

EFFICIENCY OF FUNCTIONING AND DEVELOPMENT OF EXHIBITION ACTIVITY IN INTERNATIONAL ENTREPRENEURSHIP

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ABSTRACT

The article is devoted to the issue of increasing the efficiency and participation of entrepreneurs in the exhibition activities. The peculiarities of exhibition activity in international entrepreneurship are suggested, the methodological approach in the form of units of an estimation of image efficiency and economic efficiency of exhibition activity has been described. Structures of the formation of Cluster of exhibition at the International level. The recommendation is formed in the incision that the exhibition measure, which are held in the middle of the country, can have a cartoon impact on the economy of the host Country, which is determined, in addition to meeting the economic needs of the subjects of exhibition activity, as well as the development of service infrastructures and additional and income to the State budget.

International companies and businessmen with the experience of exhibition participation have the result that the participants of the exhibition are very much engaged in business and are decisive in the strategic plan of development.

Keywords: International Entrepreneurship, International Exhibition, Cluster, Performance Evaluation.

INTRODUCTION

Exhibition activity of the world economy is an integral part of the development of market processes. It stimulates the consolidation of positive structural changes in the global economy, promotes scientific, technical and technological renewal of production. The world exhibition industry is dynamically developing and is in the field of special attention of international entrepreneurship. Recognition in the world of exhibition companies, the creation of exhibition centers of international level, on the one hand, opens up new opportunities, on the other – requires proper professional training and evaluation of exhibition events. Prospects and estimation of efficiency of exhibition activity in International entrepreneurship urgent and need modern researches.

LITERATURE REVIEW

Various theoretical and practical aspects of exhibition have been reflected in the works of a number of scholars, such as (Bulttle, 2009; Fenich, 2012; Grimwade, 2009; Toivonen et al.,

2006). The analysis of scientific works (Bohling et al. 2006; Kotler et al. 2009; Liu, 2009) on exhibition activities, as a tool for marketing policy of business entities in the market of goods and services, indicates a broad focus on the researches problem. In economic science there is no comprehensive approach to methods of analysis and calculations of economic efficiency of this type of entrepreneurship as exhibition business.

METHODOLOGY

The methodological basis of the study is the theoretical and methodological provisions of the competition theory, the theory of limited capabilities and resources. The methodology for evaluating the effectiveness of exhibition activities will be determined by the parameters for which it will have quantitative and qualitative data. The methodology is based on a multifaceted problem, and we define complications in the presence of a single scientific and methodological approach that allows to evaluate the economic efficiency of exhibition activities in a holistic and systematic manner, using quantitative and qualitative indicators.

FINDINGS AND DISCUSSIONS

At present, exhibition and fairs are the link between internal and international markets entrepreneurs and promote the expansion of international economic cooperation. It is exhibition and fairs, greatly stimulates the development of the economy of dozens of countries, especially the U.S., Switzerland, Japan, China, Hong-Kong, Taiwan and South Korea. This data indicates the need to form a methodology, which allows systematic assessment of the effectiveness of exhibition activities in different countries, and on the levels and exhibitors and organizers of the exhibition events.

This technique of estimation of efficiency of exhibition activity implies two-stage estimation: 1 – Immediately after the exhibition events, 2 – in 3-6 months after its realization. According to the author at the first stage and determined the efficiency of participation in the exhibition event according to the classical methodology of calculation, as the ratio of the result and expenses, is not possible. This is due to the fact that the main results expressed in the volumes of sales under the concluded contracts, received in 3-6 months after the exhibition (Chu Weili, 2009). The Second Stage is conducted in 3-6 months after the end of the exhibition. At this stage the indicators of efficiency of participation of the entrepreneur in the exhibition event are determined. These indicators are key, they characterize the actual efficiency of the exhibition event for an entrepreneur. Shows in Table 1 details the necessary indicators.

Table 1		
INDICATORS OF IMAGE EFFECTIVENESS ESTIMATION AND ECONOMIC EFFICIENCY OF EXHIBITION ACTIVITY		
Indicators	Calculation method	Explanation
Stage 1 – After the exhibition		
1. Evaluation of Booth Visitors		
1.1. The proportion of visitors who came to the stand by a preliminary invitation	$\frac{N_{mn}}{N_{nc}}$	$N_{mn} - 'N'$ N_{nc} – The number of visitors of the stand (people)

1.2. Share of visitors, which is the target group of exhibitors	$\frac{N_{sp}}{N_{nc}}$	N_{sp} – Number of visitors of the specialists (people); N_{nc} – The number of visitors of the stands (people)
1.3. The proportion of visitors who first visited the Research Institute of Exhibitors	$\frac{N_f}{N_{nc}}$	N_f – Number of visitors who first visited the booth of the Exhibitor (pers.); N_{nc} – The number of visitors of the stand (pers.)
1.4. The proportion of visitors who first visited the booth and represent a commercial interest for the Exhibitor	$\frac{N_k}{N_{nc}}$	N_k – Number of visitors who represent commercial interest (pers.); N_{nc} – Number of visitors of the stand (pers.)
2. Total number of negotiations conducted		
2.1. The share of negotiations concluded with the contract for the purchase	$\frac{P_k}{n}$	P_k – Number of negotiations ended with the conclusion of the contract (OD); N – Number of negotiations conducted (units)
3. The result of Stendystiv		
3.1. Average number of contracts concluded with one stendist	$\frac{n_k}{n_c}$	⁽ⁿ⁾ $NO.$
3.2 Movement Density (intensity of work on booth)	$\frac{N_t}{S_{ecsp} \times t}$	N_T – The total number of visitors to the booth during the exhibition time (Pers.); S_{ecsp} – exposition area (m ²); T – Number of exhibition time (units);
3.3. Stand organizational performance	$\frac{N_{oc}}{N}$	N_{os} – The number of visitors who drew attention to the booth (people); N – The number of visitors to the exhibition (Pers.);
3.4. Image performance	$\frac{P_{brend}}{P_{ecsp}}$	P_{brend} – number of branded products (units.); P_{ecsp} – number of the exposed products (units.)
Stage 2 – In 3-6 months after the end of the exhibition		
4.1. Economic efficiency of participation in the exhibition	$\frac{V}{C}$	Inm – net sales of products/services (euro); C – Full cost of production and participation in the exhibition (euro)
4.2. Profitability	$\frac{PF_{cl}}{C}$	PF_{cl} – net profit from the sale of products/services (euro); C – Full cost of production and participation in the exhibition (euro)

The figures presented in Table 1 do not allow the date of aggregate evaluation and determine how successful or unsuccessful an exhibition was for the entrepreneur. To do this, it is necessary to formulate the criteria on the basis of which the integrated assessment will be carried out, therefore, in the first stage, in choosing and staging the goals, the necessary definition and development of algorithms – as well as on what parameters will be conducted assessment of participation in.

We offer the following algorithm of forming a single criterion of participation efficiency in the exhibition event. Each planned individual rate, that is, the goal expressed qualitatively or quantitatively, multiplied by the factor of importance. The amount of the importance coefficients must be equal to 1. The value of each goal, its priorities, must be determined at the stage of participatory planning. Indicators are defined in relative values (Hennink et al., 2011). In the numerator is recorded the result of the exhibition, and in the denominator - the planned performance. Then the integral indicator of the entrepreneur's participation efficiency in the exhibition would be as follows:

$$K = K_{a1} \times (K_1 / K_{n1}) + K_{b2} \times (K_2 / K_{n2}) + \dots + K_{mN} \times (K_m / K_{nN}) \quad (1)$$

Where:

K_1 – index 1 (target 1), which the exhibitor has reached while working at the exhibition;

K_{n1} is the coefficient of importance for the indicator 1 (target 1);

K_{n1} – index (target 1), which the exhibitor planned to achieve at the exhibition;

K_2 – index 2 (target 2), which the exhibitor has reached at the exhibition;

B_2 – The factor of importance for Figure 2 (target 2);

K_{n2} – index 2 (target 2), which the exhibitor planned to achieve at the exhibition;

'''' 'No m', ''-''

'MN' - 'MN' (Nom);

K_{nN} – index M (target m), which the exhibitor planned to achieve at the exhibition.

If you calculate the integral indicator of participation in a particular exhibition event, you can get different options – it can be more, less or equal unit. If the unit is far superior, it is likely that the team has worked perfectly on the exhibit, or the importance ratios for priority direction metrics have not been formulated correctly. If the unit is considerably less, then, or the entrepreneur did not cope with the goals and objectives set, or the planned indicators were substantially overstated and formulated incorrectly. If the value K is near the unit, then, most likely, successful, well or perfectly worked as an entrepreneur at the exhibition, provided that the coefficients of importance for individual indicators were formulated correctly taking into account the set restrictions.

Further, we can argue that the algorithm for forming a single criterion for the effectiveness of participation in the exhibition makes it possible to create an exhibition cluster. Under the cluster of exhibition in International entrepreneurship, we will understand the network of Independent exhibition sites, service companies, including their suppliers, technology creators, know-how of the exhibition business and consumers who interest with each other as part of the unified chain of exhibition activity cost (Zhang, 2011). The overall structure of the cluster of exhibition business will present as a model (Shows in Figure 1).

In order to increase the competitiveness of the cluster at the international level, the presence of demanding local consumer exhibition services is important, the requirements of which are outgrowing demand in other exhibition services markets and are the basis for increased demand for new technologies in the exhibition business. The variance of interactions in a cluster of the exhibition business on the international level causes increased productivity due to innovations in technological and organizational spheres and stimulation of formation of new bases in the context of market development that extends the limits of cluster. Such results also lead to the intersection of various clusters within international business, which actually operate in one territorial space.

Cluster structuring system of exhibition activity has a significant impact on general economic policy in different countries (Rogers, 2008). First of all, it is connected with the support of science, innovations, marketing activity, creation of the necessary infrastructure and education (shows in Figure 2).

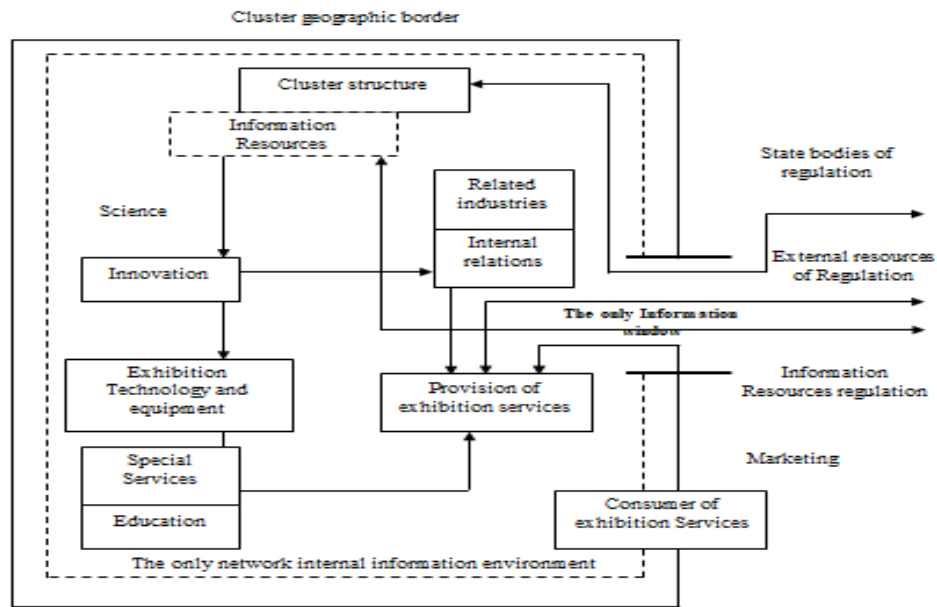


FIGURE 1
THE GENERAL STRUCTURE OF THE EXHIBITION ACTIVITY CLUSTER AT THE INTERNATIONAL LEVEL

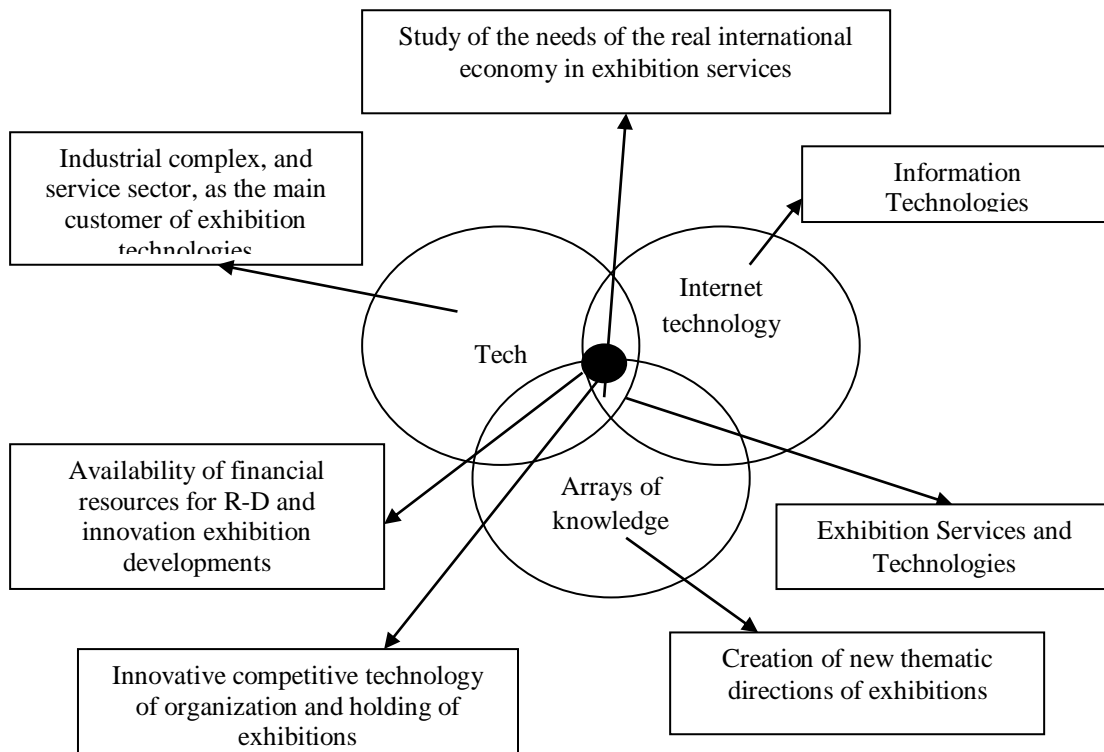


FIGURE 2
FORMATION AND DEVELOPMENT OF NEW TYPES OF BUSINESS UNDER THE INFLUENCE OF CLUSTERING OF EXHIBITION ACTIVITY

The dominant side of co-type co-cooperation is that the association of entrepreneurs and organizations of exhibition business in clusters allows each participant to benefit from Synergy (Whitfield, 2010). The development of clusters in the exhibition business should be based on:

- Innovation;
- Use of the general labor potential of highly professional specialists in the exhibition sphere;
- Information exchange among members of the cluster;
- Knowledge, know-how;
- The most optimal use of internal and external investments;
- Integration on its territory of economic and social policies for the sake of creating on it the most favourable climate for entrepreneurship and development of exhibition activities.

Due to the positive results achieved by changing the configuration of the production relationship introduced by the clustering of International Exhibition Markets, the nature of competitiveness as a system to achieve advantages in economic rivalry at the exhibition Market (Jin et al., 2012). The following tendencies are to be highlighted in the field of exhibition business in terms of the creation and operation of clusters:

1. The introduction of a cluster model in the system in the field of exhibition business faces specific difficulties not so much economical as a psychological nature.
2. In fact, the clusters in the field of exhibition business are formed and operate mainly in the field of services of demonstration of household and industrial services and only a small part, and only in recent years operates in the industrial sphere only.
3. Availability of higher order clusters (Technopark, territorial Technopolis) defines the region a certain innovative hierarchy of cluster network on the territory.

RECOMMENDATIONS

The recommendation is formed in the incision that the exhibition measure, which are held in the middle of the country, can have a cartoon impact on the economy of the host Country, which is determined, in addition to meeting the economic needs of the subjects of exhibition activity, as well as the development of service infrastructures and additional and income to the State budget. The number of entrepreneurs in International exhibition events is the perfect means of marketing communications, a unique mechanism for promoting national competitive goods and services to foreign markets and an effective tool for improving their sales.

CONCLUSION

International companies and businessmen with the experience of exhibition participation have the result that the participants of the exhibition are very much engaged in business and are decisive in the strategic plan of development. It Is determined that the planning of exhibition activity is formed by defining the goals of participation in an exhibition, which are: attracting potential customers to cooperation; submitting a new product/service; development of distribution network; expansion of business contracts; increase in sales; The main competitors and their product characteristics; Identify the possibilities of creating a cluster within Exhibition events.

The main elements on the control results of which should be based assessment of efficiency of participation in the entrepreneur are: estimates and real costs to participate; reviews The trade stands of the entrepreneur and competitors; trends of market development, manifested

at the exhibition; the effectiveness of staff and relevant results on other stands; conducting at the proper level of analysis of the results of the entrepreneur in the work Providing more efficient exhibition activities.

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