotion, or marketing campaigns. In most
In addition, most major Chinese exhibition organizers are still state-owned and affiliated with the China Council for the Promotion of International Trade or other professional association system. These organizations monopolize major trade shows both home and abroad. Since China’s entry into the WTO, many foreign exhibition organizations have opened branch offices in the country, such as Hannover Fairs China Ltd., Munich Trade Fairs (Shanghai) Co., Ltd., and Reed Exhibition (China) Ltd (“Study Finds,” 2006). However, since these foreign capital companies have not yet matured in the Chinese market and are subject to political, capital, and human resources restrictions, they have not yet changed the layout of the Chinese exhibition industry.

In 2004, the Ministry of Commerce approved a provisional rule to allow foreign enterprises to open their own investment companies in China. Since most local exhibition companies had incomplete managerial mechanisms and lacked consistency with international service standards, they faced a severe loss.

Public Relations in the Business World

Research indicates that executives in both large and small organizations are taking the field of public relations more and more seriously (Oliver, 2005). This new attitude directly contributes to business success. After an organization establishes a dialogue and builds its public reputation, people are more likely to:

1. Try the company’s new products
2. Buy its shares
3. Believe its advertising
4. Want to work for the company

5. Do business with it (all other things being equal)

6. Support it in difficult times

7. Give it a higher financial value

It can be difficult for planners and managers to master all the skills and attributes necessary to achieve these challenging tasks.

*Public Relations in Trade Shows*

The scale of a company determines its performance and participation in a trade show. Large companies tend to have big events and parties, while smaller firms have to more carefully consider their financial situations. However, trade show PR should be part of any company’s total program, including goals, strategies, tactics, and meaningful results (Marken, 2004). Exhibition companies and industrial associations work to book the booth, deliver the exhibition materials, bring the participating exhibitors, and handle billing. These companies also must provide a professional plan, professional materials, a professional approach, and a professional budget; these are essential to explain, complement, and reinforce a company and its market positioning.

*Challenges to Chinese Exhibition Companies*

People can easily tell the difference between a Chinese and foreign booth in most international trade shows. Booths of Chinese exhibitors are pale, quiet, and simply designed. Many of these exhibitors have little awareness to hold a brief production release, and have few connections with trade show organizations. Exhibition companies have much work to do for their clients if they want to improve the situation for Chinese exhibitors at trade shows.
As mentioned, the current awkward situation for Chinese exhibitors may be caused partly by the state-owned exhibition organizations. To some extent, government intervention weakens the degree of market freedom. In mainland China, only a few organizations have established a correlative service and consultation system. Most of the time, exhibitors and organizations are too separate from each other.

Local companies cannot simply copy the successes of foreign capital exhibition companies in Chinese market. They must avoid the same disastrous crisis that befell the development of public relations in the middle and latter half of the 1990s. In the U.S., publicity is a process; in China, it is often a transaction. Press releases are accompanied as often by cash as by a phone number or e-mail address. Public affairs as they exist in Western countries are virtually absent in China. Media relations are largely event-driven, so many Chinese firms billed as PR companies do little more than choreograph photo-ops (PR Week, 2008).

*Future Public Relations Applications for Trade Shows*

It may be difficult for exhibition companies to implement PR strategies in China, but there have been recent successes in the 2008 Olympic Games and the 2010 Shanghai World Expo.

Exhibition companies should have a 360-degree strategy for customer service ([www.bandygroup.com](http://www.bandygroup.com)). This strategy should include:

1. Make best efforts to understand customers a week or two before the show
2. Scan marketing information to understand show features, location and time of press events, and the way in which specific individuals can be contacted
3. Design and implement creative tools to carry out a pre-show promotion

4. Train customer and exhibition staffs and set up booths

5. Prepare a folder that identifies the company, booth location, and key attention contacts

6. Use scientific process management methods to enable smooth activity

7. Post key show news for media and analysts on a virtual press office

8. Lead follow-up initiatives after the show

9. Assess post-show progress
PART THREE

Introduction

A short review of the public-relations and exhibition industries reveals indications that Chinese exhibition companies want and need to play an essential role in the development of Chinese industry. Although there are plenty of PR convention and exhibition companies that work for individual customers, most of them distinguish exhibition services from PR initiatives. Many factors limit the infusion of PR strategies into exhibition planning.

On the basis of interviews with three Chinese companies, this paper determines that companies in China need to work to become more professional in their exhibition planning. Using existing literature, this paper develops a brief guide for companies who are not satisfied with their current logistical approach to planning for exhibitions.

Results

*Interview I*

The first interview is with a communications specialist from the Timken (China) Investment Company, who has participated in many types of exhibitions. As a foreign-capital enterprise, Timken has close ties to exhibition companies. The following is a summary of her description of her company’s participation in trade shows.

First, a professional in an association, such as the Chinese Wind Energy Association, the China Machine Tool & Tool Builders’ Association, or the China Construction Machinery Association, usually the trade-show organizer, contacts the company. When Timken has decided to attend a show, it looks for a vendor, an exhibition company to design and set up the booth and transport the equipment. Timken’s own PR and/or marketing department
assumes other responsibilities, such as those related to pre-exhibition PR, media management, and post-event PR. Timken also assigns a special person to manage leads; this person collects industrial information during and after the show, and then analyzes it to maintain relationships with existing customers and build relationships with new customers. While foreign-capital exhibition companies with mature operational experience continue to enter the Chinese market, the Timken specialist believes that most state-owned and foreign organizations would not choose to work with them, mainly because of the government interference, high cost, and low level of specialization.

Interview II

The second interviewee is the supervisor of the Ship Management Department from Shanghai Scenery Company. It is a state-owned cruise-ship enterprise that has attended the China (Shanghai) International Boat Show for three times. This company had no connection with any exhibition companies when it attended the show. Representatives of the Group Sales Department brought product catalogues and shipped models to the show, while the booth was a standard one obtained from the trade-show organization. Most Chinese exhibitors approach the trade shows in a similar way. The supervisor of the Ship Management Department thinks of the company’s presence at the trade show as one of many types of publicity. In this supervisor’s opinion, it cannot be a really effective part of the company’s business development.

Interview III

The third interviewee is a sales manager from Guangdong Huasheng Electrical Industrial Company. This private enterprise is specializing in manufacturing wires and cables
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for all kinds of electrical household appliances. It has attended the International Consumer Electronics Show (CES) in Las Vegas in the last four years, as well as other electrical shows in Hong Kong, Dubai, and Cologne. Huasheng has a direct connection to the China Council for Promotion of International Trade (CCPIT). CCPIT organizes Chinese companies to attend industrial trade shows abroad. Its task is to organize exhibitors to attend trade shows, including arranging booth reservations, transportation of sample products, and the exhibitor’s schedule. CCPIT is not responsible for promoting individual companies. The sales manager mentioned in the interview that, since Huasheng can directly take allowances from national and local government, it always works with CCPIT when it attends trade-shows abroad.

A Planning Guide for J.S. Exhibition Service Success

In terms of the above personal communication, Timken (China) Investment Company is the only one has the connection with the exhibition company – J.S. Exhibition, Ltd. J.S. Exhibition has worked with Timken for three years till now. The companies cooperate on projects including Wind Power Asia, China International Machine Tool, and Power Transmission and Control. In addition, J.S. Exhibition works with companies in the banking, communications, biology and chemical, manufacturing, and electronics industries.

J.S. Exhibition provides logistical services, including, for example, exhibition design, booth construction, and interior exhibition decoration. It is the first exhibition company in China to have been awarded quality & technology certification by the German TÜV (www.expo-js.com). Its construction quality and creative booth design have earned a strong reputation in the Chinese exhibition market. However, the Timken specialist thought J.S. still need to improve its overall business communication services in the long run (personal
communication, July 20, 2009). Otherwise, it can only be recognized as an expert in exhibition construction.

According to the research, the exhibition planning process has three basic phases: preparation before the show, activities during the show, and finishing works after the show. In order to be more than a contractor for exhibition, the following ten steps would help J.S. Exhibition to work better with its clients in the future.

**Figure 1. J.S. Exhibition Critical Parts of Working Process**


**Figure 2. Three phases in the exhibition planning**

*Preparation before the show*.
Figure 3. Preparation before the show

The first step is to develop mutual understanding between the client and the exhibition company. Since J.S. Exhibition works with different companies from different industries, it is necessary for it to have a deep understanding about the customer every time.

The second step is overall planning, which should/would begin six months before the show with the assignment of projects to different departments with a detailed schedule of activities. J.S. should not only research the specific industry, but also know the customer’s objective for participation and the features of the trade show. During this stage, the size and location of the booth should be settled. After that, J.S. will estimates the entire exhibit budget, including booth set-up, rental of extra equipment, marketing materials, and training of
trade-show staff, if necessary, giving the client a quotation of the project. Once the proposal is accepted by the customer, J.S. has the responsibility to sign a non-disclosure agreement for the client.

The third step is pre-show promotion. After client company’s confirmation to the planning and relevant information providing, J.S. will work according to the exhibitor’s objective, it should draft a well-defined promotional plan. In order to attract existing audiences to the show, it should help its customer to apply promotion methods, including direct mail, broadcast, faxes, advertising, public relations, sponsorship, and the Internet.

The fourth step is staff training. While the customer’s exhibition staff is educated to be familiar with the products, J.S. should instruct them in formal exhibitor etiquette, such as how to greet different types of visitors and how to cooperate with coworkers.

The fifth step is booth setup. One week before the event, J.S. should set up the booth and transport the equipment and materials. First impressions are important, so J.S. should design the booth using multiple marketing tools. The client company should accommodate the trade-show pressroom by using wire services for news releases and posting press kits for convenient access to information (Marken, 2004). In the meantime, J.S. should develop a form for recording contact names, companies, and telephone numbers. This form should also detail major show events.

Activities during the show.
Figure 4. Activities during the show

The sixth step (the first in this stage) is to create a contact folder. This folder should identify the company, the location of the booth, and key staff to contact for specific types of information for the purpose of easy interconnection. It is necessary to make sure that both J.S. staff and its client hold the same information.

The next step during the trade show is process management. J.S. should lead its client to deliver the marketing and sales message via the booth design, graphics, and a live presentation, all in a limited time. Additionally, it should provide giveaway items to potential buyers who have specific interests in the products and who spend significant time at the
booth.

The next step is effective use of press relations. J.S. should be familiar with the media list and help customers send out key show news. This news might describe a product or service, or highlight a new application or market venture. The client should also distribute press materials, including a CD and photos. Finally, staff members could be assigned to deal with specific media at the booth (Friedmann, 2002).

*Follow-up works after the show.*

![Diagram of follow-up works after the show]

*Figure 5. Follow-up works after the show*

The first step after the trade show is to follow up sales leads. By working with the show organizers, J.S. should help its client to analyze the lead data. It is recommended to
follow up all leads within two days. General trade-show data, such as the scale of the
exhibition, the number of media representatives and attendees, and the overall transactions,
can be used by both the exhibition company and its client, while industrial information will
be collected and then analyzed by client company itself.

The tenth and final step is post-show evaluation. The ultimate goal of this is to
analyze whether the show activities met the marketing objective. The exhibition company
should collect customer comments, and use these assessments to evaluate performance and
guide future improvements and justification.
Conclusions

China is a developing country with a national situation different from that of developed Western countries. The exhibition business can bring decisive benefits to the China’s economy. Chinese people’s familiarity with exhibition companies as logistics supporters and business consultants is slowly but steadily evolving.

After years of participation in international trade shows, Chinese exhibitors have
increasingly become aware of their need for professional trade-show services. No matter the nature of the company, exhibitors will gradually improve their capacity to cooperate with exhibition companies. A more systematic and business-oriented guide to operation will be a great tool for Chinese exhibition companies.

Recommendations

Due to a variety of restrictions, there might not be an abundant market in today’s China for the application of advanced planning processes. In that case, companies will need to perform trade show marketing on their own. Nevertheless, it is encouraging to see that increasing number of companies have realized the importance of PR strategies in exhibition planning. Additionally, the incredible speed of China’s development will surely provide a new standard for the exhibition industry. Therefore, there is reason to believe that a well-designed guide to exhibition planning could and should be widely used in the near future.
References


http://course.cug.edu.cn/public_relations/chap2/chap2-4.htm