

The growing localisation of trade fairs

An opinion piece by Björn Kempe.

■ We are almost in the fourth quarter of 2021 in the second year of the pandemic. What has changed so far in the German and international exhibition market worldwide, and what are the prospects for the future? These are the questions I hear almost every week through my social media channels or from friends. My answer to this is relatively simple.

In the 18 months of the pandemic, almost nothing has changed in the trade show market. The only thing that has changed—especially in Germany—is the urge to digitise faster. However, the first virtual and hybrid German trade shows have shown that one cannot make money with them so far, and only about 20–25% of attendees are excited about them. Additionally, an average of 30% of employees of trade fair companies have been cut, short-time work is still prevalent, and many highly qualified and long-serving employees have left the business for re-orientation.

Apart from digitisation measures and staff cutbacks, nothing new has emerged in almost two years except for cancelled or postponed shows. Personally, I do not think this approach will be enough in the long run. Much more could have been done in 2020 and 2021. The trade fair industries in China, the UK and the US show that local concepts can work perfectly. People need trade fairs to network, get to know each other and, most importantly, do business. This was underestimated in Germany.

Not only was the time span of the pandemic underestimated but also its effect on customers. Many trade show organisers in Europe literally outbid each other at the end of 2020 and the beginning of 2021 for hybrid and virtual concepts. What is left is a virtual and hybrid exhibition market controlled by a few event technology companies, like Grip, Swapcard and Corussoft. Many exhibition companies even took the

trouble to develop their own software and systems for a great deal of money—unfortunately almost certainly a bad investment. Event technology programmes are easily available off the shelf, and Messe München and Messe Düsseldorf are showing with Grip that it is very easy to use these without much programming and effort.

I would have liked to have seen every trade fair in Germany launching its own new concepts this year—local concepts that play a role for either the city or the region with a maximum radius of 500 km. Looking at the Chinese or US market, one can see that the local and regional component plays a much greater role than in Germany, which, for example, has only two medical technology trade fairs.

In the near future, I would like to see new trade shows coming on to the market—small and attractive. Organisers need to take a closer look at their city's industries and attendees'

needs. It is clear that there will not be any decent big international trade shows until 2024. The speed of vaccination is too slow for that, and countries are too diverse to agree on global travel arrangements. Also 2022 will be a difficult year for our industry, as only vaccinated and recovered persons will have unrestricted access to events and only business-to-business travel will be allowed within Europe. In the past, Chinese pavilions took up over 30% of exhibition space at some trade shows, and other Asian countries and the US are very important trade show participants in Germany. This will probably not happen again until the end of 2023. Thus, optimistically speaking, the next "normal" trade fair year will commence in 2024. Until then, organisers should not let the time pass! Think local, create great trade fairs and don't invest too much money into digitisation and certainly not into your own programming. ◀

About



Björn Kempe is the founder and CEO of Expos Asia, which is part of the EXPOS Global network, headquartered in Singapore. His consulting firm specialises in mergers and acquisitions, capital raising, investments, business development consulting and strategy consulting. Expos Asia also organises its own events in China and Indonesia.

The status of trade fairs in Germany

A look at the current environment.



■ It is no secret that the 39th edition of the International Dental Show (IDS) will look vastly different to previous iterations. The record 160,095 international visitors that attended IDS 2019 will be greatly reduced owing to COVID-19 travel restrictions, though a hybrid approach will mean more people than ever will participate virtually rather than in person. Nevertheless, there remains a high level of demand for physical trade fairs to return and for Germany to re-establish itself as the international leader in this field.

Let's start with the good news. Presently, a majority of the German population has been fully vaccinated against COVID-19, significantly decreasing their likelihood of developing a symptomatic form of the disease. In addition, there exists an undeniable appetite for in-person trade fairs to return. A recent survey of its customers conducted by Messe Frankfurt, the world's largest trade fair organiser, found that 97% still saw the in-person component as an essential part of such events.

For those who do travel to Cologne for in-person participation, comprehensive hygiene protocols and sanitation measures will be in place to offer exhibitors and visitors a safe exhibition experience. The wearing of face masks is mandatory, and people with COVID-19 symptoms—coughing, sniffles, loss of smell or taste, fever, etc.—are not allowed to enter the exhibition grounds. In addition, Koelnmesse's #B-SAFE4business concept—which was demonstrated as a prototype before the press late last year—includes a comprehensive catalogue of protective hygiene measures designed to reduce the risk of SARS-CoV-2 transmission. Personalised tickets and contactless identity checks and bag searches at the entrances will be available, while trained personnel will be present to ensure that all hygiene regulations can be easily observed and followed at each exhibitor's booth. Visitors to IDS 2021 will also be required to install the eGuard mobile application, which is designed to guide visitors so that they can best avoid crowds and maintain appropriate social distancing.

Virtual participation a point of emphasis

Of course, travel restrictions and the limited availability of vaccines has meant that the Association of the German Dental Industry (VDDI) and Koelnmesse—the joint convenors of IDS—have had to make some key changes to how IDS 2021 can be experienced by those who cannot, or choose not to, attend in person. Chief among these is a hybrid approach powered by the free digital platform IDScconnect, which the organisers hope will make IDS 2021 a successful event online as well as offline.

"In tandem with the physical exhibition, IDScconnect will offer information on products and system solutions and will enable the streaming of webinars, press conferences, events and one-to-one conversations with clients," Markus Oster, business unit manager of trade fair management at Koelnmesse, told DTI earlier this year. "This will facilitate a consistent international reach combined with a successful trade fair experience."

The road to recovery

Five of the top ten highest-grossing trade fair companies are headquartered in Germany, and it is important to note just how severe the impact of the COVID-19 pandemic has been on this industry. According to the Association of the German Trade Fair Industry (AUMA), just 114 of the 355 trade fairs planned in Germany in 2020 were able to take place, and this year, the first in-person congress was only held in June.

The dearth of activity led to many leading trade fair facilitators suffering extensive financial losses, and AUMA stated that overall trade fair business in Germany fell by approximately 70% during 2020. Koelnmesse, for example, recorded a turnover of €94.3 million for the year—less than a quarter of the €413 million it generated in 2019. This, in turn, led the company to declare a net loss of €109.6 million for 2020, and it expects to incur sizeable losses once more in 2021.

Though IDS 2021 is expected to have around 830 companies from over 56 countries exhibiting, there

are a number of notable absences that will undoubtedly be felt. Stalwarts, including Dentsply Sirona, Nobel Biocare and Ivoclar Vivadent, have elected not to participate this year. Walter Petersohn, chief commercial officer at Dentsply Sirona, explained that a major factor for his company's withdrawal was the lack of the "absolute planning certainty" needed to prepare for such a show.

Regardless, there is a sense of optimism that surrounds IDS 2021 and what its success could mean for the future of trade fairs in Germany.

"Even if the first on-site trade fairs do not have the same dimensions and level of global internationality as in the past, the main thing is that we return to the scene as soon as possible," said Oliver Frese, chief operating officer at Koelnmesse, at a press conference in May.

"In recent months, we have been even more dedicated than ever to developing hybrid and digital trade show experiences all the way through to a year-round online presence for our trade fair brands," he added. ◀