

# **The Role of International Trade Fairs in Export Promotion**

Abdi Deres, Arsi University

## ***Abstract***

*This research paper studied the role of international trade fairs in export promotion. The study was intended to fill the prevalent knowledge gap that exists around the study area. The study used primary sources of data which was collected through questionnaires and interview. The questionnaires were distributed to and responded by business firms participating in the 22<sup>nd</sup> Addis Chamber International Trade Fair and interviews were conducted with the officials of Addis Ababa & Ethiopian Chamber of Commerce and Sectorial Associations. The collected data was analyzed and the main findings of the study along with the recommendations have also been presented.*

## **1. Introduction**

### **1.1 Background of the Study**

A trade fair (trade show, trade exhibition, or expo) is an exhibition organized so that companies in a specific industry can showcase and demonstrate their latest products and services, meet with industry partners and customers, study activities of rivals, and examine recent market trends and opportunities. Modern trade fairs follow in the tradition of trade fairs established in late medieval Europe, in the era of merchant capitalism. In this era, produce and craft producers visited towns for trading fairs, to sell and showcase products. From the late eighteenth century, industrial exhibitions in Europe and North America became more common reflecting the technological dynamism of the Industrial Revolution. In the late 19th century, the concept of annual industry-wide trade shows gained traction, spreading from European manufacturing centers to North America. By the 20th century, specialized companies came into existence simply to manage the trade-show industry, and permanent trade show grounds or convention centers were established as venues that featured a rotating calendar of trade shows (Gerald et al, 2014).

Participation in an international trade fair is one of the most effective ways of penetrating an export market. Trade fairs are excellent instruments to learn about different markets, to find distributions channels for your products, to

test customers' reactions to your products, to assess the extent of competition and to seek joint venture partners (Søilen 2013). Trade fairs are, in some ways, the ultimate examples of marketing excellence. All interested parties, including the buyers, sellers, and designers, influencers in the buying decisions or users of the product are presented under one roof at one time. Each has needs to fulfill and is prepared to spend money, time and effort to fulfill those needs (Blythe, 2010:60). Trade fairs are an important tool in the international promotion strategy of the small and medium-sized firms. In the early phases of the exporting process, trade fairs create an opportunity for considerable learning to take place, both about foreign markets, and the level of competition in the industry. Many contact activities take place during the fair, but contact development and interaction with industry continues long after the trade fair (Norman, 2014).

Trade fairs are becoming more and more popular on the African continent too. South Africa, Tanzania and Kenya are considered to be the leading countries in hosting international trade fairs. Invest Africa Expo, which is annually held in Morocco, is the continent's largest international trade exhibition specialized in the industries, businesses and investments. The exhibition, combining an innovative format of showcasing, networking, and matchmaking, is a unique platform to access the African mega-market. Kenya International Trade Exhibition, the largest international trade fair in Africa for multi-sector products, equipment and machinery annually takes place in Nairobi. Exhibitors and trade visitors are said to increase by 30% and 27% respectively every year (KITE, 2017).

Trade fairs are also showing a rapid growth in Ethiopia due to the country's fast-paced economic growth over the better half of the last couple of decades coupled with the countries' strategic importance in the horn of Africa. Numbers of local and international fairs are held annually in the nation amongst which Ethio-Trade Expo offers unlimited opportunities to do business with Kenya & neighboring countries and is an excellent platform for companies looking to widen their horizon. The event covers all kinds of consumer and industrial products, services, machinery and technology and is of high standard and attracts a large number of participants and visitors from many countries. Addis Agrofood & Pack Agriculture, agricultural machinery, food, food technologies and packaging exhibition is also one of

the longest standing events in Ethiopia. It is a perfect platform to expand ones business into the rising African market and meet with key decision makers (Biztradeshows.com, 2017)

## **1.2 Statement of the Problem**

It is believed that international trade fairs and exhibitions play a vital role in promoting access to foreign market, attract foreign direct investment, promote joint venture opportunities, and stimulate a culture of local entrepreneurship and export of locally produced goods. Trade fair is one of the powerful tools of export promotion. International trade fairs (ITF) held around the world annually is the way of globalizing the products (Norman, 2014). Despite their apparent advantages to the participating firms and the nation, their effectiveness does not seem to be an area of concern for most business scholars in Ethiopia. This could be evidenced by the lack of research papers conducted regarding the study area. Despite the massive advantages international trade fairs could provide to the participating firms, only little attention seems to have been given towards assessing their performance in export promotion. The roles ITFs could play in introducing domestic companies to the international business environment, help penetrate a new market, increase their market share, find a new untapped customer base, service current customers, and identify new prospects has not been given the attention it deserves.

Participation in trade fairs also requires high financial and human commitment. Costs associated with travel expenses, stand rental, utilities and other expenses, advertising and public relations are believed to have significant influence in a decision to participate. However, there seems to be little or no evidence of any study conducted to identify the problems the business firms face while participating in ITFs in Ethiopia. The problem apparently emanates from the general lack of interest in the study area.

Based on these problems, the study proposes to identify the major advantages any business firm could realize by participating in international trade fairs. Identifying the role of international trade fairs in the exporting endeavors of the participating firms is also the central thrust of the study. It will also identify problems faced by these firms while participating in trade

fairs and solve the aforementioned problems by providing some insights to narrow the knowledge gap that seems to exist in the study area.

## **Research Questions**

The study intends to find answers for the following major questions:-

1. What are the purposes for which the business firms participate in international trade fairs?
2. How effective are international trade fairs in assisting the exporting endeavors of the participating firms?
3. What are the major problems encountered by the firms while participating in the international trade fairs?

## **1.3 Objectives of the Study**

### **1.3.1 General Objectives**

The general objective of the study is to assess the role of international trade fairs in promoting the export of the participating business firms.

### **1.3.2 Specific Objectives**

1. To identify the purposes for which the business firms participate in international trade fairs.
2. To analyze the effectiveness of international trade fairs in assisting the exporting endeavors of the participating firms.
3. To identify the problems that the participating firms encounter while participating in international trade fairs.

## **1.4 Significance of the Study**

The study will go a long way to enlighten exhibitors, government and the general public on the benefits of participating in international trade fairs and exhibitions. It is of the most importance for potential exhibitors both locally and internationally that might wish to use the trade shows for promotion of their products and services. The findings would assist the firms to make well-informed decisions about taking a stand at a show. The study will also help in stimulating the interest of business firms in participating in trade fairs by highlighting the importance of international trade fairs to them.

By studying the major challenges of participating in ITFs, both Ethiopian and Addis Ababa Chamber of Commerce and Sectorial Associations would identify better ways of organizing similar trade fairs. The study will also shed a light on areas that need further improvements in organizing and running of these events. The trade fairs could use the results to formulate strategies that would add value to participating organizations and ensure its continued existence.

The study will also help in assessing the roles international trade fairs play in introducing these companies to the international business scenario, help penetrate a new market, increase the market share, find a new untapped customer base, service current customers, and identify new prospects and recommend the best way to utilize these opportunities.

The study is also of a paramount importance in narrowing the existing information gap in the study area. It also paves the way for any researcher with an interest to conduct a similar study in the future. The study is expected to contribute to the existing literature that might be useful as a source of reference to academicians and researchers. It would also be of value as a basis for further research in the area of trade shows and exhibitions in the country.

## **1.6 Research Design and Methodology**

### **1.6.1 Research Design**

In order for the researcher to identify the role of international trade fairs in export promotion, descriptive research design has been used. This research design attempts to describe, explain and interpret present conditions. Due to the nature of the study, the researcher believes this study design is an ideal research design to conduct the study.

### **1.6.2 Target Population**

The target population of the study is domestic and international business firms participating in the 22<sup>nd</sup> Addis Chamber International Trade Fair. According to Addis Ababa Chamber of Commerce and Sectorial Associations, around 200 domestic and foreign companies were expected to take part in the trade fair. In addition to these participants, officials from

Ethiopian Chamber of Commerce and Addis Ababa Chamber of Commerce will also be part of the study.

### **1.6.3 Sampling Techniques & Sample Size**

For the purpose of the study, non-probability sampling technique was used. Of the non-probability sampling techniques, judgmental sampling was employed. The study included samples that were believed to be appropriate for the purpose of the study and could provide all the relevant information about the study area. Among 200 total participating firms, 40 companies (20% of the population) were the subject of the study. A higher sample size could not have been taken due to cost and time constraints, as well as limitations of study administration and analysis capacity.

### **1.6.4 Sources of Data**

For the purpose of the study primary sources of data were used. The primary data was collected through questionnaires distributed to and responded by the participating firms and interviews with Addis Ababa and Ethiopian Chamber of Commerce and Sectorial Associations officials.

### **1.6.5 Data Collection Method**

To collect the primary data, the questionnaire and interview method were used in order to collect all the necessary information from the selected sample. Both open-ended and closed-ended types of questionnaires and interview were used to this end.

## **2. Data Presentation, Analysis and Interpretation**

This chapter contains the presentation, analysis and interpretation of the collected data. The data was collected through the use of questionnaires and interviews. The questionnaires were distributed to and collected from both domestic and foreign firms that participated in the 22<sup>nd</sup> Addis Chamber International Trade Fair held from 22<sup>nd</sup> – 28<sup>th</sup> February, 2018. The interview was conducted to the officials of both Addis Ababa and Ethiopian Chamber of Commerce and Sectorial Association. A total of 40 Questionnaires were distributed to be filled and responded by the participants, but only 32 of them were successfully filled and returned. These 32 responses represent 80% of

the distributed Questionnaires. Therefore the following analysis and presentation has been done on these 32 questionnaires.

## 2.1 Background of the Respondents

**Table 2.1.1 Position of the respondents in their organizations**

Position of the respondents in their organization	Number of the respondents	Percentage
Sales Officer	13	40%
Sales Manager	3	9.375%
Marketing Officer	6	18.75%
Marketing Manager	3	9.375%
Sales Representative	4	12.5%
Others	3	9.375%
<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.1.1, out of 32 respondents that participated in the study on behalf of their respective organizations, 13 (40%) of them were sales officers, 3 (9.3%) were sales managers, 6 (18.75%) were marketing officers, 3 (9.3%) were marketing managers, 4 (12.5%) were sales representatives, and 3 (9.3%) were others working in these organizations. This implies that due to their position in their respective firms, all respondents are likely to have and provide all the necessary information needed. Therefore they are more likely to successfully respond and return the question papers because their position in their organization makes them a fitting choice to participate in the study.

**Table 2.1.2 Duration of work in their organizations**

Duration of work in their organizations	Number of the respondents	Percentage
Less than 5 years	11	34.4%
5-10 Years	11	34.4%
10+ Years	10	31.25%
<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.1.2, out of 32 respondents, 11 (34.4%) of them had a working experience of less than 5 years in these organizations, 11 (34.4%) had an experience of 5-10 years, and 10 (31.25%) of them had a working experience of more than 10 years in their respective organizations. From this

data, it can be inferred that the vast majority of the respondents have an experience of 5 years and more. This implies that these respondents are experienced enough to be part of the study on behalf of their organization. It can safely be assumed that they have all the necessary experience required for the successful accomplishment of the study. When we put the findings of the above two tables together, we can generalize that the majority of the respondents are located in appropriate positions and have the experience relevant to the study.

**Table 2.1.3 The Industries firms are engaged in**

The Industries these firms are engaged in	Number of the firms	Percentage
Processed agricultural products	6	18.75%
Textiles	6	18.75%
Trading Company	3	9.375%
Construction	3	9.375%
Electric and Electronics	4	12.5%
Furniture and Interior products	7	21.875%
Chemicals	3	9.375%
<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.1.3 depicts that, out of the 32 participating firms, 6 (18.75%) of them were engaged in the production of processed agricultural products, 6 (18.75%) were textiles producing firms, 3 (9.375%) were trading companies, 3 (9.375%) were in the business of producing and selling of construction materials, 4 (12.5%) were firms engaged in electric and electronics production, and 7 (21.875%) of them produce and sell furniture and interior products. It can be understood from the table that the majority of the responding firms are manufacturing sector firms. In addition to manufacturing firms, the study also included trading companies and agro-processing firms as well.

**Table 2.1.4 Origin of the responding firms**

Origin of the Firms	Number of the firms	Percentage
Ethiopia	20	62.5%
Italy	4	12.5%
India	2	6.25%
UAE	1	3.125%
Kenya	3	9.375%
Tanzania	1	3.125%
Sudan	1	3.125%
<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Regarding the origin of the participating firms, table 2.1.4 shows that, the domestic firms constitute 62.5% of the total respondents while 37.5% of them were foreign firms that participated in the trade fair. Among those foreign firms, 4 (12.5%) are from Italy, 2 (6.25%) from India, 1 (3.125%) from The United Arab Emirates (UAE), 3 (9.375%) from Kenya, 1 (3.125%) from Tanzania, and 1 (3.12%) participated from Sudan. It can be understood that the majority of the respondents were domestic firms with the hope of either strengthening their existing foreign trade performance, or planning to penetrate the foreign market for the first time and establish a foreign trade venture in the future. The study also included foreign firms with an existing venture in the Ethiopian market or firms trying to establish their presence for the first time either through direct export, investment, partnership or other means of market penetration.

**Table 2.1.5 Number of years in the market**

Number of years the firms been in the market	Number of firms	Percentage
Less than 5 years	4	12.5%
5-10 years	14	43.75%
10-15 years	6	18.75%
15-20 years	5	15.625%
20+ years	3	9.375%
<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Regarding the number of years these firms have been in the market, Table 2.1.5 shows that 4 (12.5%) of them has been in the market for less than 5 years, 14 (43.75%) for 5-10 years, 6 (18.75%) for 10-15 years, 5 (15.625%) for 15-20 years, and 3 (9.375%) of them has served the market for more than 20 years. The table illustrates that the vast majority of these firms have a long standing history in the market. More than 87% of them have an experience of more than 5 years and this makes them suitable for the study. With all the accumulated experience and previous exposures to both the domestic and foreign markets throughout their long history, they can be very crucial to the success of the study.

## 2.2 Analysis of Research Related Questions

**Table 2.2.1 Major reasons for participation**

Question	Possible Answers	Number of response	Percentage
1. What are the major reasons for which your organization participates in trade fairs?	Sales	3	9.375%
	Promotion	13	40.6%
	New Customers	4	12.5%
	New Product Introduction	2	6.25%
	Public Relation	3	9.375%
	Revenue	0	0%
	Export	7	21.9%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

As it could be evidenced from table 2.2.1, 3 (9.375%) of the participating businesses rated sales as their most important reason for participation in trade fairs, 13 (close to 41%) rated promotion as the most important, 4 (12.5%) rated acquiring new customers, 2 (6.25%) rated new product introduction as the most important goal while public relation was rated most important by 3 (9.375%) of them and finally export was rated as the most important goal by 7 (close to 22%) of the respondents. From this it could be understood that promotion has been rated as the most important goal by the majority (40.6%) of the respondents. Hence it can be argued that the majority of the respondents consider International Trade Fairs to be an opportunity to promote their service and products to both the domestic and foreign markets. Therefore, they participate in trade fairs to let their actual and potential customers know about their existing and new products. Following promotion, Export is rated as the second most important reason of participation by the respondents. This implies that Exporting also plays an important part in the decision to participate. The participants also believe that participation in trade fairs could be a crucial venue either to start or increase exporting. Acquiring new customers, sales and public relations have also been rated important goals of participation though by a lesser number of respondents while revenue has been rated as the least important goal. This implies that in addition to promotion and export other goals also motivate firms to participate in trade fairs. According to these data it can also be

understood that instant revenue on the trade fairs plays an insignificant role in their decision to participate.

**Table 2.2.2 Current Exporting**

Question	Possible Answers	Number of respondents	Percentage
2. Is your company currently exporting any of its products to the foreign market?	YES	18	56.25%
	NO	14	43.75%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.2 exhibits that out of the 32 respondent firms, 18 (56.25%) of them are currently in the business of exporting their products to the foreign market, while 14 (43.75%) of them are yet to engage in the exporting business. This implies that majority of these firms are familiar with the global business environment through direct export. They have been engaged in exporting for quite some time and therefore are using the international trade fair to help increase their exporting capacity. Therefore it can be assumed that these firms expect the trade fair to play an important role in their exporting endeavors either as a marketing tool or a platform to connect with business associates or their ultimate customers.

**Table 2.2.3 Trade Fair and Exports**

Question	Possible answers	Number of respondents	Percentage
3. If your answer is "Yes", do you agree that this trade fair will help your company increase its exports?	Strongly agree	10	55.55%
	Agree	7	38.88%
	Neutral	0	0%
	Disagree	1	5.55%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>18</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.2.3, out of the 18 responding firms already in the business of exporting, 10 (55.55%) of them strongly agree that participation in the international trade fair help their company increase its exports, while 7 (38.8%) of them agree and only 1 (5.55%) of them disagreed. When put together, 17 (94.4%) of them agree that their participation in the international trade fair will result in increase in their exports. This shows that close to 95%

of the firms who are already exporting to the foreign market, expect their export performance to improve after participation in trade fairs. They believe that international trade fair participation will bring about an increase in export and increasing export performance plays an important role in their decision to participate. Hence we can infer that there is a direct relationship between trade fair participation and increase in export.

**Table 2.2.4 Future Plans to Start Exporting**

Question	Possible Answers	Number of Respondents	Percentage
4. If your answer for question number “2” is “No”, does your organization have any future plans to start exporting its products?	YES	11	78.57%
	NO	3	21.43%
	<b>Total</b>	<b>14</b>	<b>100%</b>

Source: Own Survey (2018)

As it could be evidenced from Table 2.2.2 above, 14 of the 32 responding firms are not currently exporting their products. Based on this data, Table 2.2.4 shows that, out of the 14 firms currently not engaged in the exporting business, 11 (78.57%) of them replied that they have a future plans to start exporting their products in the near future, while 3 (21.43%) of them replied otherwise. This implies that 11 (majority) of these firms participated in the international trade fair with future exporting plan on their mind. When the findings of table 2.2.2 and 2.2.4 are combined together, 29 (90.6%) of the responding firms are either currently exporting or have a plan to start exporting in the near future. This implies that the majority of these firms participated in the trade fair with a plan of increasing and/or creating export opportunities instantly or in the future.

**Table 2.2.5 Future Exporting Plans and Itfs**

Question	Possible Answers	Number of respondents	Percentage
5.If Yes, do you agree this trade fair will be helpful in your organization’s future exporting plans??	Strongly Agree	6	54.55%
	Agree	3	27.3%
	Neutral	2	18.2%
	Disagree	0	0%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>11</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.2.5, out of the 11 responding firms (firms not currently exporting but planning to start exporting in the near future as depicted in table 2.2.4), 6 (54.55%) of them strongly agree that participation in the international trade fair will be helpful in their organization’s future exporting plans, while 3 (27.3%) of them agree and 2 (18.2%) of the respondents were neutral in their expectations. This indicates that out of 11 firms, 9 (close to 82%) of them agree that the trade fair will have a significant value in their future exporting endeavors. They believe that their present participation in trade fairs will have a positive bearing in their future plans to export. This shows that there is a positive relationship between present trade fair participation and future exporting plans. When the findings of table 2.2.3 and table 2.2.5 are put together, it can be concluded that participation in international trade fairs will generally lead to an increase in exports in the case of exporting firms, and it also positively affects firms with future plan to export. Therefore, it can safely be assumed that international trade fair participation positively affects export performance.

**Table 2.2.6 Trade Fair Advantages**

Question	Possible Answers	Number of Respondents	Percentage
6. Do you agree that participation in international trade fair is advantageous?	Strongly Agree	20	62.5%
	Agree	10	31.25%
	Neutral	2	6.25%
	Disagree	0	0%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.6 summarizes that, out of the 32 respondents, 20 (62.5%) of them strongly agreed that participation in international trade fair is advantageous, while 10 (31.25%) of them also agreed and 2 (6.25%) of them refrained either from agreeing or disagreeing. From this data it can be understood that 30 (93.75) of them consider participation in trade fair to be an advantageous venture in their organization’s effort to be successful in this ever-competitive business environment. This implies that these firms believe that participation in trade fairs can be utilized towards achieving their goals. All participating firms have various goals they hope to accomplish by participating in trade fairs. These goals vary from simple sales transaction to domestic consumers to a major offshore business deal. Therefore, the data implies that the

participating firms have a high hope of realizing these goals. Therefore it can be generalized that participation in trade fairs is an advantageous undertaking that can ultimately lead to the achievement of these goals.

**Table 2.2.7 Previous Participation**

Question	Possible Answers	Number of Respondents	Percentage
7. Has your company ever participated in international trade fairs before?	YES	23	71.9%
	NO	9	28.1%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

The above table explains that, out of 32 respondents, 23 (almost 72%) of them had participated in other international trade fairs before, while for 9 (28%) of those firms the 22<sup>nd</sup> Addis Chamber International Trade Fair marked their first ever participation in trade fairs. From this, It can be understood that these firms have experienced involvement in trade fairs. This implies that the majority of these firms have previously participated in trade fairs and believed that it was worth participating again. It can be assumed that based on their previous experience in trade fair participation, these firms believed that it would be advantageous to participate again continuously. The other 28% of them have no previous history of participation and expect to reap the benefits of trade fair participation for the very first time.

**Table 2.2.8 Experience in Previous Trade Fairs**

Question	Possible Answers	Number of Respondents	Percentage
8. If your answer for the above question is “Yes”, did you have a good experience in the previous international trade fairs?	Strongly Agree	5	21.7%
	Agree	17	73.9%
	Neutral	1	4.35%
	Disagree	0	0%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>23</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.8 demonstrates that, among the 23 firms with previous experience in international trade fairs (as depicted in table 2.2.7 above), 5 (almost 22%) of them strongly agree that they had a good experience in the previous international trade fairs they participated in, while 17 (close to 74%) of them

also agreed and only 1 (4.35%) of them chose to stand neutral. In combination, 22 (close to 96%) of them believed that they had a good experience in their previous trade fairs. It can thus be inferred that their previous favorable experience played a pivotal role in their present trade fair participation. Almost all the respondents responded they had a good experience in their previous participation and one can safely assume that this experience is one of the reasons for their continued participation. Therefore it can be understood that participation in trade fair is also influenced by previous experience, a favorable experience leading to a continuous participation. Therefore there is positive relationship between favorable previous experience and continuous participation in trade fairs.

**Table 2.2.9 Participation Outside Ethiopia**

Question	Possible Answers	Number of Respondents	Percentage
9. Has your company ever participated in international trade fairs held outside Ethiopia?	YES	14	3.75%
	NO	18	56.25%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.9 shows that among 32 respondents, 14 (43.75%) of them had participated in international trade fairs held outside Ethiopia, while the majority (56.25%) of them had no participation in any trade fairs held outside the nation. This data implies that close to 44% of the responding firms have participated in foreign-held trade fairs and are capable of providing useful inputs in order to eliminate and/or reduce problems faced by participants while attending the domestic fairs. In other words they can provide the trade fair organizers with essential inputs that can be used to tackle trade fair related problems, drawing experience from their previous experiences in foreign trade fair participation. These firms can also share their experience with other firms and disseminate information about possible advantages that could be materialized by participating in trade fairs held offshore. To sum up, there is a great potential for a good experience sharing to take place.

**Table 2.2.10 Successful Goals**

Question	Possible Answers	Number of Respondents	Percentage
10. If yes, please rate the following goals in order of their success in the previous trade fairs your company participated outside Ethiopia.	Experience Sharing	5	35.7%
	New Business Opportunities	2	14.29%
	New Customers	3	21.43%
	New Business Ideas	1	7.14%
	Meet Business Associates	3	21.43%
	<b>Total</b>	<b>14</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.2.10, among 14 firms with previous trade fair participation experience outside Ethiopia (depicted in table 2.2.9 above), majority of them (5 or 35.7%) rate experience sharing as the most successful goal in the previous trade fairs they participated in held outside Ethiopia. Acquiring new customers and meeting foreign business associates have also been rated as the most successful goals next to experience sharing, while creation of new business opportunities and generation of new business ideas have been ranked next.

From this data, one can generalize that experience sharing is the most important goal of participation for domestic firms while participating in international trade fairs held outside Ethiopia. Experience sharing related goals like meeting with foreign companies in a similar line of business, discussing future courses of actions with business partners and distributors, consulting with actual and potential consumers, identifying a target market seems to have taken the center stage in the decision to participate in trade fairs held outside Ethiopia. These non-selling goals have also taken precedence over immediate selling goals.

Following experience sharing, these firms also rated meeting business associates, identifying new customers and creating new business opportunities as other most important goals. These goals also greatly influence the decision to participate.

**Table 2.2.11 Problems Faced**

Question	Possible Answers	Number of Respondents	Percentage
11. Did you face any problems while participating in the international trade fair?	YES	28	87.5%
	NO		
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.11 demonstrates that the vast majority (87.5%) of the respondents perceived that they have experienced problems while participating in the international trade fairs, while only 12.5% of them responded that their participation wasn't challenged by problems. This implies that the majority of these firms believed that there were problems that needed to be solved.

**Table 2.2.12 Problem Ratings**

Question	Possible Answers	Number of Respondents	Percentage
12. If yes, please rate the following problems in order of their severity.	High Expenses	13	46.43%
	Travel	9	32.143%
	Display Space	4	14.3%
	Government Support	2	7.1%
	Tax	0	0%
	<b>Total</b>	<b>28</b>	<b>100%</b>

Source: Own Survey (2018)

According to table 2.2.12, the respondents rated the prevalence of high expenses as the most severe problem they faced when participating in trade fairs. Travel, inadequacy of display space and government support has also been rated as problems faced by these firms, while tax has been rated as the least severe problem. Most of these firms rated high expenses associated with participation as the most severe problem. These expenses consists of the cost of transporting the sample products to be displayed at the trade fair to and from the trade fair venue, travel expenses incurred by personnel, accommodation fee incurred during the duration of the trade fair especially by foreign participants and other expenses. Travel has also been rated among the most severe problems by the participants. Apart from costs associated with traveling, it also includes any inconvenience encountered while traveling and/or transporting the products to and from the trade fair venue. This problem seems to be more serious in the case of foreign participants

who had to cover a very long distance while travelling to and from Ethiopia. Problems related with the size and location of displaying space and lack of government support are also considered serious problems although by a lesser number of respondents when compared with the above two problems.

**Table 2.2.13 Affordability**

Question	Possible Answer	Number of Respondents	Percentage
13. Do you agree that participation in international trade fair is affordable?	Strongly Agree	7	21.875%
	Agree	16	50%
	Neutral	7	21.875%
	Disagree	2	6.25%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.13 states that almost 72% of the researched firms either strongly agreed or agreed that participation in international trade fairs is affordable, and close to 22% of them opted neutral while a little over 6% of these firms believed that it is not affordable. In light of this data, one can safely assume that the majority of the respondents believe that participation in international trade fairs is justified when compared with the costs involved, while the small majority of the respondents believe that it is not worthy of all the costs involved. When we compare the data in table 2.2.12 and table 2.2.13, we can conclude that even though the majority of the respondents rated high expenses as the most severe problem in trade fair participation, they still believed that the benefits gained from participation more than offsets the costs of participation. In other words participation in trade fairs is favorable despite its high costs. From this data, one can understand that the high expenses associated with trade fair participation is justified by benefits realized when participating in trade fairs.

**Table 2.2.14 Convenience**

Question	Possible Answers	Number of Respondents	Percentage
14. Do you agree that the process is generally convenient?	Strongly Agree	3	9.375%
	Agree	21	65.6%
	Neutral	7	21.2%
	Disagree	1	3.125%
	Strongly Disagree	0	0%
	<b>Total</b>	<b>32</b>	<b>100%</b>

Source: Own Survey (2018)

Table 2.2.14 shows that out of all the 32 firms involved in the study, 24 (75%) of them consider the process of participation in the trade fair convenient, while 7 (a little over 21%) of them were neutral and 1 (3.125%) of them believed it was not convenient. Therefore it can reasonably be assumed that the majority of the respondents were content with the overall process of participation and the small minority of them displayed dissatisfaction. This indicates that most respondents were happy with the participation in the trade fair while some of them believed that there is still room for improvement. This shows that there are works to be done to make all the participants content with trade fair participation.

**Table 2.2.15 Overall Success**

Question	Possible Answers	Number of Respondents	Percentage
15. Do you agree that your participation in the international trade fair has been successful in relation to your goals?	Strongly Agree	6	18.75%
	Agree	23	71.8%
	Neutral	3	9.375%
	Disagree	0	0%
	Strongly Disagree	0	0%
	<b>Total</b>	32	100%

Source: Own Survey (2018)

From the above table, one can understand that close to 91% of the responding firms either strongly agreed or agreed that their participation in the international trade fair had been successful in relation with the goals they had on mind prior to participation, whereas a little more than 9% of them maintained neutrality. From this data, it can be understood that the vast majority (91%) of them believed that their participation can be considered a success and was worthy of all the efforts and costs involved. As evidenced by table 2.2.1 above, these goals involved sales, promotion, new customers, new product introduction, public relation, revenue, export and etc. Therefore, the majority of the respondents believed that their participation in trade fair has helped them to achieve these goals. Hence their participation can be labeled successful in attaining the goals for which they participated.

**Table 2.2.16 Future Participation**

Question	Possible Answers	Number of Respondents	Percentage
16. Will you be continuously participating in international trade fairs in the future?	YES	28	87.5%
	NO	0	0%
	NOT SURE	4	12.5%
	<b>Total</b>	32	100%

Source: Own Survey (2018)

Table 2.2.16 portrays that 28 (87.5%) of the firms involved in the study expect to continuously participate in the future international trade fairs, whereas 4 (12.5%) of them responded they are not sure regarding the prospect of their future participation in international trade fairs. The majority of these firms believe that they are satisfied with their current and previous experiences in trade fair participation and will continuously participate, while others are yet to decide whether they will participate again in the future or not.

**Table 2.2.17 (Question for Foreign Participants Only)**

Question	Possible Answers	Number of Respondents	Percentage
17. Has your company ever participated in trade fairs held in Ethiopia before?	Yes	3	25%
	No	9	75%
	<b>Total</b>	12	100%

Source: Own Survey (2018)

As it could be witnessed in table 2.1.4 above, twelve (12) out of the thirty two (32) respondents were foreign based firms participating in the international trade fair. Table 2.2.17 summarizes that out of the 12 foreign respondents, only 3 (25%) of them had previously participated in trade fairs in Ethiopia. This clearly depicts that the majority of these firms are participating in trade fairs held in Ethiopia for the first time and have no previous experience.

**Table 2.2.18 (Question for Foreign Participants Only)**

<b>Question</b>	<b>Possible Answers</b>	<b>Number of Respondents</b>	<b>Percentage</b>
18. If Yes, please rate the following goals in order of their success in the previous trade fairs your company participated in Ethiopia.	Experience Sharing	0	0%
	New Business Opportunities	2	66.7%
	New Customers	1	33.3%
	New Business Ideas	0	0%
	Meet Business Associates	0	0%
	<b>Total</b>		<b>3</b>

Source: Own Survey (2018)

Table 2.2.18 demonstrates that out of 3 foreign firms with previous experience of participation in trade fairs held in Ethiopia, 2 (66.7%) of them rated the prospect of new business opportunities as the most successful goal in their previous experience in Ethiopia, while the remaining firm rated securing new customers as the most successful goal. They believed that they have managed to be successful in creating new business opportunities and secured new customers through the previous trade fairs they participated in held in Ethiopia.

### **2.3 Analysis of Open Ended Question**

**Question:-** If the process of participation in the international trade fair is not convenient, what do you suggest?

Some of the respondents who believed that the process of participation in trade fairs was not convenient suggested the following remedies:-

- More preparation from the organizing body in planning and hosting of trade fairs.
- More government support to participants.
- Proper promotion of trade fairs and other events to facilitate more visitors turn out.

## 2.4 Analysis of Interview Questions

The following interview questions were forwarded to officials of Addis Ababa Chamber of Commerce and Sectorial Associations (AACCSA) and Ethiopian Chamber of Commerce and Sectorial Associations (ECCSA). The answers provided by these officials are provided below.

**Question 1:-** How important are International Trade Fairs to your organization in export assisting?

According to Addis Ababa Chamber of Commerce and Sectorial Association (AACCSA) Trade and Investment Promotion Directorate, international trade fairs are among the very important events organized by the chamber. Since the establishment of the Chamber in 1947, the chamber has been organizing both international as well as domestic trade fairs in order to help the business community in the city to help develop and sustain their businesses. In terms of Export assisting, the chamber considers International Trade Fairs as the most important vehicles in assisting the country's efforts to increase trade and investment gains. To this end, the chamber organizes four international trade fairs annually in addition to other domestic trade fairs. These trade fairs are namely the Addis Chamber International Trade Fair (ACTIF), Agriculture and Food International Trade Fair (Agrifex), Tourism and Travel Fair and Manufacturing and Technology International Fair (MATEX).

According to Ethiopian Chamber of Commerce and Sectorial Association (ECCSA), International trade fairs are a very important occasions that play a paramount role in bringing the domestic and foreign businesses and business people closer together. Being the largest chamber of commerce in the country with around 18 member associations, it is utilizing its resources towards achievement of national goals and international trade fairs are at the center of these goals. All trade fairs organized by the chamber (both national as well as international trade fairs) are aimed at creating market opportunities for domestic products both domestically and internationally. Therefore trade fairs in general, and international trade fairs in particular are considered very important by Ethiopian Chamber of Commerce and Sectorial Association.

**Question 2:-** How many international trade fairs has your organization hosted so far that were focused towards improving export performance?

According to both AACCSA and ECCSA, the chambers had been organizing sectorial as well as general types of trade fairs for ages. Sectorial trade fairs focuses on a specific sector of the economy i.e. agricultural, manufacturing, food and food processing technologies, energy etc. while the general type participates every sector in the economy. These trade fairs are in one way or another focused on improving the competitiveness of the nation in the global economy and hence are export focused. It might not be possible to put them in a precise figure, but every national as well as international trade fair organized by the chamber are either directly or indirectly export-oriented.

**Question 3:-** How successful were they in relation with attaining their goal?

Both AACCSA&ECCSA firmly believe that the trade fairs organized and held by the chambers can be considered successful in realizing their purposes. The trade fairs had been exceptional in serving as a venue for business to business discussions between the domestic businesses and their foreign counterparts, reach on agreements, locate appropriate markets, create investment opportunities and promote exports. Both chambers believe that, even though the performance of these trade fairs did not live up to the expectations due to several shortcomings, trade fairs can still be utilized better and help the businesses and the nation become competitive in the global business arena.

**Question 4:-** What were the major factors responsible for their success?

There are numerous reasons responsible for the success of these trade fairs according to both AACCSA & ECCSA. Some of these are:-

- The commitment and experience of the chambers to organize a number of trade fairs every year.
- The willingness of the business peoples and businesses in the city to participate and benefit from these trade fairs.
- The eagerness of foreign businesses to come and participate in order to penetrate the attractive and growing market of the country.
- Availability of adequate display spaces to accommodate a number of domestic and foreign participants.
- The skilled and competitive staffs of both chambers.

- The focus of the government towards the improvement of the country's competitiveness in trade and investment.
- The booming economy of the country also helped the emergence of new small to medium scaled businesses whose major outlet for a market is through these trade fairs.

**Question 5:-** What were the major factors responsible for their failure to attain their goals?

There are also some shortcomings that inhibited these trade fairs from reaching their full potential. These are:-

- Inadequate promotion of the trade fairs to both domestic as well as foreign businesses.
- Instability of the country especially in recent times leading to a lesser number of foreign participants.
- Inability of domestic firms to secure a major transaction deals with giant foreign businesses due to their relative small size and capacity.
- Domestic firms' lack of experience in dealing with their foreign counterparts.
- Inadequate skills of personnel representing domestic firms.

### **3. Summary, Conclusion and Recommendation**

#### **3.1 Summary and Conclusion**

As the previous sections of this paper illustrated, the major objective of the study was to assess the role of international trade fairs in export promotion. Based on the data collected through the use of questionnaires and interviews, the study attempted to investigate the importance of international trade fairs for export promotion. The study made use of the participants of the 22<sup>nd</sup> Addis Chamber International Trade Fair and the officials of Addis Ababa and Ethiopian Chamber of Commerce and Sectorial Association. Based on these data, the following major conclusions have been made:

The study has found that promotion of products and services is considered as the most important reason for participation in international trade fairs. Both domestic and foreign firms participate in international trade fairs in order to

publicize their product offerings to both domestic and foreign participants and create a new customer base and/or retain the old ones.

The study also found that there is a positive relationship between international trade fair participation and increase in exports. Most of the respondents expect their export performance to improve after their participation in international trade fairs. They consider trade fairs as an important venue through which an untapped foreign market can be made a new target market, an existing foreign market can be better served, a new business deal can be made between foreign and domestic firms, and a new product can be introduced to a new or existing foreign market ultimately leading to an increase in the export of the participating firms.

The study also concluded that international trade fairs are a very advantageous business ventures. It is believed that they are important undertakings in helping these firms achieve their goals of participation. These goals vary from a company to another company but the most important ones are promotion, new customer identification, new product introduction, and increase in export, public relations etc., and the study found that international trade fairs can be utilized towards achievement of these goals.

This research undertaking also found that there is a direct relationship between favorable past trade fair experience and continuous future participation. Firms with a positive experience in previous trade fairs are more likely to continue participating in the future.

The study also identified that there are problems associated with trade fair participation that needs to be solved in order to make trade fairs more successful. One of the major problems was the high expense associated with trade fair participation. Problems associated with travel, lack of government support and insufficient display spaces have also been found to be prevalent.

Even though high level of expenses have been rated as one of the major problems in trade fair participation, the study also found that these high expenses are offset by the advantages of trade fair participation. The costs involved in trade fair participation are found to be justified by the benefits derived from participation.

The study also identified several reasons that make international trade fairs held in Ethiopia successful. The experience of the Addis Ababa and Ethiopian Chamber of Commerce and the skills and competitiveness of their staffs, the willingness of both domestic and foreign firms to participate, the focus of the government towards improving foreign trade and investment and also the rapid economic growth of the nation helped the nation to successfully organize a number of sectorial as well as general types of international trade fairs over the years.

The study also identified some factors that inhibit the trade fairs from reaching their utmost potentials. Lack of the use of appropriate advertisement of the trade fairs, inability of domestic firms to make the most use of the trade fairs due to their small size and capacity, and lack of experience of domestic firms and their inexperienced personnel in dealing with their foreign counterparts have been identified as shortcomings.

### **3.2 Recommendation**

Based on the results and analysis of the study the following recommendations are forwarded to business firms and all stakeholders:

- ❖ The result of the study shows that both domestic and foreign firms could use international trade fairs as a venue to internationalize their product offerings and improve their exporting performance. They are highly recommended to use international trade fairs as a means to increase exports and serve a new foreign market base.
- ❖ These firms can also use trade fairs as a tool to market their products and services to the domestic market as well. They can convert the huge number of trade fair visitors to an actual target market with a relatively less cost when compared with other methods of marketing.
- ❖ Firms with future plans of exporting are also recommended to use international trade fairs as a primary tunnel via which they can expose themselves to the international market as trade fairs could bring a number of actual and potential buyers, suppliers, and distributors at the same time and place.
- ❖ Trade fair participants can also achieve other goals in addition to export increment. They are recommended to continuously participate in trade fairs and promote their products better, identify new market opportunities, serve

new customers, introduce new products, improve public relations and undertake sales transaction.

- ❖ Domestic firms are also recommended to participate in international trade fairs held outside Ethiopia and share experiences, identify a new foreign market to serve, create new business opportunities, and meet with business associates in order to succeed in foreign markets.

- ❖ Domestic firms participating in trade fairs are also advised to upgrade the skills and knowledge of their personnel representing them in trade fairs as this could greatly determine their success in trade fairs.

- ❖ Both Addis Ababa Chamber of Commerce and Sectorial Association (AACCSA) and Ethiopian Chamber of Commerce and Sectorial Associations (ECCSA) should also take measures in order to mitigate the problems faced by trade fair participants. The Chambers should devise ways in order to help the participants reduce the cost of participation through providing transport services to and from trade fair venue, and providing display spaces with reduced rent fee.

- ❖ The chambers are also recommended to solve problems related with display space inadequacy. They should work towards providing enough and better quality display booths for the participants.

- ❖ Both AACCSA & ECCSA and all other stakeholders are also recommended to make sure that trade fair participators are generally content and satisfied with their overall participation experience as this could determine their future participation. The study concluded that there is a direct relationship between favorable past trade fair experience and continuous participation. Therefore measures should be taken to ensure that trade fair participants are satisfied with their participation.

- ❖ Trade fairs organizers are also recommended to use every advertisement alternatives at their disposal in order to maximize the number of trade fair participants. Every means of promotion and advertisement should be utilized so that a large number of both domestic and foreign businesses could partake in trade fairs.

- ❖ The Government should also properly understand the importance of international trade fairs in export promotion and attracting investment opportunities. Therefore, firms should get unreserved support from the government and other stakeholders in order to be successful both in trade fairs participation as well as subsequent exporting endeavors.

## References

- Adrika, Y. (2012). *Principles and Practice of Marketing*. 11<sup>th</sup> ed, Enugu: Jamoe Enterprises.
- Association of German Trade Fair Industry, (2014). *Successful Participation in TradeFairs*. Zappo, Berlin: AUMA publishers.
- Bleck, R. (2014). *The trade shows industry: Management and marketing career opportunities*. East Orleans, Massachusetts: Prentice Hall.
- Blythe J. (2014). Trade fairs as communication: *Journal of Business & Industrial Marketing*; Vol 25, (1):57–62.
- Dallmeyer, B. (2014). Successful exhibit marketing. [cited 03 October 2014]. Available from [http://www.ufi.org/pages/thetradefairsector/howtoexhibit\\_1.aspx#1](http://www.ufi.org/pages/thetradefairsector/howtoexhibit_1.aspx#1)
- Frankfurt Messe, (2013). *Fairs, Exhibitions and Congresses*. Germany: Prentice Hall.
- Gerald et al. (2014). *Making Marketing Work*: 3<sup>rd</sup> ed, London: Kogan Page Ltd., p.21.
- Han, H., & Verma, R. (2014). Why attend tradeshow? : A comparison of exhibitor and attendee's preferences. *Cornell Hospitality Quarterly*, 55, 239-251.
- Herbig, P., O'Hara, B., Palumbo, F. (2013). Differences between trade show exhibitors and nonexhibitors. *Journal of Business & Industrial Marketing*. 13, 137-142.
- International Trade Centre, (2012). *Basics for Organizing Trade Fairs: A Guide for Developing Countries*. Geneva, Switzerland.
- Kijewski, V. & Yoon, E. (2012). How exhibitors select trade shows: *Journal of Industrial Marketing Management*. Vol 22(4):287-98.
- Norman, A. (2014). *Trade shows basics : Commerce communications*. 5<sup>th</sup> Ed, Chicago: Crain Books ltd.
- O'Hara, S. (2012). Evaluating the effectiveness of trade shows: A personal selling perspective. *Journal of Personal Selling and Sales Management*. 2012; 13(3):67-78.