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## A Study on the Tradeshow Application Strategies of Korean Trade Firms

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### I. Introduction

Recent advancement of transportation and communication fabricated the movement of product and manpower between different nations easier, triggering the acceleration of globalization. This heightened the desire to increase the movement and sharing of information and products between international communities through trade exhibition.

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Tradeshaw is an event where various companies use booth to display their products like an exhibition. However, a special characteristic of tradeshow is that it is conducted as a completely separate event,<sup>1)</sup> whereas an exhibition may be a part of a conference or convention. Therefore, participants and visitors have clear objective when partaking in a tradeshow and they have strong tendency to sale or purchase products.

Consequently, corporate are trying to utilize the tradeshow as an important tool for export marketing and the actual effect can be shown on the government funding for overseas tradeshow verses actual increase in export sales through overseas tradeshow marketing. In 2003, the governmental funding for overseas tradeshow was 25.8 billion Korean won, but the outcome of export agreement through the overseas tradeshow was 5 billion dollars, which is approximately 235 times more than the governmental funding.<sup>2)</sup>

Although the effect of tradeshow is being verified, some corporate participating in the tradeshow only believes on the theoretical effect of tradeshow and they have tendency to be deficient in proper preparations. Therefore, this study will present the theory of exhibition and discuss the fundamental strategies required by the corporate participating in a tradeshow after debating the characteristics and Participation Objective of tradeshow.

## II. Theory of Exhibition

### 1. Significance of Exhibition

Exhibition is a place where a specific group of manufacturer approaches a

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1) Korea Tourism organization, Status of the Korea Convention Industry in 1998, 1998, p.8.

2) Ministry of Commerce, Industry and Energy, Press release, Feb. 25. 2004.

specific group of buyer to have a meeting regarding business and area of expertise. Exhibition is a form of communication that uses graphic, photography, visual, copy, color, sound, motion, demonstration, human communication, and different senses to create an environment for visitors<sup>3)</sup>

Song Sung Su stated in modern terms that exhibition is a marketing activity where participating corporate(seller) and visitor(buyer) communicate to primarily advertise, transact business, and so forth the tangible and intangible(product, technology, service) products during prescribed time (duration of exhibition) in specific location(exhibition hall).<sup>4)</sup> In other words, exhibition is an act of transaction where buyer and seller each sells or buys products and services during duration of exhibition at the exhibition hall.

Moon Yong Su describes the exhibition as broad economic activity where participants, like buyer, trader, specialist, public, etc., advertise and perform marketing to attain their economic objective for duration of time (duration of exhibition) at specific location (exhibition hall).<sup>5)</sup>

Morrow mentioned that exhibition(exposition) is temporary and time sensitive marketplace, where buyer and seller negotiate on current or future commodity or services.<sup>6)</sup>

Konikow discussed that the exhibition provides a place and opportunity for corporate wishing to enter the specific market through personal contact, and an effective marketing tool for corporate to attract common interest distributors rather than end-user.<sup>7)</sup>

According to The Convention Liaison Council, exhibition is a place where specific corporations display their product or service, and Overseas Exhibition Participation Method(1997) of Korea Trade Promotion Corporation(KOTRA)

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3) Robert B. Konikow, How to Participate Profitably in Trade Show, Chicago, Dartnell Crp. 1985. pp.2~7.

4) S. S. Song, The 21st century, emerging Exhibit industrial, Fall Culture, 2003, p.83.

5) Y. S. Moon, Principle of Exhibition, KIECO, 2003. p.26.

6) Sandra, L. Morrow, The Art of The Show, Dallas, IAEM Foundation, 2001.

7) Robert B. Konikow, op. cit, p.19.

declared that exhibition is a marketing activity where the participants, that represent the manufacturers, haggle and commune with the visitors, that represent the buyers, during specific period at specific location.

Even though there are slightly different viewpoints within these definitions, a common perspective of exhibition is that it is a specific place where, for certain period, various corporate seek to secure independent spaces to display their products to achieve their specific objectives through vigorously engaging on economical activities.

## **2. Characteristics of Exhibition**

The exhibition has various promotional means and distinctive characteristics such as advertizing and sales, but Vaughn has categorized the distinctive characteristics of exhibition as the following 5 characteristics.<sup>8)</sup> First is the chosen medium. Exhibition is the only marketing medium that a prospective customer can openly visit to gain substantial information. They can gain knowledge, new ideas, as well as consult with actual sales agent, and occasionally find a solution to their problem. However, other mediums do not have these benefits. In order for advertisement to fulfill its purpose of concentrating its audiences, it requires customers' time, and mail order and visitation by sales agent violates the customers' privacy. Although these values cause the marketing program developers to consider the factors of taking away customers' time and privacy, exhibition is the customers' choice rather than against it.

Second, it has 3 dimension qualities. The majority of mediums use the pictures and publications to explain the products, but the actual products are displayed in the exhibition, which in turn can give out more information about the products.

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8) Don s. Vaughn, Put Trade Shows to Works for You, Sales & Marketing Management, A Special Report, 1980.

The third, effect is immediate. If a customer becomes interested about a product using a magazine or direct mail advertisement, customers are required to either write a letter or call the provider for further information.

However, these questions that the customers may have regarding a product can be resolved on the spot by participating in the exhibition. Furthermore, since several of other corporate are participating at the exhibition, a customer can cross reference other manufacturers with same products on spot, which in turn can promote the sales.

Fourth, it provides broadened opportunity. Rather than discovering new customers, sales agents have tendency to visit acquainted customers. Moreover, sales agents only know the region they are in charge of, but the corporate wishes for their agents to be familiar with all the end-users, as well as potential customers. Participating in the exhibition resolves this issue. In other words, the exhibition can give the sales agent a chance to contact the potential customers that are currently not doing business with their company.

Fifth, it is more economically efficient. As a result of previous 4 characteristics, the exhibition can decrease the expenses involved with contacting potential customers. According to the study conducted by Trade Show Bureau in United States regarding the exhibition expenses and door-to-door sales expenses, the door-to-door sales expenses came out to be \$229.70 per customer visit and it required approximately 5.5 visitations prior to actual sales, resulting in \$1,263.35 per customer. On the other hand, it takes \$290.46 per customer for the exhibition, which is approximately quarter of door-to-door sales expenses. Therefore,<sup>9)</sup> this study has shown that the exhibition was more economical than the door-to-door sales.

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9) Steve Miller, *How to Get the Most of Trade Shows*, Chicago : NTC Business Books, 1992, p.3.

### III. Characteristic and Participation Objective of Tradeshow

#### 1. Characteristic of Tradeshow

##### 1) General Characteristic

The tradeshow is a commercial exhibition where the spectators with certain interest or purpose meet to gather detailed information or purchase products. The principle of the tradeshow is to display a sample of products and specialized or related products. Therefore, the tradeshow is normally open to professional spectators and occasionally the public is not authorized to enter or are overlooked. This is to prevent the disorderly commercial exhibition and allow more comfortable environment for customers and sellers to converse.

The participants of these international tradeshow can increase their corporate image as well as boost their export sales by promoting their quality of product. The corporate can actively promote their new and existing products as well as raise their corporate image simultaneously by participating in the tradeshow.

##### 2) Marketing Characteristic

The tradeshow participating corporate prepare the exhibition plans, such as market segmentation, target the market and so forth, prior to involvement, and then the corporate employ the marketing mix and use the exhibition as a communicative tool.

##### (1) Price Function of Exhibition

Price and conditions mix policy consists of Price, Credit, Discount, Payment Term, and Service. The factors that reflect the Price and conditions mix policy are the knowledge of customer disposition, size of corporate, location and delivery terms, etc. The corporate can discover this important information at the exhibition by discussing with the potential customers. The

corporate can develop new concepts to the price and conditions mix policy by attending the exhibition.

#### (2) Distribution Function of Exhibition

Distribution Mix policy consists of sales organization, distribution channel, warehouse and transportation, and so forth. In order for the corporate to effectively establish the distribution mix policy, the corporate must thoroughly analyze the current changes in sales organization or structure (Restructuring, gathering dealers or sales agents, strategic partners for warehouse and transportation, etc).

#### (3) Product Function of Exhibition

Product mix policy consists of quality, category, brand and design of the product. The important aspect of attending an exhibition for the corporate is among all the product categories, which product to display at the exhibition. In order to evaluate the product mix, the participant must understand the products or market cycle for certain commercial products. It is rational to magnify the range of product exhibition at the exhibitions that display the new products initially. The product design must be the latest design and it must be easy to sell. The packaging also follows the same logic.

#### (4) Sales Promotion Function of Exhibition

In order for the tradeshow to perform the marketing communication mix, it executes various sales promotion functions prior to, during, and after the exhibition.

Exhibition participation and relevant advertising planning must be performed prior to attending the exhibition, in order to gather much more visitors. During the exhibition, the corporate must distribute corporate and product catalogs and information pamphlets to increase sales promotion activity. Especially for tradeshows, the corporate have opportunity to provide more tactical DM to the related field workers through the exhibition.<sup>10)</sup>

The respective functions of product mix could be verified by participating in the exhibition. The corporate must receive the validity of their products by communicating with the spectators and the corporate can gather very valuable information regarding their product mix policy through them.

## 2. Tradeshow Participation Objective

Bonoma's "Get more out of your trade show" researched on the tradeshow participation objectives. In his dissertation, he presented the results of exhibition by separately analyzing the selling objective and nonselling objectives of tradeshow.<sup>11)</sup>

Bonoma stated in his dissertation that if the objective of participating corporate is the selling objective, they must do the following to raise their effectiveness at the exhibition.

- ① The objective must be to develop new market and check promising prospective customer.
- ② Contact decision-making executives of current and prospective customers.
- ③ Make known of the product, services, and sales agents.
- ④ Ensure that the actual sales of product become possible.
- ⑤ Directly contact the customers to resolve any issues and provide appropriate services.

In order to raise the effectiveness of corporate attending the exhibition with nonselling objectives, they must do the following.

- ① Coherently maintain the corporate image of competition, customer,

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10) Edward A. Chapman, Jr, Exhibit Marketing, McGraw-Hill, Inc., 2nd ed. 1995.

11) Bonoma Thomas, V., Get more out of your trade show, Harvard Business Review, Vol. 61, 1983.

industry, and media.

② Eagerly collect information regarding competitor's product, price, and other marketing variables.

③ Stimulate the morals of exhibition sales personnel, engineers, and other personnel.

④ Introduce the product and service to the customers and find opportunity to evaluate the reactions from the customers.

Additionally, Bonoma created a Tradeshow Target Market Matrix with current and potential customer on X-axis and Selling and Nonselling Objective on Y-axis. On his matrix, he analyzed the each objective with corresponding categories.

Kerin & Cron<sup>12)</sup> analyzed on the marketing strategy for trade exhibition, which influences the outcome of trade exhibition. In his research, he established 3 variables (Industrial Effect, Corporate Effect, and Exhibition Effect) to grasp the marketing functions in tradeshow.

The purpose of this research was to distinguish the selling and nonselling objectives of tradeshow through classifying selling objective variables and nonselling objective variables in a statistical survey. The variables for nonselling objectives were discover new prospective customer, provide service to existing customer, provide corporate image, gather information on competitor, and so on. The variables for selling objectives were introduction of new product, on-spot sales, evaluation on new product, and so on.

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12) Kerin, R. A & Cron, W. L., Assessing Trade Show Functions and Performance ; An Exploratory Study, Journal of Marketing. Vol. 51. 1987. p.89.

## IV. Tradeshow Application Strategies of Korean Trade Firms

### 1. Establish Exhibition Objective That Corresponds with Corporate Objective

The past exhibition was simply an attraction. In other words, the purpose of the exhibition was to see the displayed products and maintain good relationship with the customers via demonstrating their product on site, giving gifts, preparing events, and other methods. However, the viewpoint of exhibition gradually changed among corporations and they began to utilize the exhibition as a tool to attain their objectives.

In order to achieve the corporate objectives for those corporations that wish to participate in a tradeshow, they must have definite objectives for participating in an exhibition. Exhibition objective is the desired qualitative and quantitative outcome for a corporation while participating in an exhibition. Therefore establishment of exhibition objective can be viewed as the basis for a corporation to receive the desired outcome by effectively distributing the corporate resources and centralizing them. Furthermore, the collection of exhibition objective can be used to evaluate the successfulness of the exhibition after it concludes.

Exhibition objective can be categorized as sales objective, product objective, price objective, communication objective. Thus the corporation decides to enter the exhibition when it determines the above objectives can be met.

It is important to remember that the outcome of exhibition objectives can only be attained by attending the exhibition and it is established after considering the factors, such as sales of product, increased recognition by targeted group, acquisition of new target group, marketability of new product, and so forth.

Participants attend the exhibition to resolve issues regarding their corporation, purchase, market research and trend, consultation with experts,

and so forth. Objectives for participating in an exhibition cannot be established by neglecting the purpose of the participants. As a result, exhibition objective must always be established with the interests and needs of participants and outcome of the events in mind.

One important aspect that must be considered when determining the exhibition objective is the relevance of exhibition objective on the mid- and long-term objective of a corporation. A corporation prepares a short-term exhibition objective with anticipation of achieving mid- and long-term objective.

The mid- and long-term objective of a corporation can be summarized into four different fields; Market penetration, increase market share, maintain market dominance, and declare market participation.

First, market penetration is an exhibition objective that is established for those markets that a corporation previously neglected and/or wishes to participate. The detailed exhibition objective for this purpose is for a corporation to evaluate the overall market situation to foster the penetration by notifying the potential competitors and customers of its existence and the products and services they wish to sell in the market as well as increase the corporate image.

Second is the new market development objective. The purpose of this objective is to assist the corporation on penetrating the new market by promoting their products at the exhibition. In order to achieve this goal, the detailed exhibition objective should be derived with acquisition of new market and development of new sales region by searching for agents, dealers, or partners that would carry or sell the products on corporation's behalf.

Third is maintaining market dominance objective. This objective is established to maintain the current dominance of the market by maintaining current business tools and market organization. For this objective, a corporation attends the exhibition to check the competitors as well as show off the prosperity and dignity of the corporate in a competitive market.

Fourth is the declaring market participation. This objective is established

for those corporations that wish to penetrate a weak market and vigorously start a competition. The detailed exhibition objective for this would be notify the corporation in the market, increase market share, and inform the competitors the corporation's intention to compete in the market with its representative product or brand new product.

The corporations that wish to participate in a tradeshow must establish a firm exhibition objective that may reflect the corporation's mid- and long-term goal to maximize the effect of the tradeshow.

## **2. Establishment of Exhibition Competitive Strategy**

The corporation that wishes to participate in a tradeshow must analyze the competitor that will also be participating in the tradeshow. Establishment of exhibition competitive strategy is a means to check the structure of competition. The exhibition and exhibition strategy can be understood through competitive factor analysis and by doing so can assist in comprehension of how the competitors will counter at the exhibition hall.

Competitor analysis can be divided into two phases; competitor's structural analysis and competitor's strategy.

According to Professor Michael Porter of Harvard Business School, competition factor analysis model within the industry must be used to check the current and potential competitors and inspect the market opportunity.

Porter's competition factor analysis model consists of profit level, growth level of corporation and five factors that affect the existence of a corporation, which are potential competition, competitions within the industry, supplier, purchaser, and substitutable products.

First, the degree of competition for the participating corporations defers depending on the knowledge of opportunity and thread that may derive from the environment and competitor's strategy and its countermeasures. Thus, the variables that determine the participating corporations' competition depend on the number of competitors and its growth level.

Second, threat of potential competitive corporation is caused by the high profit margin by the existing corporations, rapid market growth and weakling of penetration barrier. The penetration barrier can make it easy or hard for the potential competition to enter the market and it is determined by economic scale and required capital. Therefore, the corporations that participate in an exhibition should consider finding a strategy to prevent the potential competitors from entering the market.

Third is the purchaser negotiation ability. The purchaser negotiation ability is the ability of purchasers to reduce the prices by allowing the suppliers to compete with each other and/or influence the suppliers to provide higher quality products or services. The purchaser negotiation ability can stand out if a small number of buyers purchase from large number of distributors or if the product or service is standardized and the buyer can easily change the supplier.

Fourth is the supplier negotiation ability. The supplier negotiation ability has tendency to be strong when the numerous buyers rely on small number of suppliers, or when the buyer is not the vital portion of the supplier's business, or when the products distributed by the supplier are the vital portion of the buyer's business. In other words, if the buyer cannot easily find the replacement for the products, supplier can increase the prices or reduce the quality of the product. Similar to the purchaser negotiation ability, supplier negotiation ability increases when the small numbers of supplier distribute to vast amount of buyers within the industry, or if the products are not easily substitutable and if the product or service is not standardized.

Fifth, the customer's ability and wish to change supplier depend on the degree of threats of substitute. In other words, customer may wish to change supplier when the substitution product has much better quality with acceptable price compare to the existing product. Also, whether or not the substitutable products exist, the price increase by the supplier may trigger it.

The corporations that wish to participate in a tradeshow should establish

the strategy for competition through analyzing the competitive factors to ensure that the corporation is in an advantageous position within the competition. In order to successfully complete the exhibition objective, a corporation must derive either an offensive or defensive strategy for competition by effectively countering the five competitive factors. Numerous corporations are pursuing different strategies to achieve their objectives. However, the final strategy for a corporation is to prepare a unique organizational structure through analyzing the current corporate environment and circumstances.

Furthermore, a corporation needs to expand on the Porter's original competitive strategy in order to increase the corporation's competitive position and achieve high outcome from the exhibition.

#### 1) Cost Advantage Strategy

The first principle in competitive strategy is the cost advantage strategy. This is to use various methods at the exhibition to achieve overall cost advantage objective. In other words, the cost advantage strategy is mainly used to approach customers on the displayed products so that the customers can compare with the other competitor's products. In order to achieve this, corporation do their best to reduce expenses by possessing the equipment that can withstand the scale economics, eagerly search the ways to decrease expenses by evaluating past experiences, strictly control the excessive expenses and total cost, avoid any transactions that may be difficult to match the balance of payment, reduce expenses on R&D, service, sales agent, advertisement, and so forth. Completing the above objectives and achieving cost advantage over the competition is a vital subject in the competitive strategy. Nevertheless, the quality and service cannot be neglected.

For the corporations that attend the tradeshow must establish a competitive strategy that emphasizes that their corporation has achieved cost advantage over the competitions and integrate other strategies such as

promotion and operation strategies into their competitive strategy.

## 2) Differentiation Strategy

Second principle in the competitive strategy is the differentiation strategy. The differentiation strategy is a strategy that creates something to supplies customers with distinct product or service, so that the corporation can be uniquely recognized by the customers. In other words, this strategy consists of cognizing the corporation's peculiar product, which is different from other industrial products, to the customers.

A corporation should always search for a ways to differentiate their products or services, since they can request higher prices and receive much higher profit that surpasses the additional expenses for the differentiation by doing so. Nevertheless, the expenses cannot be disregarded even for the corporations that pursue differentiation. The corporations that pursue the differentiation should share the operating costs for those products or services that do not differentiate and reduce the expenses as well.

The differentiation strategy is one of very useful strategy for those corporations that participate in the tradeshow. Corporation that can differentiate shows that they are ascendant over other competitors and allow them to firmly establish their position in the market. The differentiation categories consist of the following; Brand image, technology, product (design and performance), customer service, sales channel, and so forth.

## 3) Focus Strategy

Focus Strategy is an important strategy that segments the market. A corporation must decide whether or not to target the entire market or segment the market and depending on their choice, the business outcome may differ.

Focus Strategy is a strategy that emphasizes on targeting a special market, product, or special region. Unlike the cost advantage strategy and differentiation

strategy, focus strategy argues that concentrates on a small portion of the market to reduce the competition is more effective and efficient than targeting the entire market.

Therefore, corporations that attend the tradeshows with focus strategy need to select the products and services that are suitable for the targeted market and emphasize the benefits of the exhibition products and provide various price terms that meets the buyers' preference.

### **3. Support of Government and Related Organization**

Participating in a tradeshow means more expenses for the participating corporations. If the expenses are insignificant, it may not matter. However, if the participating expenses are significant, it may burden the corporation wishing to participate in a tradeshow. For the international exhibition, the participating party must burden the costs other than the participation fee, such as participant's travel and sojourning expense, shipping expenses for display products, installation of booth, pamphlet and other advertising materials, and so forth. Therefore, it is difficult for medium and small-sized enterprises and other petty export corporations to decide on attending the tradeshow, even though they understand the needs and effectiveness of tradeshow.

For these corporations that wish to attend the exhibition, they can receive support from the government and other related organizations. Among these organizations, the Ministry of Commerce, Industry and Energy is closely related to international trade and their benefits are as follows.

Ministry of Commerce, Industry and Energy supports the participation expenses for any Korean corporations wishing to participate in overseas tradeshow. The support categories consist of overseas exhibition group participating support industry class and overseas exhibition individual participating support industry class. These supports for exhibition participants are based on the 4th and 5th legislation in the Foundation of

#### Trade Business Development.

In case of overseas exhibition group participating support industry class, participants are required to apply through KOTRA on the 4th quarter (between October and November) of the next support fiscal year. The corporations that apply for the overseas exhibition support industry becomes a beneficiary after being individually reviewed by the Ministry of Commerce, Industry and Energy's product department regarding various issues such as international trade promotional effect, corporate image, demand analysis report, previous year's establishment result, review of the exhibition participants wish to attend, ability to perform exhibition business, and so forth. These results are then forwarded to the Exhibition Business Selection Committee for their final review. The selected group all the gathers the corporations several months prior to the exhibition opening date and attends the exhibition together.

Each corporation participating in the overseas exhibition receives approximately 50% of support for the participation fee, sojourning expense, shipping fee and so forth.

Overseas exhibition individual corporation participation support business receives the applications twice a year. The first application is advertised on every November and the applications are accepted between January through June by the Korea Exhibition Business Association for the exhibitions on the second half of the year. The second application is advertised on mid of April and is received between July through December for the exhibitions opening on the first half of next year by the Korea Exhibition Business Association. However, the corporations that are outside of the capital must apply through the Medium and Small-sized Enterprises Export Support Center for both first and second exhibition support business.

The review for overseas exhibition individual corporation participation support business is conducted by the Korea Exhibition Business Association by evaluating the corporation's overseas marketing spirit, whether or not the corporation participated in demand investigation, the quality of exhibition

product, rewards received from government, and so forth. After the corporation passes the review, they receive their final approval from the Ministry of Commerce, Industry and Energy. The participating corporations can receive the support after they present the evidence of participation.

Each corporation can receive up to one billion won and it may cover 70% of shell scheme or 100% of row space.

The corporations that participated the exhibition must submit various reports and be evaluated by the Ministry of Commerce, Industry and Energy prior to receiving their funding.

The overseas exhibition support business assists those corporations that participate in the overseas exhibition demand research and the research is conducted on every April through June of the following year by the KOTRA or Korea Exhibition Business Association. The individual corporation participation support business also supports the individual corporations that wish to participate in an exhibition that opens in Japan, Middle East, Africa, Central America, Russia, and India.

The actual received support from the overseas exhibition group participation support business was 171 times for 3650 corporations and overseas exhibition individual participation support business assisted 445 corporations on their overseas exhibition.

The purpose of overseas exhibition support is to promote the Korean product image by raising the qualities of overseas participating corporations and assist medium and small-sized enterprises from developing new overseas market.

The corporations that wish to partake on the overseas exhibition are strongly advised to check on the governmental and other related organizational support to reduce the participation expenses.

#### **4. Use of Exhibition Participation Insurance**

The corporations that participate in a tradeshow are exposed to various

risks, such as theft or loss of display items, participant injury, the exportation of products do not cover the cost of tradeshow, and so forth. In order to reduce these risks, the corporations attending the tradeshow can choose to apply for the insurance. The commercial insurance companies have developed an insurance package strictly for the tradeshow to assist the corporations from the various risks described above. Furthermore, the Market Development Insurance conducted by the Korea Export Insurance Corporation (KEIC) also reduces the risks for the corporations attending the tradeshow. This dissertation will review the Market Development Insurance performed by the KEIC and find a risk evading strategy for the participating corporations.

The Market Development Insurance is an insurance targeted to assist the medium and small-sized enterprises to promote export by vigorous market development activities. After developing a new export market, KEIC compensates if the export increase does not meet the estimated increase in export and the corporation cannot recover the expenses spent to gain the new export market.

Market Development Insurance can be seen to compensate for participating in tradeshow, overseas collaborated sales volume or establishment of direct sales branch, and so on. This insurance states the participating tradeshow as applicable target, thus the corporations that fear they will not be able to compensate the overseas market development expenses after participating in a tradeshow can utilize this insurance.

The overseas market development expenses for participating corporations of tradeshow consists of all the expenses that the insurance agency can acknowledge as actual required expenses, such as exhibition entrance fee, installation fee (fixtures, equipment, decorations, purchasing fee, etc.) and maintenance fee (the amount that can be refunded after the rental contract ends is deducted), shipment fee for display products, shipment insurance and packaging fee, one round trip ticket for maximum of 2 executives participating in the exhibition (business class ticket) and sojourning

fee(maximum US\$ 200 per person for duration of exhibition), exhibition pamphlets and Boucher printing fee, exhibition related advertisement fee and so forth.

According to the insurance compensation policy, once the insured corporation discovers that the market development expenses cannot be covered, they must notify the insurance agency within one month after the expense recovery period ends and submit all required paperwork with the evidence of loss to the insurance agency within one month of end of expense recovery period.

The insurance agency is to follow the market development insurance contract by performing the investigation, determine the compensation eligibility, and compensate the corporation within 2 months after the reported date. However, if the reasons for the accident is uncertain or the calculation of loss compensation amount requires more time, they payment may be received after 2 month of reported date.

The compensation amount is determined within 95% of the estimated tradeshow participation expenses or 95% of the actual loss.

## V. Conclusion

In 2007, Korea trade scale has finally surpassed the 700 billion dollars. The results are from our export corporations' increased in quality of export products, increase in marketing abilities, as well as hard work. Furthermore, it was possible thanks to the endless government's financial support and policies to promote export trades. Korea lacks the natural resources as well as population and has small market scale. In this kind of situation, the only way to increase our economy and national welfare level is to escalate the export trades.

However, if our export corporations continue maintain and be satisfied of

the current performance, our corporations will lose the export market to the neighboring countries. Especially for China, who surpassed our trade scale by having a trade scale of 6.208 billion dollars in 2002, in 2004 was 8.512 billion dollars, and in 2007 it increased to 2.174 trillion dollars. Not only the trade scale, but the China's export market and export products are becoming similar to Korea and the Chinese technology has also rapidly increased, reducing the differentiation of Chinese products from Korean.

In this kind of situation, the method to increase the trade export is through tradeshow, which can work as export marketing channel or another export market. Therefore Korean export corporations are required to develop strategies to utilize the tradeshow in order to achieve export increase objective and obtain other accompanying benefits. However, it is regrettable that the researches on the concept of tradeshow and its strategic development still lacks.

As a result, this dissertation has examined the characteristics and effectiveness of tradeshow, and discussed the strategic subjects regarding the tradeshow, such as how an export corporation can establish a corporate goals while incorporating the exhibition objectives to strategically utilize the tradeshow, establishment of exhibition competition strategy, utilizing the governmental support, reducing the risks concerning the tradeshow, and so on.

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## ABSTRACT

### A Study on the Tradeshow Application Strategies of Korean Trade Firms

Hong, Seon-Eui

The economic globalization has contributed the easy interchangeability of goods and services worldwide and consequently this tendency gives a great impetus to the expansion of exhibition

Nowadays there is no dispute that the exhibition industry contains Export Marketing, Sales, Market Research and New product launching.

This paper is trade show strategy use for export firms. Therefore, paper discusses theory of exhibition, character and utility. Moreover study to basic strategy of participate in Trade show

Participate in Trade show strategies are several point. First, Trade show goal accord to firm's purpose. Second, Devise of trade show competition strategy. Third, Support of government and relevant agency. forth, Trade Show insurance

<p><b>Key Word</b> : Trade Show, Strategy, Exhibition, Marketing, Market Research, Trade Show Goal, competition strategy, Insurance</p>
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