

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Bachelor Thesis

**Economic Analysis of Selected Trade Fairs in the Czech
Republic**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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Economic Analysis of Selected Trade Fairs in the Czech Republic

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Evaluate fair trades in the Czech Republic using selected data.

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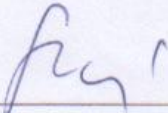
Visitor and exhibitor interaction at industrial trade fairs
PJ Rosson, FH Seringhaus - Journal of Business Research, 1995 - Elsevier
International trade fairs and foreign market involvement: Review and research directions
FH Seringhaus, PJ Rosson - International Business Review, 1994 - Elsevier
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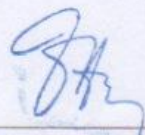
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Declaration

I declare that I have worked on my diploma thesis titled "Economic Analysis of Selected Trade Fairs in the Czech Republic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on

Tereza Melichárková

Acknowledgement

I would like to thank Ing. Petr Procházka, MSc, Ph.D. for his advice and help with this thesis. I would like to thank also my mother and brother who supported me and took care of me during my work on this thesis. And last but not least I thank to all respondents who provided me needed information.

Economic Analysis of Selected Trade Fairs in the Czech Republic

Ekonomická analýza vybraných veletrhů v ČR

Summary

This bachelor thesis is focused on the fair industry and factors that are connected with trade fairs. It tries to help to understand, why trade fairs and exhibitions are interesting and important for companies nowadays. This thesis consists of two parts. The theoretical part describes how the trade fairs look like and their division according to several factors. There is a view into the past, when fairs began to emerge, and even into modern time, how the fairs look like in the present. Practical part studies the organisation of a trade fair and how is the success of a company influenced by exhibiting at a trade fair. There is also done the analysis of one chosen trade fair and its comparison during three years.

Key Words

Trade Fair, Exhibition, Organisation, Visitors, Exhibitors, Media, Organisers

Souhrn

Tato bakalářská práce se zaměřuje na průmysl veletrhů a vše co s veletrhy souvisí. Snaží se nám pomoci pochopit, proč jsou veletrhy v této době pro firmy tak zajímavé a důležité. Tato práce se skládá ze dvou částí. Teoretická část popisuje jak veletrhy vypadají a jejich rozdělení podle několika různých faktorů. V této části je pohled do minulosti, kdy začaly veletrhy vznikat, a také do moderní doby, jak veletrhy vypadají dnes. Praktická část studuje organizaci veletrhu a to, jak je úspěch firmy ovlivněn vystavováním na veletrhu. Tato část také zahrnuje analýzu jednoho vybraného veletrhu a jeho porovnání průběhu tří let.

Klíčová slova

Veletrh, Výstava, Organizace, Návštěvníci, Vystavovatelé, Média, Organizátoři

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1. Introduction

The main goal of companies is to fill up the requirements of customers as much as possible. The daily confrontation with the competition is one of the biggest complications in meeting this goal. The company needs to present itself as the most attractive and effective solution for the customers. One of the way, how to introduce the company to the general public, is the representation at the trade fair or exhibition.

The organisers of the trade fairs have a fear from the current crisis. They are afraid of a loss of exhibitors accompanied by cuts of the budgets for the advertising and promotion. The author of this thesis is working at the company, which organises the conferences. Conference can be defined as a one-day or more days event, where is a large gathering of individuals or members of one or several organisations with the same interest in the same area discussed at the individual sessions of the conference. Conference can be also simply defined as a type of a trade fair, because in general both have the same goals. This is the reason why the author chose this topic. Due to author's job she can see that the fear of the organisers is justified. Sometimes it is really challenge to convince the exhibitors to present their companies at these kinds of events. In many cases it is also problem to allure the end-users to participate. The most common reason why exhibitors or visitors do not want to attend the event is that they do not have a time. But from my point of view if the conference or trade fair would be interesting and useful for them, they will come anyway. On the other hand at least for the exhibitors is very important the fact, that the fairs offer the presentation of very wide range of goods and companies from the same field at the same time and the same place. It means that this kind of advertisement can save much more money than some expensive marketing campaigns. [5]

Due to the development of the internet some experts predicted the decline of real fairs caused by the creation of virtual fairs. The founders of the virtual fairs mentioned that the biggest advantage is saving time and money compared with the participation on the real fair. Another important advantage is that the presentation of goods and services lasts all year and is accessible to interested persons from all over the world. However, many customers have a need to touch and see the goods on their own eyes, so the competition of the internet offer is not so strong.

Segment of trade fairs is such a strong part of marketing communication that it is

almost impossible to delete it from the part of promotion of companies. Fairs have deep history and nowadays are very important for the whole market. From the beginning I would like to say that the field of trade fairs and exhibitions combines and employs many people. It is mentally and physically demanding and each successfully organised event deserves the appreciation. [1]

2. Aims and Methodology

2.1. Aim

The aim of the bachelor thesis is to show how important and helpful could be events such as trade fair or exhibition. Thesis tries in the practical part to prove effect of trade fairs on the profits of companies exhibited on these shows. There are collected data of one company of the sales in each month and the goal is to show how the demand is connected with the participation on the fairs. Another aim is to show in detail how to organise successful trade fair in detail. The goal of the thesis is to describe each step by step from the idea to organise the trade fair to removal. The last aim of this thesis is the analysis of one chosen trade fair.

2.1. Methodology

In the theoretical part of the thesis is said the definition of trade fairs, brief history of trade fairs, how is the situation of trade fairs in the Czech Republic, how can be fairs divided, expenditures and goals of exhibitors, visitors and organisers and how the situation of trade fairs looks like nowadays. There are also described individual organisational associations that oversee the organisation of trade fairs and their smooth process.

In the first part of practical part there are done SWOT and PEST analysis. In the next part, there is interviewed one lady who had been working at the trade fairs in Brno Fairground for 12 years. She is asked, how many fairs in average are organised during one year and what are good and bad parts of the organising. The goal of this interview is a detailed instruction, how to organise successful trade fair. Next part of the practical part is focused on the company JURA Elektroapparate AG. This company produces and sells the Swiss coffee makers and exhibits at several many trade fairs. In this part will be shown the analysis how the participation at the fairs influences its sales and how long the effect lasts. On the graphs there is projected, how the number of sold coffee makers depends on the participation on the trade fairs. There is also correlation of the numbers of visitors at two trade fairs, where JURA exhibits, during three years and number of sold coffee makers during the months when are the fairs organised. There should be a visible dependence of these two values to prove, how fairs are important for companies. This bachelor thesis analyses one chosen trade fair For Decor and compares three years of this trade fair, its

attendance, number of exhibitors and profits from the exhibition area. There are several graphs that show differences between these three years and deeper describe comparison of profit on the sold exhibition area during these years.

3. Theoretical Part

3.1. Definition of Trade Fairs

Trade fairs are defined as economically focused events where the subjects of exposure are primarily real exhibits. Fairs are massive and usually regular trade event, where a large number of producers from different part of industry present their products to wholesalers, retailers, distributors and end-users. Trade fair is a place, where companies exhibit their new products and services in a specific industry area. We can find many attractive offers from the companies for the visitors, that should convince customers to choose just this company out of many others competitors. Many trade shows are not often open to the public, for organisers main goal is the participation of company's representatives and members of the press. However, nowadays the trend of the fairs is changing and public visitors are kindly welcome. Thousands trade fairs and exhibitions, that are organised every year are sponsored by trade association for specific industries. Some fairs have a world status, which means they can host the participants and visitors from all over the world. Trade fairs are popular nowadays because the average costs of making a face to face contact is about 44 percent of a personal sales visit. [6]

3.2. History of Trade Fairs

Trade fairs are based on the principle of exhibitions. Exhibition is a field, which has been creating during last years as a specialised activity, which is based on many professions. It has been developing according to development of science, technology and culture. First exhibition began to be implemented at the time of the first manufacturing and production. These exhibitions allowed piling up many products at one place, where the producers could meet potential customers. Over time, these places were moved from the squares of towns to the business crossroads, where the exhibitions took place primarily during Christian festivals and various social events. However, sellers did not have a lot of tools how to present their goods. One of the ways was loud calling and thus attracting the attention. These callers were the sellers themselves or hired owners of resonant voice. Other way is very similar to way how to present the goods at rural or urban markets in southern states nowadays. The art is in the arranging of goods to present it as attractive as possible. Last and very effective tool was the offer of business benefits, such as volume discount or a gift with the purchase. [7]

The development of exhibitions can be divided into four phases. First generation of exhibitions is dated in the period between 13th and 16th century. It is a primitive form of product demonstration and its effectiveness is limited by the space and time. The second generation of shows that lasted between 17th and 18th centuries is characterised by the development of society and science and the presentation of samples. During this period the society was discovering the natural phenomena and was improving the productive forces and tools, which helped to specialise in a certain range of the market. Third generation of trade fairs is characterised by accompanying program. This generation started by the first world exhibition organised in London in 1851. Organisers chose to open the exhibition in England, because there was the most visible impact of the industry revolution in 1848. This show was very successful and was presented more like an industry trade fair. The name was Crystal Palace Exhibition of the Works of Industry of all Nations and lasted from the 1st of May to the 11th of October 1851. There were more than 17,000 exhibitors from 28 countries who presented 32,612 exhibits. Exhibition area was larger than 74,000 square metres and organisers were satisfied with the participation of visitors, which was higher than 6 million people. Last generation of exhibition is characterised by exhibiting products, which include the highest level of scientific or technological applications. The rest of exhibits are replaced by the other forms, such as photographs, videos or the internet. [2]

Alex Cospers has different point of view on the history of trade fairs and he specialises in history of fairs in America which is interesting to note. He speaks deeply about the history of the third and fourth generation of trade shows. Cospers mentioned in his essay that fairs have their roots in Europe. In the 17th century in England there began to shape guilds, which trained apprentices in specific industries, to be able to sell the goods on the markets. In the 19th century the guilds were spreading across America and there were formed the basis of trade associations, which inevitably became the architects of trade shows. Cospers and Pavlů see the biggest change in fair industry in the Industrial Revolution in 1848 and coincide that the Crystal Palace Exhibition in London in 1851 started new era in this industry. First world trade show outside the European continent was organised in Philadelphia in 1876. The name was The Centennial International Exhibition and lasted from the 10th of May to the 10th of October. There were over 14 thousands of exhibitors, over 9 million visitors and the most interesting and important exhibits were Bell's telephone and Edison's telegram. In the beginning of 20th century there were only

about 100 trade associations in America. In the 1960s was important decade for trade fair and its development. Fairs started to be organised more often. Each industry had some annual trade shows, which help execute marketing strategies. All trade fairs started to show live demonstrations and it attracted thousands of visitors and media. The trade show industry is represented by the Centre for Exhibition Industry Research. [8]

Until 1960s the number of trade associations was stable, but then over a third of all associations were formed. There was a rapid expansion of associations representing existing industries and there were also founded new industries based on new technologies. This boom also led to organising more trade fairs. In 2004 there were over 80,000 trade associations and over 21 million people were attracted by trade shows. Among the biggest trade fairs organised in USA belong Consumer Electronic Show (CES) in Las Vegas, which hosts every year around 2,700 exhibitors and over 100,000 visitors, and International Auto Show in New York, which is visited by over 1 million attendees every in spring. [8]

3.3. Trade Shows in the Czech Republic

One of the cities with the oldest tradition in organisation of exhibitions and trade fairs is Brno. It was given in 1234, when Brno got the right to organise the Whit market. Later on, in 1291, the first Market of St. Wenceslas was organised in Brno was, which was then repeated every year. [1]

During the visit of Maria Theresa in Bohemian Kingdom on the 30th and 31st of August, 1754, there was purposefully prepared the event, which had started the new stage for the Czech exhibitions. This exhibition was organised under the name The Big Fair of Goods of the Czech Kingdom in Veltrusy and presented products from glass, textile, iron and paper industry. This event had a promotional undertone and supposed to show, what the Czechs are able to manufacture. The exhibition was very important for the further development of the actual sample fairs. [9]

Very important social and cultural event was The General Anniversary Exhibition, organised in 1891. On the occasion of this show, there was built Prague Exhibition Grounds and it became the biggest exhibition ground in Prague. The Industrial Palace was built in the same year and it is the dominating factor of the exhibition ground. Another important date in history of Czech exhibitions is the 26th of May, 1928, when was opened

the new exhibition ground in Brno. Since that time, there are many important trade fairs, which are organised regularly, some of them every year. [9]

3.4. Division of Trade Fairs

Dividing of exhibitions into groups is very usable for exhibitors. According to the intention of their exposure, they can choose which fair or exhibition is the best for them. Each type of the event has different effect for the company. From the business perspective exhibition are divided between commercial and non-commercial.

Commercial event is a presentation of goods and services. Companies and associations come to these events to sell the products or get the contract, or reach combination of these two goals. The character of non-commercial exhibition is mainly artistic or informational and lasts longer than commercial events.

Trade fairs are unambiguously classified as a commercial event type. This is the reason why the author is writing about the commercial events more deeply. There are more possibilities, how to divide events of this character. One of these options is division into 3 types. As it was mentioned above, the commercial exhibitions are organised for the purpose of sale. These events, so-called Sales Exhibitions, are based on the direct sales of products. At this type of show can be exposed those products whose price range is in the hundreds and thousands of crowns, because the purchase is bound to the handling of finances in cash. The most common visitors are the end-users and as the typical example can be used the Christmas markets. Second type is a Contracts Trade Fair. The goal of this event is to offer to the sellers and customers a matching place where could be the contracts signed. The products cost up to millions crowns. These events create the future and the character of the individual trades. Visitors of these fairs are mainly professional public, such as managers, executive directors, etc. Last type of exhibition events, the Combined Contracts-Sales Event, is a combination of the two previous mentioned types. The main part of the trade fair is situated to the biggest room, often in the middle of the exhibition, and the accompanying events with the additional goods are situated around the main part. [1]

Another possible division is explained by the geographical scope of the event. The Local Fair is intended only for the visitors from the certain location, such as town or part of the town. The Regional event is accessible for the visitors from the distance up 50

kilometres far away from the event. The National Trade Fair is focused on the presentation of the companies in the country where the fair is organised and the event is open mainly for the visitors from the same country. At the Continental Fairs are presented individual states and their products from the same continent. International Trade Fairs have the widest range of exhibitors and customers from all over the world. To get the status of the International Trade Fair, the fair must meet the following conditions, which are set according to the rules of UFI, The Global Association of the Exhibition Industry. Until 2004 a fair was considered an International Trade fair, where at least 20 percent of the area was occupied by the foreign exhibitors or 20 percent of exhibitors came from abroad, and 4 percent of the visitors were foreigners. According to new conditions since 2005 the International Trade Fair has to have at least 10% foreign exhibitors or 5% of foreign visitors. In the Czech Republic is every year organised around 15 percent of fairs with the international status. [2]

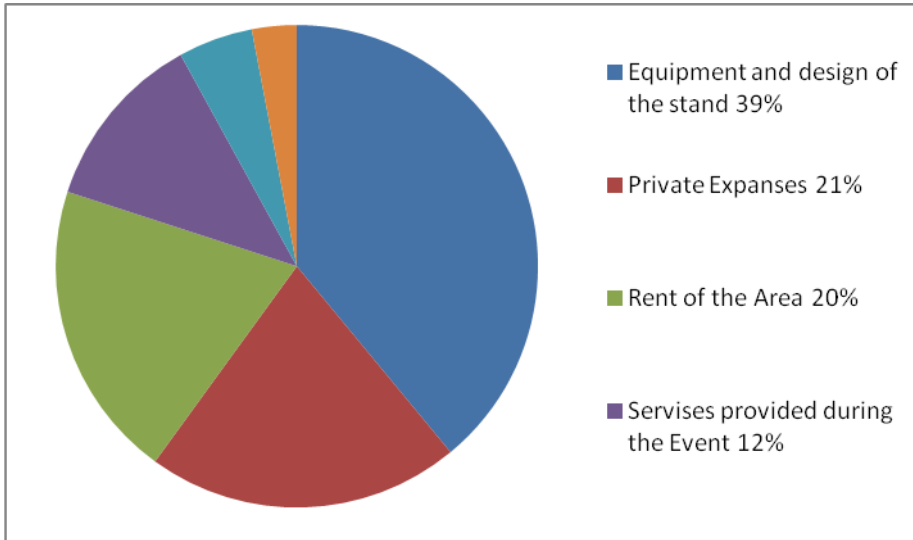
Last factor for the division of the trade fairs is a field classification. The General Trade Fair is a fair with the regular repetition, usually once a year. We can include under this group for example the Christmas markets. Multidisciplinary Fair is organised regularly once a year. At the same area under the same name is presented several individual projects. Single-subject Trade show is a specialised event focused on one topic. It is organised with a periodic regularity, but less often, usually once every two years. This kind of trade fair becomes more popular nowadays. The reason of the popularity is the chance for the companies to see exactly which spectrum of visitors at the event they can presume. [1]

3.5. Expenditures at the Trade Fairs

Expenditures of companies for Fair Trades and Exhibitions are included in the area of Marketing Communication. Every year, companies spend the most amounts of their expenditures for this department. The budget of companies is divided into different parts of the marketing communication and trade fairs regularly occupy the third position in this division. Unfortunately, in the Czech Republic we do not have very specific information about the segment of fairs. But we can say that with just little changes, companies spend every year about 7,5 billion Czech crowns. [10]

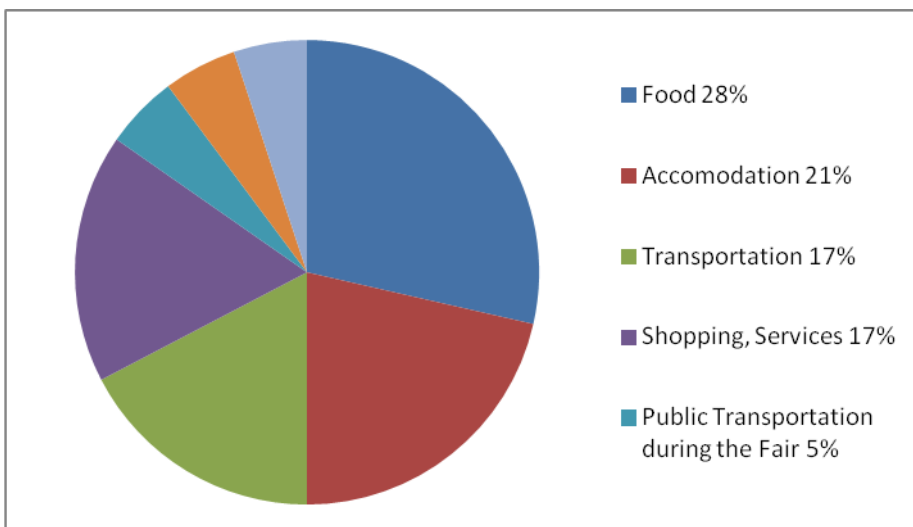
The largest cost represents the constructions of the stand and its equipment, about 40 percents of all expenses. Other factors of expenses are private expenditures and rent of the area of the exhibition ground. Each factor is about 20 percent of the budget for the

Trade Fair. Last 20 percent of expenses are divided into services provided during the event, advertisements, free time and transport of the exhibits. [4]



Graph 1: Expenditures of the Exhibitors, [1]

Visitors of the trade fairs spend the most money, almost 30 percent, for the food during the event. 21 percent is paid for the accommodation. For the shopping and services at the trade fair and transport to the city, where is the fair organised, is spent the same amount of money, which presents 17 percent. 5 percent is spent for the transportation during the event, 5 percent is used for the entrances and buying of catalogues and last 5 percent is used for the entertainment and free time. [1]

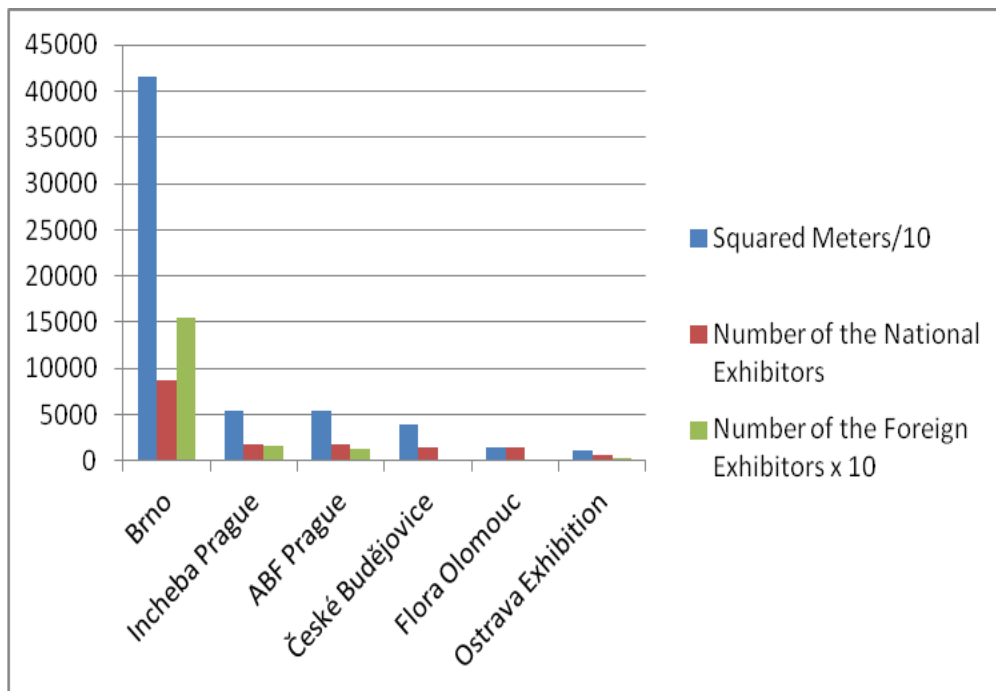


Graph 2: Expenditures of Visitors, [1]

3.6. Structure of Trade Fairs in the Czech Republic

The size of the area that is intended for the trade fairs and exhibitions in the Czech Republic is 658,414 square metres. The biggest are, as the author mentioned above, is in Brno, where is organised over 60% of all trade fairs in the Czech Republic. Brno Fairgrounds offer 196,600 square metres of exhibition space and their facilities, which were built in 1920s in functionalist style, belong to the most beautiful buildings in the Czech Republic. Next two biggest exhibition grounds are located in Prague. Other big areas used for the fairs and exhibitions are in České Budějovice, Litoměřice, Olomouc and Ostrava. [11]

On the graph below we can see that in 2003 Fairgrounds Brno had the biggest area and the highest number of national and international exhibitors. On the second place in the number of exhibitors and size of the exhibition area is the fairground Incheba Praha. Other important exhibition grounds we should mention are PVA Prague, České Budějovice Exhibition Grounds, Flora Olomouc and Ostrava Exhibition. [1]



Graph 3: Fairgrounds in the Czech Republic, [1]

3.7. The Goals

Everybody has to have a goal why to participate the trade fair. There has to be a

visible reason why to be part of the fair for everybody, such as organisers, exhibitors and visitors. One goal which is the same for all these participants is getting new contacts. The one of the main goal for organisers is to gain a profit. However, this goal is not so far the only goal. The management of the subject that organise the fair is mainly focused on the strategic goals. Under these strategic goals we include the prosperity of the company, the building of the market position in the widest possible territory, the gaining of recognition and attention between the VIP persons of economic life and media coverage. Business goal of the organisers, which presents the most important factor to indicate the profit, is size of the rented area. Other important facts are numbers of exhibitors, represented countries, accredited journalists and visitors and statistics that indicate satisfaction of visitors and exhibitors. [3]

Goals of exhibitors are often very different and vary according the nature of business and industry of the company. Anyway the most common goal is to strengthen the company's image, which can be achieved by construction of attractive exposure. The other goals are the demonstration of a complete supply of goods and services to the widest range of potential customers, the comparison and control of the offer and prices of competitors, presentation of the company to media and public by another form and sale of products or formulation of orders and contracts. [12]

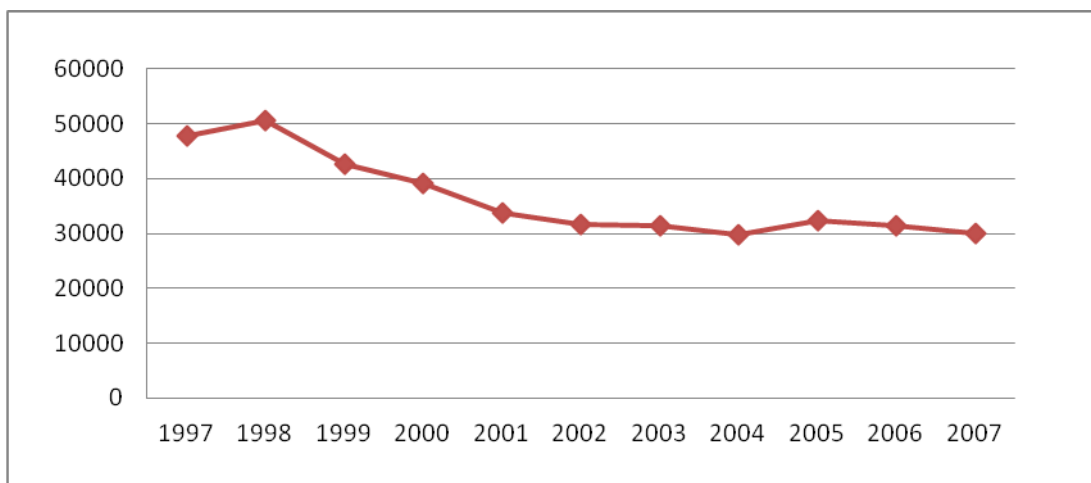
Visitors can be divided into two groups. First group is the professional public. The goals of this group are to get the overview and news of the market situation, to get the information about the prices of concrete products, to compare the offers of individual companies and to attendance professional conferences and accompanying events. Other important advantage is to meet colleagues and experts from the same field with who this group of visitors can start the business deals. Second group presents the general public and its goals are to gain new experiences and to have fun at the accompanying events. Visitors can often get many gifts and benefits and that is the another reason of the participation of general public. Other reasons are to get the complex overview of supply and prices of different products, to browse the latest news and to buy or to order individual goods. [3]

Media, which presents another group of participants, has the most similar goals with the professional public. Under this group are included journalists, reporters, editors and specialists. The goals of media are the personal meetings with representatives of

marketing in order to arrange a co-operation and advertising, the participation in press conferences and the possibility to contact VIP. [1]

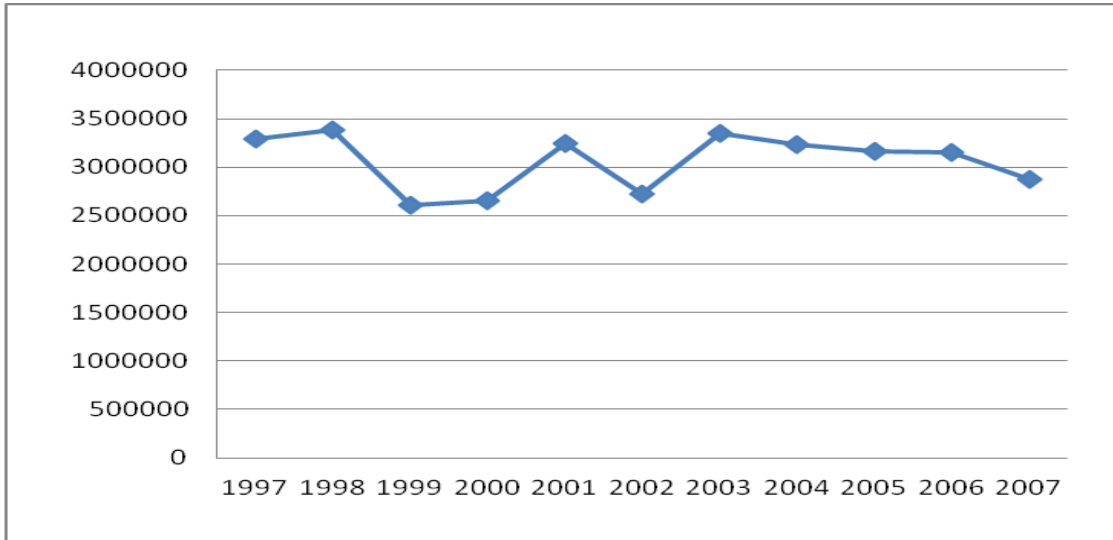
3.8. Development of Trade Fairs in Numbers

This part of thesis shows how numbers of exhibitors and visitors and size of exhibition areas had been changed over one decade between 1997 and 2007. The highest number of direct exhibitors per year was in 2000, when 50, 677 exhibitors participated at any trade fair held in the Czech Republic. Then we can see the steady decline of the participation of the exhibitors which may be caused by linking firms into larger companies that is a phenomenon of our time. From 1997 to 1999 there was a big boom of trade fairs. During this time firms wanted to exhibit at many fairs to captivate all potential clients. After 1999 there was less need to participate fairs and this is another reason for the decrease of number of the exhibitors.



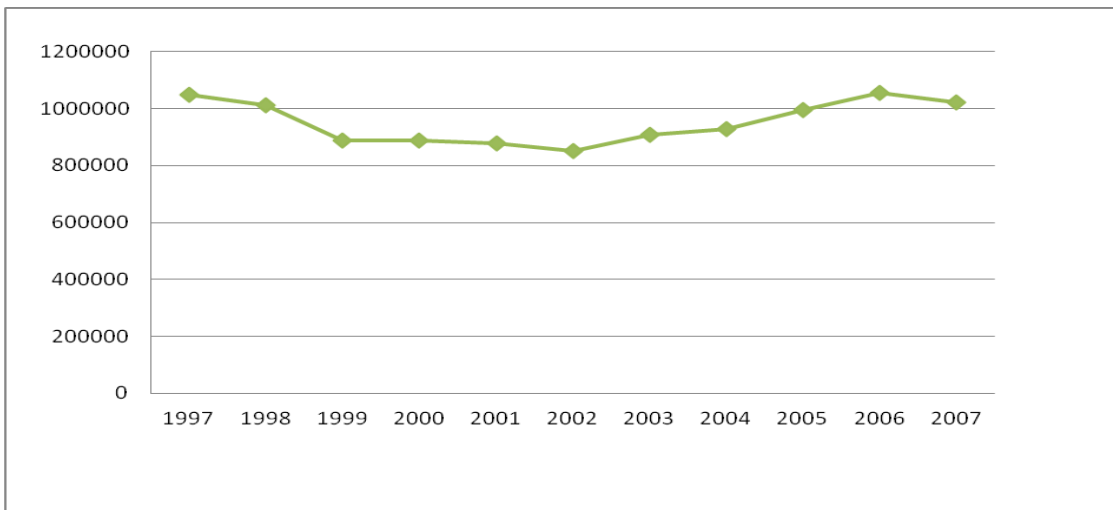
Graph 4: Number of Direct Exhibitors, [21]

The numbers of visitors on the trade fairs are during these ten years more or less similar. The most people visited fairs in 1998 and the least visitors attended fairs very next year 1999. Slight downward trend may be explained by the influence of the internet that informs potential clients by easier way using their computers at home, compared with the real visiting trade fairs. Another reason for changes in the following graph can be a change in the behaviour of consumers in spending their free time differently than before. This may be a motivation for the organisers of fairs, how to attract the ordinary visitors by the preparation of the interesting accompanying events.



Graph 5: Number of Visitors, [21]

In the years 1997 and 1998 the size of the exhibition area reached over 1 million square meters. The following years we can see on the following graph decrease of the size till 2002. Then the size of the area is rising up and in 2006 and 2007 the amount of square meters is over 1 million again.



Graph 6: Exhibition Space in Square Metres, [21]

All three graphs show us, that the most successful years for trade fairs were 1997 and 1998, when was a big boom of fairs in the Czech Republic. Nowadays, the number of visitors and exhibitors is decreasing. This may be influenced by the progress of the internet and the economic crisis has to be mentioned as well.

3.9. Trade Fairs in a Present

Czech economy has been increasing since the Czech Republic became a member of the European Union in 2004. Czech exhibition market accepted many foreign exhibitors and visitors. Despite the crisis, managers of the companies realised, how important part of the marketing mix the trade fairs are. The costs of firm to exhibit on the fairs present one fifth of all costs of the marketing activity. In average, companies spend 3 million euro per year for the participation on the trade fairs.

As it is mentioned above, the Internet plays an important role in the field of trade fairs. With the development of technologies e-fairs started to exist. In the Czech Republic, companies can use to exhibit online servers such as <http://veletrh.info> or <http://www.e-veletrh.cz>. E-fair is a virtual form of the regular fair. One of the advantages of the virtual trade fair is the immediate update of the catalogues presented on the web pages of the e-fair. Another big advantage is the speed of the offer. Very important factor for firms is the cheap price of exhibiting on the Internet. On the other hand there are also some disadvantages too. The biggest problem for consumers is that they cannot see and touch the goods. Many people still do not believe in internet and prefer to deal face to face. Exhibitors cannot talk to potential customers and convince them, why their product is the best on the market. The personal approach is very important at selling the goods. However, this fact helped to develop the stone fair. Organisers of fairs were scared of the influence of the Internet but over time they saw that they do not have so much to worry about. The fact remains that the competition of the Internet has a positive effect on improving the service of live fairs. Organisers increase their communication role of events, invest more into marketing and create better conditions for visitors and exhibitors. Virtual fairs are not popular yet and many experts do not consider them as fairs. The main disadvantage is to work with one-way information. [2]

Firms came up on the market with new approach of the presentation. We call this new style "one man show" and it means that individual firms organise their own exhibitions, congresses and conferences. These firms also create database of their regular and potential customers, who are invited to attend these events. The exhibitions are often located in the production halls or showrooms or companies organise galas in the attractive surroundings of historical buildings. Although, costs of these events are much higher than

participation at some trade fair, there are few disadvantages. Firms cannot see what their competitor's offer is and it is hard to gain new customers which are not included in their database. Another problem for visitors is the impossibility of choice. Important for these events is approach face to face. This trend became popular in the area of consumer electronics and technology for home. This caused that it is almost impossible to visit a common fair with this topic. Czech exhibition market is stabilised in a present, there are no big changes in the organisation and the content of the events is stable too. We have two main groups of trade fairs. First group is called B2B and the main goal of these fairs is the business relationship between two companies. Second group B2C is based on the relationship between the company and the end user. [2]

3.10. Organisations Operating in the Field of Exhibitions

Organisers of trade fairs are aware that trade fairs have to organise them according to some rules to satisfy their goals. Czech market with the real purchasing power for 10 million inhabitants has just some purchasing power in the area of exhibitions and fairs. There is a need to organise just the amount of trade fairs, that each fair will gain appropriate number of exhibitors, that the prices for services will be available for exhibitors and as well for visitors and that there will be satisfying number of visitors. These rules bring the law that exhibition institution cannot come to the market with arbitrary number of new events. The fair can be organised only if there is an interest to participate this event of exhibitors and visitors big enough to achieve the economic goal of organisers. In this segment there is big competition, which eliminates weak events. During the boom of trade fairs in the middle of 90s last century, there were some entrepreneurs who thought they can organise the fair without any bigger institution, just because they had the possibilities to build some expositions. These events lasted only few years because the competition was stronger. These unsuccessful fairs led to a gradual monopoly in this sector. There were established several companies which were taking care of the organisation and conduct of competition capable trade fairs, such as SOVA, PVVS, ČVVS and SOVA ČR. These organisers were able to cooperate according the basic rules for organisation of the fair trades, but always tried to assert their own needs at the highest possible profit for themselves. This caused that on the field of Czech fair industry are nowadays operating two entities whose activities whose activities overlap or complement each other. All rights for organisation of trade fairs belong under one company SOVA ČR which is responsible

for balance and equilibrium of fairs organised in the Czech Republic. The second entity is AVF ČR, which deals with the design and implementation of trade fairs and exhibition stands and expositions. Another important agency in the trade fair area is AMASIA EXPO which is in charge of research on the effectiveness of trade fairs and exhibitions. [2]

SOVA ČR

SOVA ČR is a Czech shortcut for the Community of Exhibition organisers of the Czech Republic. This agency is the only one professional community of Czech trade fair industry, which is acting around the whole Czech Republic. SOVA ČR associate all exhibition areas and companies that organise exhibition and trade fairs at home and even abroad, and other entities that are involved in these specific services. This association was founded on the 13th of December 2001 by merger of several professional associations which are mentioned above. This unification achieved the requirement of the European Union to combine all individual companies under one leading agency. SOVA ČR is a member of the Economic Chamber of the Czech Republic. Since 2006 is also the guarantor of the competition for the most attractive nationwide exposure AURA. The main objective of SOVA ČR is the formation and integration of the Czech fair industry in relation to the international market. It seeks to improve the quality and professionally of Czech exhibition area to be competitive with the foreign and international events. Therefore it supports all individual entities of the Czech trade fair area. SOVA ČR also ensures compliance with all international standards and protects the economic interest of the organisers of trade fairs and exhibition in the Czech Republic. The supreme body of professional community is the General Assembly, which takes place at least once a year. The General Assembly is elected every two years and consists of chairman, five-member Bureau community and three-member Supervisory board community. The present chairman is PhDr. Jan Novotný. [13]

AVF ČR

The shortcut of AVF ČR presents the Association of Exhibition Companies of the Czech Republic. AVF was created in 1994 as a professional, voluntary and open association of members involved in the area of creation and construction of trade fairs and exhibition stands. It is a member of the international association of exhibition companies IFES, which combine firms and national associations. The president of AVF ČR is Ing. Jiří Carda. Two main goals of AVF are a support of activities that help the further development

of trade fairs and exhibitions and cooperation with entities that organise fairs and exhibitions, collaboration with specialist press and media, authorities, institutions and associations that participate on the organisation of fairs and exhibitions.

This association also focuses on promoting the necessary professional and ethical level of activities of its member entities active in the area of fairs. AVF is also responsible for counselling and legal assistance and its special services include the organisation of lectures, discussions and information actions, inclusive of publications. [14]

IFES

IFES, the International Federation of Exhibition and Event Services, was founded in 1984 and helps its member to provide better services. In the exhibition area there are many changes over time and IFES tries to inform all members about these changes and helps them to face these challenges and acquire new business. This federation is located in Brussels and combine together national associations from 14 countries, such as Austria, Brazil, the Czech Republic, Denmark, France, Germany, Greece, Italy, Mexico, Netherlands, Portugal, Switzerland, UK and USA. The aim of the association is creating a network of quality suppliers of the exhibition services. IFES also provide all necessary information about the member countries needed for clients who go to exhibit abroad. The Federation organises international conferences and congresses focused on trade fairs and exhibitions. [15]

UFI

Union des Foires Internationales, UFI, is The Global Association of the Exhibition Industry. UFI was founded on the 15th of April, 1925 in Milano in Italy by 20 leading European international trade fairs. Members of UFI are organisations, such as companies, associations and federations rather than individuals. UFI divides members into two categories. First category is Full Members and there are included individual or multinational organisers of international trade fairs and exhibitions, organisers of national trade fairs and exhibitions, owners or managers of exhibition centres, associations gathering exhibition organisers and organisations for the control of trade fair and exhibition statistics and for exhibition industry research. This category has 620 members who are allowed to use the UFI logo as a label of quality. Into the second category with 46 Associate Members belong international associations of service providers for the trade fair

exhibition industry and partners of the exhibition industry. The main goal of UFI is to represent, promote and support its members and the exhibition industry worldwide. UFI efficiently achieves its goals by playing an important role as the networking platform where professionals of the exhibition industry can exchange experiences and ideas and by promoting of trade fairs and exhibitions worldwide as a unique marketing and communication tools. UFI provides valuable studies and researches regarding all aspects of the exhibition industry to all members of UFI and offers educational training opportunities and professional seminars. UFI tries also to find the common interest for its members thanks to regular meetings with them. [16]

4. Practical Part

4.1. SWOT and PEST Analysis

4.1.1 SWOT Analysis

SWOT analysis is a method, which can help organisers evaluate the functioning of the trade fair. This thesis mentions SWOT, because it is important part of the analysis of any project.

Strengths

One of the greatest strength of trade fairs is multifunctionality. It means that fair appeals to all the senses of the visitor. Other strengths are lucidity of exhibited products and direct communication. Trade shows bring innovations and novelties and support new ideas and technologies. Trade fairs and exhibitions help to create and strengthen the relationship between end-users and producers, contribute the sales and support the market. Fairs have the ability to provide complex services and solutions to all customers such as exhibitors and visitors and offer the knowledge about the relevant market in detail. Importance of multimedia role of fairs should not be forgotten. Media help to promote trade show and attract potential visitors and exhibitors outside of the event. Another role of media is visible directly on the event, when the exhibitors offer their promotional products and promotional items to promote their own company. [4]

Weaknesses

Among the greatest weaknesses belong financial and time demandingness of the preparation, realisation, organisation and disposal of the trade fair. Trade shows are planned long time before the realisation. It can cause that some information actual at the time of planning are changed and different at the time of the event. Another problem is that trade fair is not organised just by one person. It means that the realisation can be different than the ideas of the main organiser or client, who hires these organisers. Other weakness is many fairs with similar topic organised at the same time horizon. It is very hard to convince exhibitors and visitors to participate a given fair, because the competition is strong. The consequence of globalisation trends is that there is a greater concentration of producers under one bigger company and it leads to reduction of numbers of the exhibitors. A couple more weaknesses that should be mentioned are complicated detection of the

efficiency and demonstration of the return on investment. [4]

Opportunities

Big opportunity of trade fairs is the filling up of specific informational and commercial needs of exhibitors and visitors. There are the opportunities of meeting new customers and sellers and creating new business relationships. Trade shows are cultural events, which can enrich the knowledge of visitors and exhibitors. At these events people get the newest information about the products on which the fair is focused and they can enjoy their free time at accompanying programs. Trade fairs are tools that support the sales and remind the label. Fairs are the place, where it is possible to get the contracts and to develop the relationships with other companies and suppliers. Exhibiting companies are inspired by the competition and try to come on the market with new technologies. All these opportunities are possible to be used in relatively short time at one place. [4]

Threats

The organising of trade fairs can include many threats and organisers should try to avoid these threats as much as possible. Unfortunately many of these threats are affected by much larger and global factors and organisers often do not know how to solve these problems. One of the biggest threats is a global crisis. For example in 2008 there was visible decrease of sale of the exhibiting area. Companies did not want to put money into the promotion, because the budget of firms was too low and they had to invest money just to survive. Another threat is further development of business networks. Many new products did not have to wait to be presented on the trade show, but they came up on the market much before. Significant external factor, which can influence the participation at the fair, is political instability, cataclysm, terrorist actions and wars. Another global threat is a global epidemic. People are afraid to be at crowded places with a large number of people, because at these places the diseases spread very fast. Some of the trade shows are often cancelled or the costs increase because there must be a preventive health measures. [4]

4.1.2. PEST Analysis

Another important analysis is PEST analysis which includes political, economic, social and technological factors.

Political (and legal) Factors

Trade Fairs are often organised in countries with the political stability. When the country is not stable, all business activities are focused on different way of business. The political commotion affects the success of the fair. When the country is stable trade fairs can help to raise the tax policy. Every organised trade fair has to be approved by state organisation such as SOVA ČR. Without the support of this organisation fair cannot take place.

Economic Factors

A fair is an event with many people and many sold goods. Every sold thing includes taxes that go to exchequer. A trade fair is organised for the purpose of selling goods and therefore this events are very beneficial for the state. The economy of the city where is the trade fair placed also increase, because the fair brings many tourists who spend their money for the accommodation and other services.

Social Factors

Trade fairs are also known as social events. These events are specific, because very high number of people meets at one place during just few days. Fairs are also regarded as cultural events where is combined shopping, meeting new people, educating and creating new relationships. There is a trend of organising international fairs. The goal is to interconnect different cultures, languages and lifestyle and exchange different experiences from different regional and geographical areas.

Technological Factors

These factors are connected with development of technologies that are sometimes presented on the fairs. New technologies are used for representing individual companies participating at the trade fair. Due to technologies it is possible to distribute the internet throughout the area and offers the companies easy connection how to stay online. As is said in the part about history of trade fairs, they could survive even without the technologies, but the organisation is due to new technologies much easier.

4.2. Interview with Natalie Lasáková Raeva

Natalie Lasáková Raeva was working as a Manager of PR a advertisement at Veletrhy Brno, a.s. for 12 years. She actively participated at the organisation of 13 trade

fairs from the beginning till the end and in average she co-organised 5 fairs per year. Nowadays, Natalie works as a Manager of PR and advertisement in publishing Lesnická práce s.r.o., but she misses the previous work, because she enjoyed working in the trade fairs area. The most at her job she liked the freedom, creativity and constant searching for new forms of creation. Natalie also liked to work with people. She enjoyed recruitment trips to domestic and foreign fairs and travelling. On the other hand there were also some tough moments which made the work more complicated. At this business it is hard to convince management to change some procedures, which could improve the propagation. Sometimes there are unnecessary outsourcing activities that lead to increased costs of projects. Natalie Lasáková Raeva helps in this thesis to introduce, how the organisation of trade fair looks like. [23]

4.2.1. Preparation and organisation of trade fairs and exhibitions

Trade fairs and exhibitions can be considered as any other projects, which require care, concentration, time, attention and enthusiasm. The organisation of fairs includes many steps and to achieve the goal of successful fair every single step needs to be worked out thoroughly. First of all there has to be an idea, how the trade show should look like.

There has to be right timing of work and right division of work between individual departments of employees, because compliance with the terms in cases of these events is absolutely necessary. For this coordination of employees and division of individual tasks is responsible manager of the event. On the position of the manager should be a person, who is able to handle stressful situations and who has a rational and efficient thinking. The organisation of trade fair is always a team effort. The size of team depends on the scope of project, but it is approximately 4-8 people. [23]

4.2.1.1. First step – Idea

If someone decides to organise the trade fair, first of all he should have some imagination, how the fair should look like. He has to consider the topic of the trade fair, how big the fair should be, when the trade show should be organised, where the exhibitions should be placed and which kind of customers should be the target group. The potential of the field, marketing and market research are also an integral part of the preparation. When the organiser answers all these questions and his imagination is clear, he can start with the market research. Every new event needs to be competitive to other events. The most

important thing is the participation of leaders from the same area as the topic of the event. It is necessary to contact and to convince to participate at least three leading companies. This will guarantee popularity and interest of the competitors. Sources of these contacts are available in the database of domestic and foreign fairs, register of companies, journals, internet, etc. If there is no idea for own event, there is the possibility of purchase of license for organising of trade fair. The purchase of license presents a form of franchising which provides certain know-how for organising individual events. The purchase is not easy, because the provider puts great claims on the buyer or tenant to maintain a certain level of fair. [23]

4.2.1.2. Second step - Concept

Part of the preparation process of the trade show is the creation of concept of the event, which can be used as a model for further steps. On the basement of this concept the organiser can start to compile marketing and financial plan, appoint an implementation team, contact potential exhibitors by direct mail and telemarketing and start to advertise in technical and electronic media. There is a need to present a project, set the project schedule and project budget. Organisers of fairs may also personally visit companies and introduce them the reasons, why they should exhibit at the fair and there is the recommendation of the acquisition at related trade fairs at home or abroad.

An important step is the selection of suitable name and logo of the event. On the task of style of logo is working a team of graphic designers. It is very important to design simple, but interesting and special logo, because this logo will be seen on every single promotional material, in television, in magazines, on banners, on billboards, etc. Name and logo accompany the whole trade fair and gradually become its trademark. One of the most difficult task is to estimate the size of the trade fair. Organisers have to think carefully how many square meters they want to rent from the Fair Administration of the Fairgrounds to have enough space for all exhibitors. But equally they should not have any unoccupied space, because it is unnecessary and unused investment. They have to estimate also the number of all participants to rent sufficient amount of social facilities. If the organisers want to rent the fairground they have to set exact time when the space will be needed. The date of the event should be said at least 1 year in advance, but trade shows that are organised every year know the date more forward. Of course it is better to have more time

for preparation and reservation of the space at fairground, because there is the possibility that the exhibition area could be occupied. Fairgrounds are rented for 7-14 days, which include assembly, continuance of the event and removal.

Another part of concept is the description of fair and its nomenclature. Nomenclature of the trade fair should be very similar to the main interest of the fair. Nomenclature describes what is possible to see or buy at the fair and it should correspond to the topic on which the fair is focused. [23]

4.2.1.3. Third step – Financial plan

Important question at organisation of fairs is a financial plan. This plan has to include all costs of rent of the area, services connected with organising, accompanying program and promotional costs. This plan should also estimate the profit and all actions should be directed towards achieving this profit. The greatest gains of organisers are from sold space. The price of one square metre is between 1700 and 3900 crowns of the space inside. The space outside is cheaper and the price starts on 700 Czech crowns per a square metre. The price depends on how much forward companies buy the area and how big the area is.

Another profit of organisers comes from provided services. These services are construction of stands, rent furniture, water connection and electricity, all advertising in the complex, such as radio at the area, billboards and trailers, parking area and hiring of food stalls. Last but not least income is from the admission of visitors. If the fair offers interesting accompanying program the admission can be higher. The price has to be still attractive for visitors and they should get good feeling that they spent their money on a good event. [23]

4.2.1.4 Fourth step - Trade Fair

Before the beginning of trade fair, organisers get detailed plan of placement of stands. They construct the stands exactly according to this plan and follow the sizes of each stand. They also build the background for the entire work team and provide water supply, electricity and telephone lines. On the first day of the fair is held the opening ceremony, at which all exhibitors are welcomed. The exhibitors receive all needed materials such as contact list on the strike team, leaflets with the services provided during the fair, invitations

for accompanying programs and other promotional materials. The second day of the fair the organisers usually hold a social evening for exhibitors. This evening includes rich entertainment and the awards ceremony, for example, for the best exhibit. During the trade fair is done many surveys among visitors and exhibitors, which helps to improve the quality of the fair for next years. Dismantling begins in the evening of the last day. The whole complex should be empty before the next day in order that organisers do not want to pay the rent of one more day. When the trade fair is over, organisers have to publish a preliminary final report, where are stated statistics of exhibitors and visitors, including their responses, processed surveys conducted among exhibitors and visitors by an independent agency and assessment of economy of the fair. Next issue is the definitive treatment of the final report and its distribution to exhibitors and media. These data are often crucial for further participation at the fair. [23]

4.3. Company Jura

This thesis analyses sales of coffee machines of the company JURA. On individual graphs, there will be shown if and how the participation on the trade fairs influences profit of this company.

The company JURA Elektroapparate AG was founded in 1931 in Switzerland as the manufacturer of luxury household appliances. In the middle of 80s JURA became a developer of coffee machines for households and nowadays is specialised in professional coffee machines for offices and catering businesses. The main facilities of this company are located in Swiss Niederbuchsiten. JURA has offices with its own sales organisations in Austria, Germany, Great Britain, Netherlands, Spain, Sweden, Australia, USA and south-east Asia and became on the market a very strong competitor in the area of this equipment. In many countries, include the Czech Republic; JURA is on the market in cooperation with local distributors. JURA Elektroapparate AG is in the Czech Republic represented by company Petraco s.r.o. This company has been the official distributor of JURA coffee machines since 2005. The history of JURA Company started in 1931 in spite of the The Great Depression. Young man Leo Henzirohs was thinking, how to make the life easier and came up with the idea of the manufacturing of the whole range of electrical household equipment. The first coffee machine produces by JURA was manufactured in 1937 and featured a modern addition to the flat. Another model came in the end of the World War II

in 1944 and was inspired by the previous coffee machine. In 1968 was designed first mocca machine and in 1977 was presented first bigger espresso machine from this company. Both designs were very modern and elegant. In 1980s the Leo Henzirohs died, JURA expanded to Germany and started to be focused mainly on irons and professional coffee machines. First fully automatic espresso machine was made in 1986 and it was the first coffee maker which needed to press only one button to prepare the coffee. Since 1990s the manufacture of JURA is specialised only on coffee makers and plays very important role on the market with coffee equipment. [22]

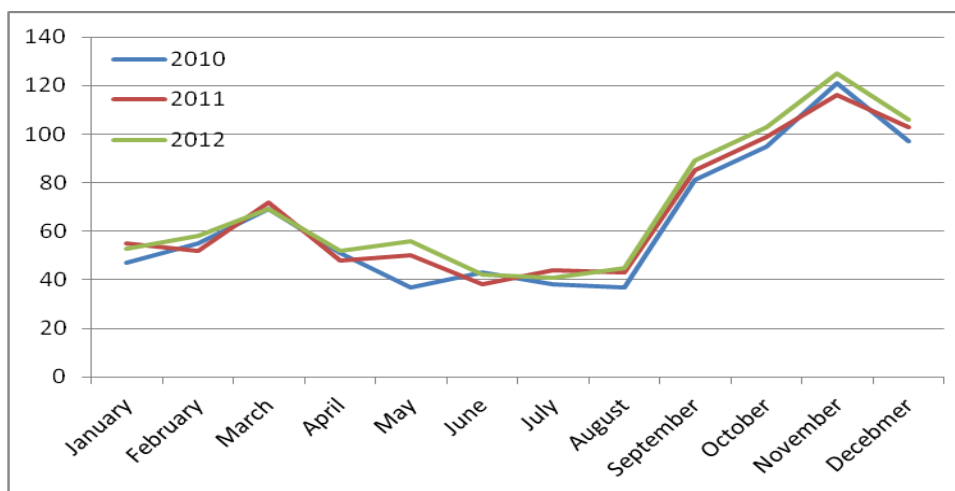
4.3.1. JURA at Trade Fairs

Petraco s.r.o., the distributor of JURA coffee makers, participates trade fairs as an exhibitor twice a year. Petraco exhibits in Prague, because there is the firm domicile. Another criterion by which the firm chooses the participation at fair is nomenclature of the fair with regard to their customers. Petraco prefers to exhibit in Letňany at PVA Expo Praha, because there is an easier communication with the organisers. First fair is organised in March and the name is For Office. Second fair is For Decor and is organised in October. Stand of Petraco is always about 50 square meters large and the dominating factor in the middle of the stand is big and the most expensive coffee machine, which JURA presents and which should prepare the best coffee. This coffee maker costs 159 990 Czech crowns and is sold as a coffee maker for companies. The stand is divided into two parts. One part is used for the presentation of different types of coffee machines and in the second part there is a place, where customers can sit and enjoy the coffee. On the tables there are available prospectuses with the whole offer of JURA Company. Other promotional products that customers and visitors can get are pens, key cases and for regular customers or new customers who make a deal are prepared cups and saucers. The costs of stand are between 75 000 crowns per a trade fair. This price is the lowest possible price, because the company JURA sends the serious application always a half a year before the fair. [22]

4.3.2. Monthly sales of JURA

As is mentioned above, JURA Company exhibits at two fairs, one in March and second in October. On the graph below we can see that sales of coffee makers are very similar in last three years. The highest sales are in November. In 2010 was sold 121 coffee machines, in 2011 was sold 116 machines and in 2012 was sold 125 machines. These

numbers can be caused by the participation on the trade fair For Decor in October, but also there is possible influence of coming Christmas. March is the most successful month in sales of the first half of year. This is probably caused by the participation at the trade fair For Office, but the influence of the fair is not visible in the next months. This refutes the theory of the effect on income of the company at least one following month after the fair. The lowest sales of coffee makers are in summer months. Many people spend summer abroad on holidays. They have to save money for these vacations and it can cause that they do not spend money for other things such as coffee makers. Companies are in the similar situation. They buy accessories for equipment of companies when the new school year comes, not during the summer. In September number of sold coffee machines increases and October and December are next two most successful months. [22]

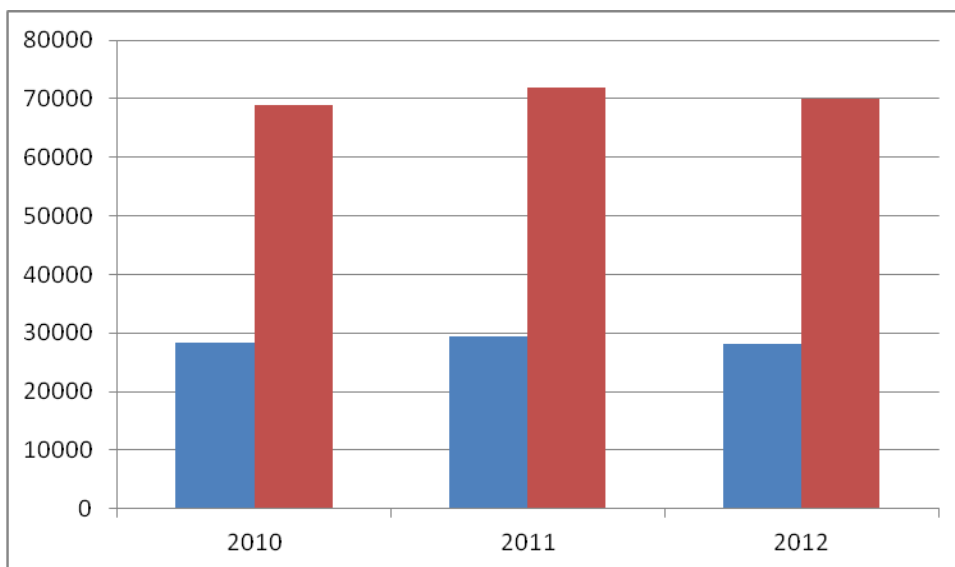


Graph 7: Sales of Coffee Makers, [22]

4.3.3. Correlation of Visitors and Sold Coffee Makers

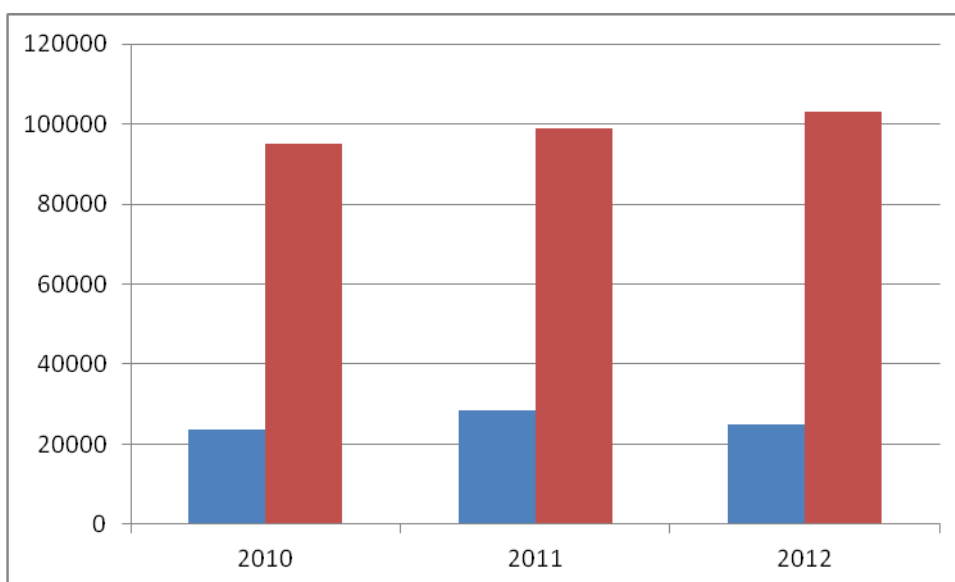
This thesis tries to determine the dependence of number of sold coffee makers on the basis of number of visitors at the fairs. Company JURA exhibits at trade fairs For Office and For Decor. Both these fairs are organised only three years so this research doesn't have enough data to prove the influence. Anyway, here is shown at least the influence during these three years.

The first graph is focused of the fair For Office organised in March. In the year 2011 we can clearly see the increase of visitors. The fair visited 29 350 and it probably caused the increase of sold coffee makers during this month up to 72 pieces



Graph 8: Number of Visitors and Number of Sold Coffee Makers x 1000; For Office, [18], [22]

In the second graph the influence of number of visitors doesn't affect the sales of coffee makers so visibly. The number of sold coffee makers is increasing every year, but the number of visitors is the highest in 2011



Graph 9: Number of Visitors and Number of Sold Coffee Makers x 1000; For Decor, [19], [22]

In this part is done the correlation analysis of the relationship between number of visitors at selected trade fairs and number of sold coffee makers of JURA Company in the months when the trade fairs were organised. The correlation coefficient is calculated

separately for fairs For Office and For Decor. The null hypothesis is the absence of a linear relationship between the given variables. Due to the small number of observations (n=3 for both fairs) it is impossible to get the desired results and the analysis is more or less just an example of a possible approach of testing our chosen hypothesis.

Trade Fair	Correlation coefficient	t – value	p- value
For Office	0.8765	1.1821	0.3197
For Decor	0.2410	0.2483	0.8451

The high p-values show that the null hypothesis at traditionally chosen significance levels 10 %, 5 % and 1 % was rejected. Values of correlation coefficient and p-values are given in the Table 1. The correlation coefficient for March ($p= 0.8765$) suggests the possible existence of strong positive linear dependence. The correlation coefficient for October is also positive but lower ($\rho = 0.2410$). To obtain conclusive findings would be necessary to obtain further observations. A suitable extension of the analysis would be a linear regression with explanatory variables such as GDP growth and wage growth. This would allow us to purify from the influence of the economic cycle and other variables on the sales of coffee makers.

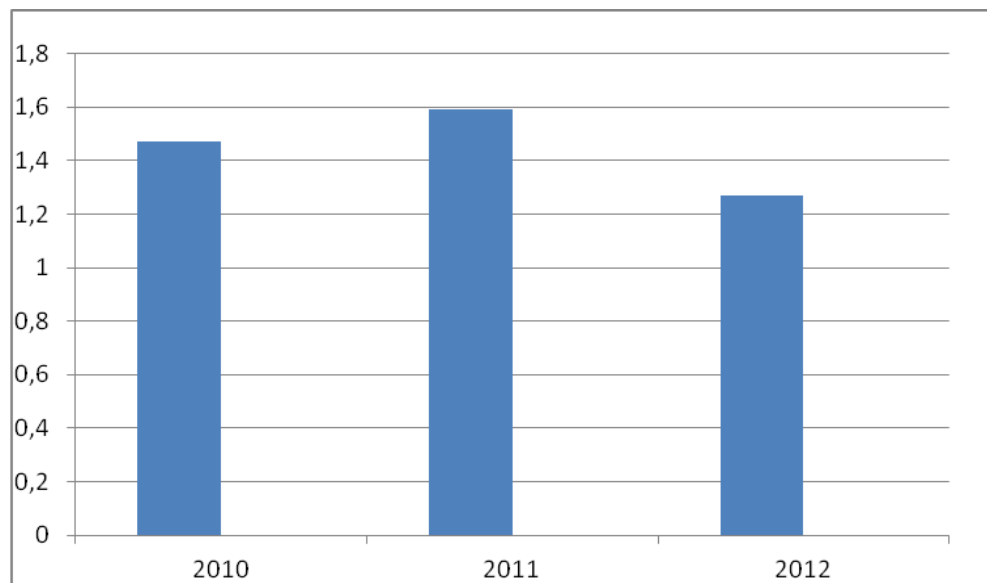
4.4. Economic Analysis of Trade Fair For Decor

The trade fair For Decor is part of four fairs organised in one place at the same time. These fairs are organised in autumn and other parts are For Interior, For Gastro and Hotel and For Present. For Decor is specialised, contracting and selling trade fair focused on the professional and general public. The aim is to introduce innovations and trends in decoration, glass, dining, home accessories and textiles. There is the thematic relation with other concurrent fairs and extensive media campaign. Advantages of this trade fair are term suitable for Christmas contracts, high number of visitors, possibility of direct sales and targeted invitation of business partners. Fair takes place in Prague, close to public transport in the area of PVA Letňany. Advantages of this trade fair are term suitable for Christmas contracts, high number of visitors, possibility of direct sales and targeted invitation of business partners. Fair takes place in Prague, close to public transport in the area of PVA

Letňany. For Decor has been organising for three years and this thesis analyses these three years in detail. Every year this fair lasts four days in the beginning of October and takes place at PVA Expo Letňany. Only this year the fair will be organised in the end of September. [19]

4.4.1. Number of Visitor per One Square Metre

If we want to analyse the fair For Decor we have to look at the whole fair-fairs of For Interior, For Gastro and Hotel and For Present. As is mentioned in the introduction of this fair, one of its biggest advantage for exhibitors is really high number of visitors. Every year into the fairground come during these days of the fair around 25,000 visitors. Organisers can be satisfied with this number compared with the strong competition. Below is stated in the graph number of visitors at one square metre in every year. There is compared the total exhibition area which is more clear than only the net exhibition area. In 2010 the number of visitors and size of the exhibition area were the lowest. There was one and half person per one square metre. The lowest number of persons at one square meter was in 2012, when the size of the exhibition area was the biggest but number of visitors was lower than in 2011. [19]

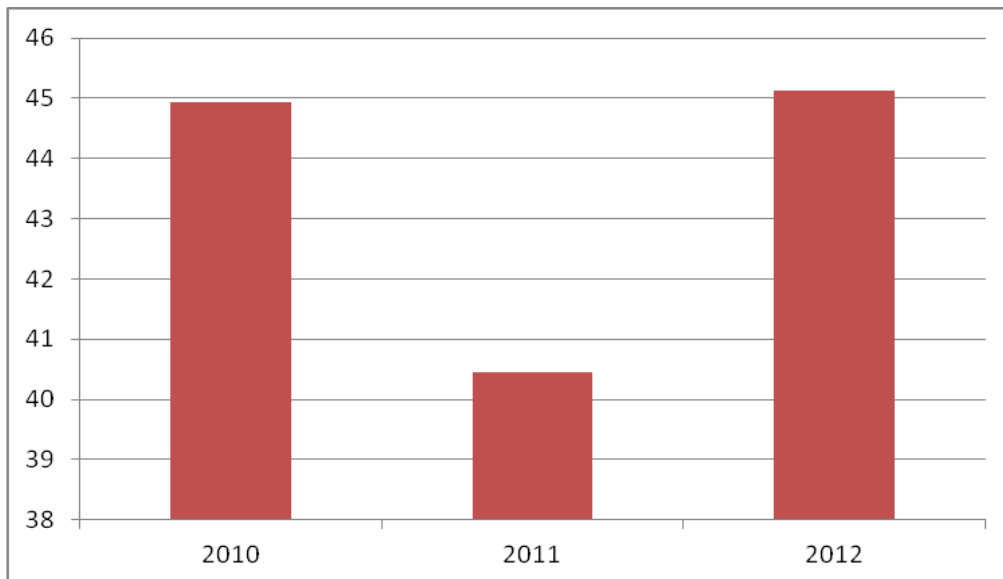


Graph 10: Number of Visitors per a Square Metre, [19]

4.4.2. Number of Square Metres per One Exhibitor

One of the main aims for organisers is to convince individual companies to exhibit at their fairs. Organisers have to provide compelling reasons why their fair is the best and

what they can offer to exhibiting companies. Even organisers of For Decor and other concurrent fairs try to do their best to welcome the highest possible number of exhibitors. They were successful in 2011 when the difference of the number of exhibitors was almost 100 new exhibitors comparing with the first year 2010. The following year 2012 participated less number of exhibitors, but this difference was not so sensitive, because it was only eight exhibitors. The task is also to ensure enough space for each exhibitor. This comparison suggests that the highest number of exhibitors in 2011 could be counterproductive, because the size of exhibition area was not the largest one. It could mean that exhibitors were not able to hire as large stand as they wished. Organisers solved this problem for the next year by hiring larger area from the owner of the fairground. It helped ensure comfortable and satisfactory conditions for exhibitors as in 2010. [19]

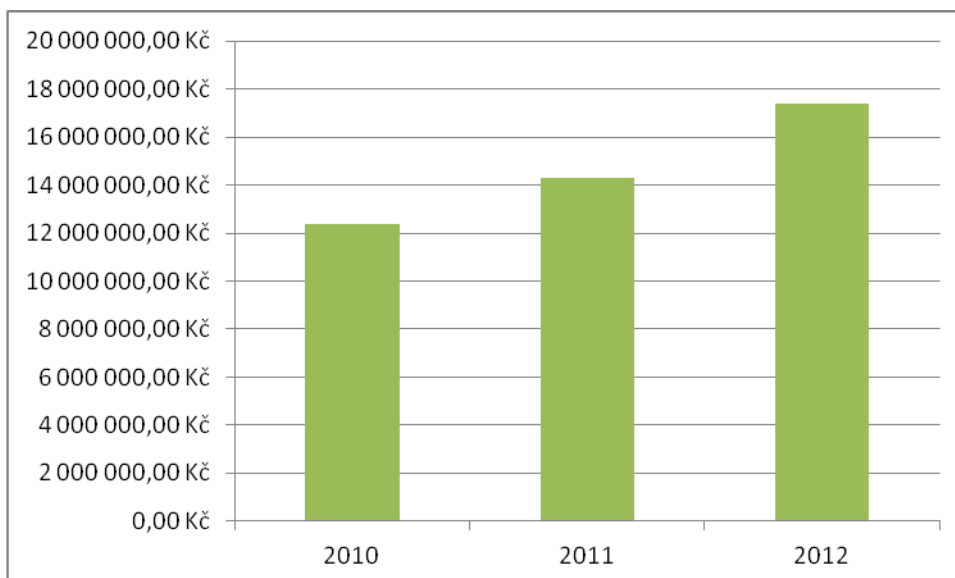


Graph 11: Number of Square Metres per One Exhibitor, [19]

The previous graphs show that the fair held in 2011 hosted the highest number of exhibitors and welcomed the highest number of visitors. Unfortunately, the organisers probably did not expect such a high participation after the previous year, because they hired larger exhibition area but still it was not enough. Next year 2012, they wanted to be prepared and hired the largest space. This size of the area was not necessary, because the numbers of exhibitors and visitors were lower, but they offered very satisfying conditions for all customers. [19]

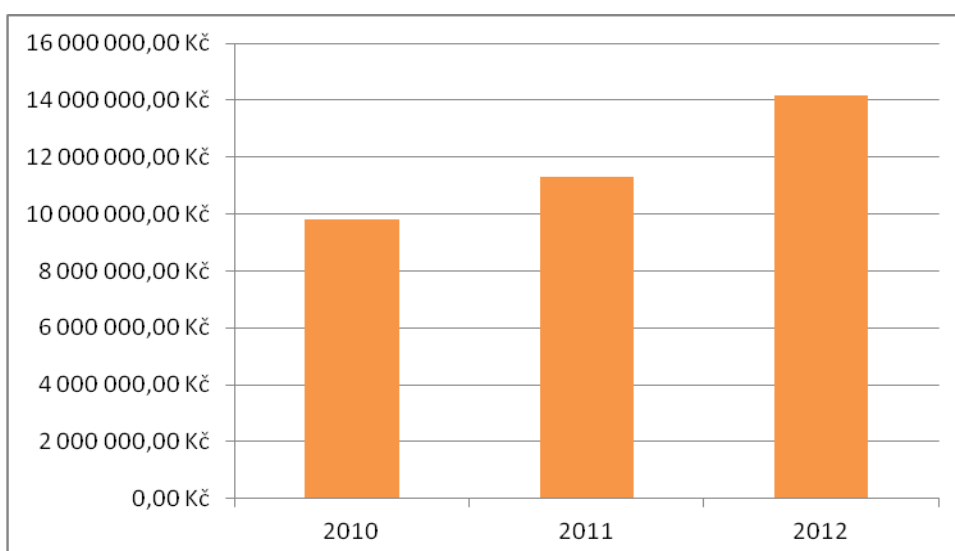
4.4.3. Profit on Sold Exhibition Space

To get information about costs and profits from some company is very hard because it is internal information. Even organisers of trade fairs do not want to provide this information. We are not able to determine exact expenses or revenues without the needed information, but we can outline where the profit comes from. In this practical part is already told that the biggest profit comes from sold space. For Decor offers three categories of prices depended on the time when exhibition area is booked and paid. In 2010 the deadline for the lowest price was in the middle of October 2009, so almost one year in advance. The highest price started to be valid from the beginning of December 2009. Two following years 2011 and 2012 the deadline for the lowest price was postponed till the end of April and the highest price was valid from the second part of June. The decisive factor of price per square metre is also the size of the stand. These price categories are divided into five groups and start on the price of stand which is large at least 9 square metres and which presents the highest price. The average price 1614 Czech crowns per a square metre is the same in 2010 and 2011. In 2012 the price increased to 1786 Czech crowns per a square metre. The following graph shows estimated revenues from the sold exhibition space. These revenues are calculated from the average price per a square metre multiplied by net exhibition area. This estimated calculation shows that the highest revenues should have been in 2012. Unfortunately, we lack the information about how much space from the available space was rented and when the space was rented. From the previous research we know that in 2012 there were fewer exhibitors than in 2011, but this small difference should not be the deciding factor in revenues between these two years. [19]



Graph 12: Estimated Revenues from Sold Exhibition Space, [19]

In the following graph, there is possible to see estimated profit on sold exhibition space. This profit was calculated from revenues shown in the previous graph and basic expenses of rented space from the owner of the fairground, which are 39 Czech crowns per a square metre per one day. Among these expenses belong also days determined for the installation and dismantling of the fair. It is clearly shown that the highest profit was in 2012.



Graph 13: Estimated Profit on Sold Exhibition Space, [19], [20]

5. Conclusion

This thesis was worked out to show how useful and important trade fairs are. We can see that history of trade fairs is very deep and is connected to the history of the market. Division of trade fairs can help companies to orient, which fairs are suitable for them. The decision to exhibit on the fair should be based on sound reasons that should be provided by organisers of the fair. If companies decide to participate at trade fair as the exhibitor they should consider many factors that can affect the success of the participation. Their field of business should be similar to nomenclature of the fair and there should be provided a high number of visitors. In this thesis there is the proof that number of visitors is not always decisive factor, but it is always better to show the goods to higher number of potential customers.

One of the biggest advantages of fairs is its multi-functionality, because fair appeals to all the senses of the visitor. Among the weaknesses belongs financial and time demandingness of the preparation, realisation, organisation and disposal of the fair. Trade fairs and exhibitions are cultural events that offer the opportunities of meeting new customers and sellers and creating new business relationships. The organisation of the successful trade fair is difficult because nowadays there are many competitors in this area. There are also factors such as the economic crisis or global epidemics that can influence the success of the fair.

Trade Shows are organised only in states with stable policy. Trade fairs increase the economic situation of cities where they are placed, because these fairs bring many tourists who spend their money for the accommodation and other services. Fairs are considered as social events, because of high number of people at one time in one place. These events, such as fairs or exhibitions, are dependent on technical factors that support their smooth continuance.

The organisation of a trade fair is composed of four main steps. First of all the organiser has to have some idea what the fair should be about and how it should look like. Next step is the creation of some concept, which for example indicates the distribution of work and timetable. Very important is financial plan, which is done in the third step. This plan should include estimated costs, estimated incomes and wages of employees. Last step is about the manual preparation, continuance and removal of the trade fair.

One of the aims of this thesis was to prove importance of exhibiting at the trade fair for companies. The Jura Company that was surveyed exhibits at the fair twice a year. First spring fair influences the sales of profit only in the month when the fair is organised and then the sales decline. The influence of the other fair, organised in autumn, is visible in the following two months, but this increase of sales can be caused by upcoming Christmas.

The profit on sold exhibition space of the analysed trade fair is increasing every year. First year of the fair people did not have confidence in the fair. However, the participation was high comparing to competitors and the fair was successful. This caused much higher attendance the other year and profit was raised. Last surveyed year, the organisers raised the prices of the entrance fees and the price of the rented exhibition space. This caused lower participation of visitors and exhibitions. However, the difference between numbers of exhibitors in the last two years was not so visible and the price of sold space was higher than previous years. This caused that organisers obtained the highest profit out of these three years. Generally, it can be argued that to succeed in the sector of trade fairs is challenging. But if organisers are successful, it can bring great benefits to them.

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