

ECONOMIC IMPACT OF EXHIBITIONS IN BELGIUM AND LUXEMBOURG

Joris Nouwen, Tim Van Tilt, Alberik Hubin

Joris Nouwen, Leuven University College, Leuven, Belgium

Tim Van Tilt, Leuven University College, Leuven, Belgium

Alberik Hubin, Leuven University College, Leuven, Belgium

Abstract

Febelux, the association for the live communication industry cooperated with Leuven University College to conduct a study measuring the economic impact of exhibitions and events in Belgium and Luxembourg. The expenditures of three major participants: the exhibitors, the visitors and the organizers were analysed in seven major venues.

The first section of this paper describes the study of the economic impact of exhibitions and events in Belgium and Luxembourg. This section contains the methodology, the analysis and the results. The second section is contributed to the elaboration of the study and treats the integration of students within the respective project as a case of experimental learning. At the end of the paper, some restrictions of the study are discussed.

Keywords: Communication, Exhibitions, Economic impact study, student participation, experimental learning

1 PROBLEM STATEMENT

In 2006, Febelux, the association for the live communication industry, contacted the Business Management Department (Marketing Studies) of Leuven University College to verify to what extent exhibitions and events, being part of the communication mix, were integrated in the curriculum of the students. The Marketing program within the Business Management Department is a 3 year professional bachelor program (180 ECTS) corresponding to EQF level 6.

The association experienced a lack of awareness amongst stakeholders and wanted to promote exhibitions and events as a powerful tool to students being future marketing-professionals. This reflection resulted in a proposition to integrate this topic into the students' curriculum, which led to the involvement of the students in this industry through market research and case studies.

Besides this absence of industry awareness, there was a clear lack of a thorough quantitative insight in this market. Such insights are a necessity to promote the industry in discussion with stakeholders like cities and governments. Therefore, since 2008, Febelux and Leuven University College have been working together to conduct a periodic market research, revealing the economic and financial impact and gaining an insight in the evolution of the economic trend of this industry. The present paper describes the study conducted in 2012-2013 analyzing the economic impact of the exhibition industry. Results will be compared with the study conducted in 2008-2009. Section 4 treats the results of the study.

2 OBJECTIVES

The problem statement revealed two main objectives to be reached. The primary objective, was to quantify the economic impact 2012-2013 and to analyse the evolution compared to the study conducted in 2008-2009. The analysis was conducted on the basis of the expenditures of the three main participants in the industry: exhibitors, visitors and organizers (Coulée, 2010).

The secondary objective concerned the implementation of professional market research in the curriculum of the students. This method of experimental learning allows students to gain insights in

professional market research through the application of earlier acquired competencies in a real business-oriented case-study.

3 METHODOLOGY

In this section the methodology of the analysis of the first objective is discussed. First, we will reveal the approach of the study and finally, the analysis will be clarified.

In general, the basic objectives to participate in exhibitions are to inform and to sell products and services. Within these exhibitions, three types can be identified: Professional exhibitions, Consumer exhibitions and “others” (UFI, 2010).

The professional context is the main characteristic for professional exhibitions (B2B). Exhibitors are companies within a specific market. The typical buyer is a professional, within the business of the exposition. Consumer exhibitions are organised for the consumer market (B2C). The third and last group of events is categorised as “others”. This group gathers a wide range of activities like conferences, concerts and events. Although these activities are no regular exhibitions, they are considered as a part of the exhibition industry.

For each venue within the exhibition industry, we can identify three major participants: the exhibitors, the visitors and the organizers (UFI, 2007).

3.1 Approach

The primary objective of this research was to quantify the economic impact of the exhibition industry and to analyse the evolution of this impact in Belux (Belgium and Luxembourg).

The general economic impact of exhibitions and events is composed by all expenditures related to exhibitions and events organized in venues located in Belux. In order to quantify the general economic impact of exhibitions in Belux, the study was divided in different stages.

In the first stage, the extrapolation on the level of exhibitions, the expenditures for a selected number of exhibitions within a venue were calculated. In the second stage, these prior results were used to measure the economic impact of a specific venue. This method was repeated for a selection of venues in Belux. In the third and final stage, the extrapolation on Belux-level, the total aggregated result of the economic impact of the venues was used to calculate the general economic impact for Belux.

In cooperation with Febelux, a judgement sample (Burns and Bush, 2013) was used to select the different venues. This resulted in a select sample of venues that differ in both studies. The study of 2008-2009 included the venues AntwerpExpo, BrusselsExpo, CharleroiExpo, KortrijkXpo, LuxExpo and Tour&Taxis (Brussels); the study of 2012-2013 consisted of the venues AntwerpExpo, BrusselsExpo, CharleroiExpo, KortrijkXpo, LuxExpo, MonsExpo, NamurExpo and FlandersExpo. Table 1 gives an overview of the selected venues and exhibitions in 2008-2009 and 2012-2013. More venues were selected in the study of 2012-2013, and within the selection a better geographical cover was obtained. Nevertheless a statistical significance hasn't been reached since a select sample was used. The sample of venues is composed in a balanced way, based on criteria like region and type of exhibitions and is aimed to be sufficiently large for the Belux market.

Table 1: Venues and exhibitions that were selected for the study 2012-2013

Venue	Public exhibition	Professional exhibition
AntwerpExpo	Boekenbeurs Voedingssalon	Econext
BrusselsExpo	Batibouw Vakantiesalon	Estetika
CharleroiExpo	Arts Ménagers Idée vacances/maison	-
KortrijkXpo	Interieur Eurodogshow	Interpom primeurs
LuxExpo	Foire de Printemps Foire d'automne Vakanz	Medetel
MonsExpo	Batimons Trolls et Légendes PPM-Fest	-
NamurExpo	Antica Bois&Habitat	-
FlandersExpo	Countryside Art Gent Second home	Horeca expo

Within each of the selected venues a judgement sample was again used to determine which exhibitions would be incorporated in the study. Some relevant criteria for this selection are the type of exhibition (professional, public), number of visitors and number of exhibitors.

The goal for each venue was to include two public exhibitions and one professional exhibition in the sample. The chosen exhibitions and events were in some cases also different from those chosen in the study of 2008-2009 as stated in table 1. A reason for differences between both samples is explained in section 6, restrictions of the study.

In a next step, visitors and exhibitors were questioned to gather data. These data serve as an input for the study. For the exhibitors of the selected exhibitions, the population frame was known since we received a list including exhibitors and corresponding e-mail addresses from the venue. All exhibitors were contacted by e-mail. In total, 831 completed questionnaires were collected and analysed.

For visitors, there was no population frame available. Consequently, we used a convenience sample in order to collect data. Visitors were randomly contacted during their visit to the exhibition and were questioned face-to-face. The opinions of 12.844 visitors were gathered using a standardized questionnaire to collect this information. The questionnaire includes open and closed questions about socio-demographic aspects and categorised expenditures enabling the measurement of the economic impact.

Since an exhibition can be organized by the venue (internal exhibition) or by external organizations (external exhibition), both parties have to be involved in the study. The information about organizers was obtained by qualitative in-depth-interviews and internal documents. At a level of external organisers, a select sample was used. Two main organisers were interviewed and provided data for the study.

3.2 Analysis

The aggregation of the expenditures of participants – exhibitors, visitors, organizers – composes the economic impact of an exhibition or event.

Table 2 illustrates the categories and subcategories that were used in this study to allocate the different expenditures of the participants.

Exhibitors are the first group of participants. They contribute to the economy spending money for different purposes: infrastructure, communication, catering, transport, personnel (temporary and fixed) and accommodation.

The visitors are responsible for expenditures as well. These participants pay for entrance fees, (public) transport, parking facilities, catering, accommodation, expenditures inside and outside the exhibition and leisure. It is important to mention that purchases during the exhibition are not incorporated in the results of the study which is explained in section 6, restrictions of the study.

The organizers, finally, contribute to the economy through payments of fixed and temporary personnel, infrastructure and communication.

Table 2: Categories and subcategories used to divide the different costs and expenses

Exhibitors	Visitors	Organizers
Number	Number	Number of events
Fixed personnel	Transportation	Fixed personnel
Temporary personnel (VAT excl)	Parking	Temporary personnel (VAT excl)
Communication (VAT excl)	Accommodation	Infrastructure (VAT excl)
Infrastructure (VAT excl)	Entrance fee	Communication (VAT excl)
Catering (VAT excl)	Purchase inside the exhibition	Total (VAT excl)
Transport (VAT excl)	Purchase outside the exhibition	VAT
Accommodation (VAT excl)	Leisure	Tax (entrance fee)
Total (VAT excl)	Catering	Total (vat incl)
VAT	TOTAAL (VAT incl)	
Total (VAT incl)	VAT	

As mentioned above, the first stage of the study contained the quantification of the economic impact for each selected exhibition. The different categories and subcategories of the selected exhibition are the key elements in this quantification. The average expenditures of each subcategory were multiplied with the key parameters specified in table 3. In this stage, the key parameters are considered at the level of the selected exhibition. The key parameters used to extrapolate the expenditures of exhibitors are the number of booths, net square meters of the exhibition or event and the number of exhibition days, every time for the specific exhibition or event.

Example: The extrapolation of the cost of the infrastructure of an event was measured as follows:

$$[\text{calculated average cost/net \# m}^2 \times \text{total net \# m}^2 \text{ of exhibition}]$$

This method was used for all subcategories. Consequently, the economic impact of all exhibitions within the sample was quantified.

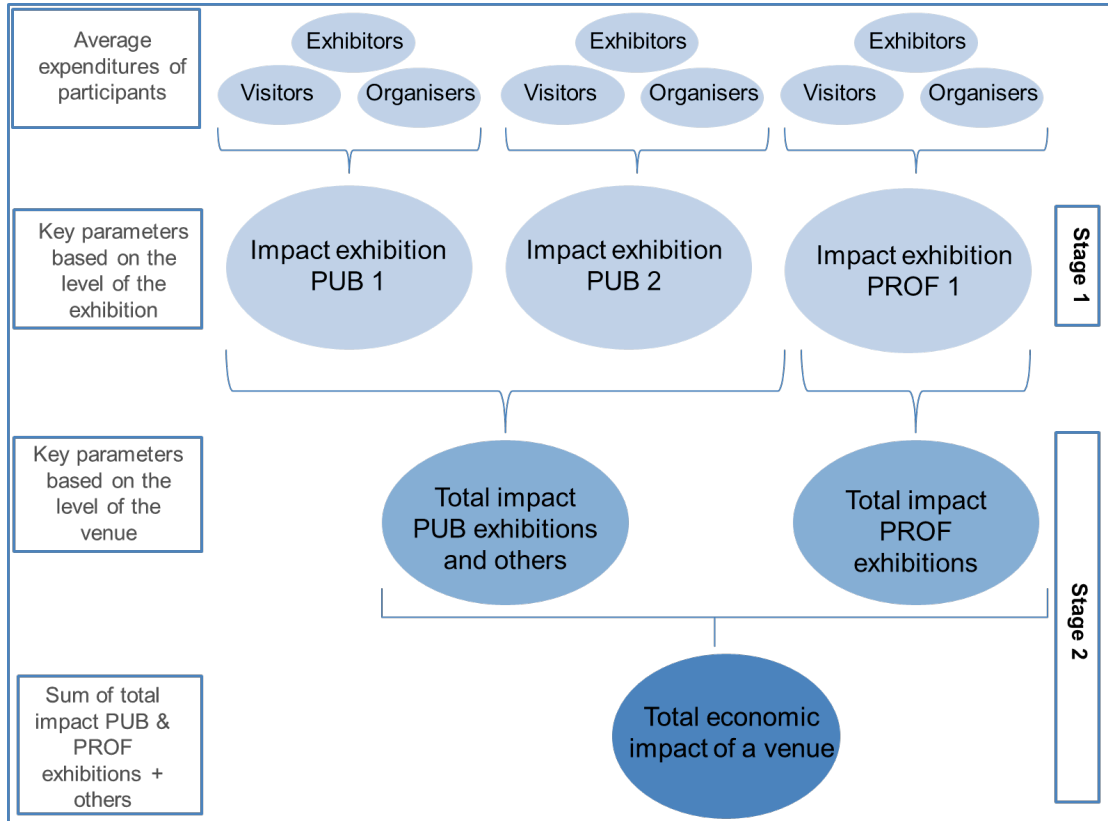
Table 3: Key parameters by participant

Exhibitors	Visitors	Organizers
Key parameters	Key parameters	Key parameters
Number of booths	Number of visitors	Number of exhibition days
Net square meters		Net square meters
Number of exhibition days		Number of exhibitors
		Number of visitors

In a second stage, the calculated results by exhibition (executed in stage 1) were used as a basis for the further quantification of the economic impact of a venue. In this stage, the parameters at the level of the venue (split by public exhibitions, professional exhibitions and others) were used to calculate the economic impact of the venue.

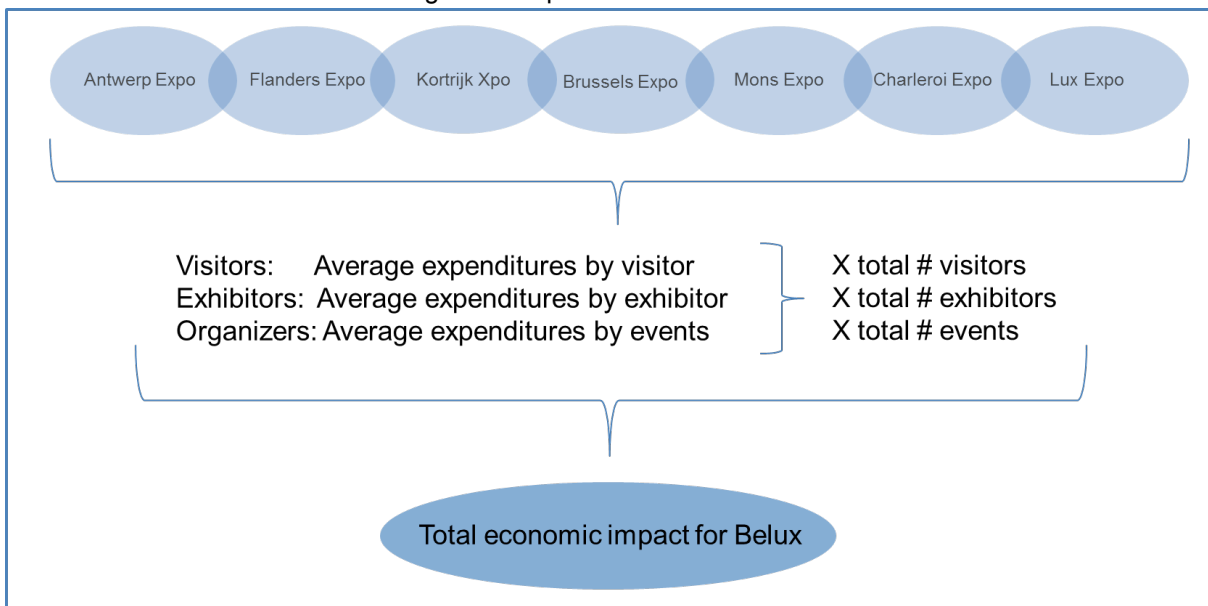
These first two stages of the extrapolation are summarized in Fig 1.

Fig.1: Extrapolation on venue-level



The above procedure was executed for each venue in the sample. The aggregated figures of the selected venues compose the value of the total sample and allow the calculation of the average expenditure by visitor, by exhibitor and by organization. These key figures were used for the general extrapolation for the exhibition and events market in Belux as can be seen in Fig. 2.

Fig. 2: Extrapolation on Belux level



4 RESULTS

The key figures that were used for the general extrapolation are number of visitors, number of exhibitors and number of events. These figures are shown in table 3 .

Table 4: Key figures for extrapolation

	2008-2009	2012-2013	Evolution
Number of visitors	8.939.986	8.296.307	-7,2%
Number of exhibitors	42.272	38.848	-8,1%
Number of events	364	436	+19,8%

The quantified economic impact in 2012-2013 was 1.619.405.000 EURO. This impact is composed by the expenditures of visitors (18%), exhibitors (66%) and organizers (16%). As mentioned before, visitors' purchases of products and services inside the exhibition (excl. catering) are not included. Since every exhibition has its specific characteristic, like purchase- and information exhibition, an extrapolation including these purchases inside the exhibition would undermine the value of the results. The study revealed a decrease in absolute numbers of the total economic impact with almost 8% from 2008-2009 to 2012-2013. On the level of the participants we revealed a decrease for exhibitors (-12%) and organizers (-6,5%). Although the total number of visitors of expositions decreased, the total expenditures of these participants increased with 10%.

Table 5: Evolution economic impact 2012-2013 versus 2008-2009

	Evolution
Expenditures visitors	10%
Expenditures exhibitors	-12%
Expenditures organizers	-6,5%
Total Expenditures	-8,0%

For the interpretation of these figures, it has to be considered that the cumulated inflation rate in de period between 2008 and 2012 was 8,8% (FOD economie).

These results show that fewer visitors purchase more during an exhibition in 2012-2013. However, regarding the inflation rate the total amount of purchases remain more or less the same. Furthermore, there are less exhibitors participating in exhibitions in 2012-2013 and they also cut back on costs during an exhibition, mainly on temporary personnel and infrastructure. Finally, following the trend of exhibitors, organizers also diminish their expenditures predominantly at the level of temporary personnel and communication.

It can be assumed that the economic recession plays a role in this general decrease. Nevertheless, the venue industry, without incorporating the expenditure of visitors during the exhibitions, has a share of 0,3 % of the aggregated GDP Belux in 2012.

5 STUDENT PARTICIPATION

The cooperation with Febelux was taken as an opportunity to offer students the possibility to get valuable experience in executing a practical market research. In order to optimally benefit from this opportunity, the research was translated into assignments so that this project could be embedded into the Marketing curriculum as well as the participating students' study programs.

A selection procedure was applied which resulted in the appointment of two graduating students for the general project. The project replaced their internship (17 ECTS) during the second semester of academic year 2012-2013. During the field research, more than 20 extra second year students were engaged for collecting data. Although these students were not involved in the whole process, they were actively integrated in the data gathering. Their activities were embedded in an assignment for the course Market Research (5 ECTS).

The students visited a number of exhibitions (36 days of field research in total) in order to manage and execute the fieldwork. Furthermore, they presented the results in each venue and later the general results to the responsible professionals of Febelux. Obviously, the feedback given by these responsables, gave the students more insight in the market.

By executing desk research, field research, analysing data and reporting results, the selected students got a valuable professional and practical experience. During the project they were coached by experienced lecturers/researchers. The follow up and feedback sessions made it possible for students to conduct this kind of project and gain knowledge and insights during the project.

The constant interaction between students and coaching lecturers involves an intensive follow up of student's activities within the project. Consequently, an optimal evaluation was possible during the course of the project. The evaluation consisted of feedback of temporary meetings, the presentation in each venue and the final presentation for the members and board of direction of Febelux.

6 RESTRICTIONS OF THE STUDY

6.1 Sample

The study was the result of an cooperation between Febelux and Leuven University College. Since it was not obvious that every venue participated in this study, Febelux selected the venues that agreed to participate in this research. The same problem occurred at the level of exhibitions. Venues selected the exhibitions to participate. Nevertheless, a geographical spread and the weight of the venues were taken into account for the selection. At the level of exhibitions an ideal mix was aimed for as well.

6.2 Timing

Students' integration within the project had some consequences concerning the timing. The assignments for students needed to fit within the planning of their curriculum. The required flexibility in the executed market research can conflict with the curriculum of the students.

6.3 Conflict of interests

As mentioned before, the result of the study was used in negotiation with different stakeholders for instance cities and governments. Occasionally this resulted in a conflict of interest between Febelux who wanted to get an objective overview of the market and the different venues that wanted to use the results to lobbying with local governments. As a result, organisers and venues want their figures to be kept confidential.

6.4 Others

As mentioned above, each venue has a third category "others" including seminars, conferences, staff parties, etc. As this category has a small weight within the total economic impact and these events are very diverse, ranging from small staff parties to sport and music events, we opted for a different method in the calculation of this category. No specific research was done at the level of others. Therefore, data gathered in public exhibitions were used to calculate the expenditures of this category.

6.5 Purchases inside the exhibitions

Purchases during exhibitions or events could be calculated using the data gathered during the specific event. However, due to the different kinds of exhibitions, for instance exhibitions focused on sales and

exhibitions focused on information, it became rather difficult to extrapolate purchases inside the exhibitions (excl. catering) to the level of a venue. The diversity of all exhibitions is too complex to integrate in the study. Moreover, the study is based on actual purchases whereas buying intentions are not measured. Therefore purchases of visitors during exhibitions are excluded in the study.

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