

An Empirical Study on Exhibitions Industry based on the Theory of Industry Cluster

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Abstract. Chinese exhibition industry develops rapidly and becomes a new highlight in its national economy and it has touched many research field, especially bio-technology, which is quite important to modern economy. While because of lacking innovation and reformation, the exhibitions in this field are not satisfying so far. Therefore, this paper tries to do some empirical research about the current situation of exhibition industry cluster. The purpose is to find the proper mechanism and models of bio-technology exhibitions which will enhance the R&D work on bio-technical products and its wide usage in other fields.

Keywords: Exhibition, bio-technology, mechanism, industry cluster.

1. Introduction

Nowadays, the international market has taken the exhibition industry as a kind of “green industry”, and it is a new industry in China with increasing value and position in the tertiary industry. With the rapid development of exhibition industry and exhibition economy, it gains more and more promotion in economic development and much more attention has been paid to it, especially when different types of exhibitions are spreading around the whole country, it is quite obvious that its functions are well-known by the researcher. This paper tries to study on the development models of bio-technology exhibitions in China, because this industry is closely related to people’s daily life from food as the basic supply, to some high-tech area as the polar of social economy. The exhibition economy is developing, so the innovative models of exhibition industry are emerging. Importantly, the modern information technologies and increasingly sophisticated marketing concept have brought the new opportunities for the models innovation of exhibition industry. Therefore, it is necessary to study on the new development models of exhibition industry for promoting the suitable development of Chinese exhibition economy.

2. Experimental section

Since 1978, the open door policy was carried out; Chinese exhibition industry has experienced several phases: the cultivation, adjustment, development, and the accelerated development period. Exhibition space totaled over 3.6 million m² in 2009. The estimated direct revenue generated from the organization of exhibitions amounted to over US\$ 2 billion in 2008 (UFI, 2011). The fast growth of the exhibition market in China and continually expanding number of high-quality venues opens up opportunities for organizers in 2nd and 3rd tier cities in China.

In economic principle, there is positive relationship between risk and benefit, namely the more profit returned, the more risk there will be, so does the exhibition industry. When operating exhibition programs with high profit, the exhibition company has to face accompany potential risk, and some of them have suffered operation failure due to these risks, therefore, when insisting on developing as large and strong as possible, exhibition company should occupy on recognizing and defending risk, carrying on exhibition company comprehensive risk management, which is not only important for company existence and development, but also for Chinese exhibition industry sustainable development.

1) An empirical study of Chinese exhibition industry

In 2011, 7333 exhibitions were organized in China with the total exhibition area as 82.73 million m². Compared with 2010, it increased 1133 exhibitions, increased by 18.21%; the exhibition area increased 4.33 million m², increased by 5.59%.

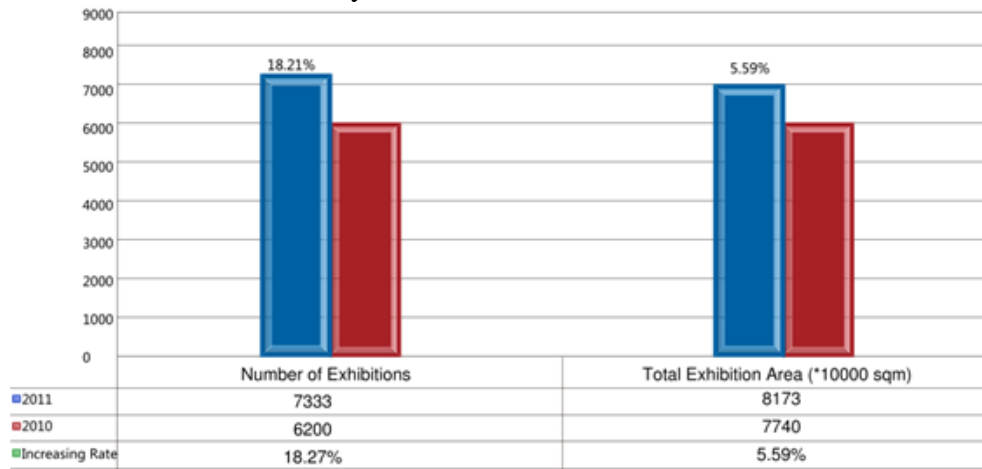


Figure 1: 2010-2011 Exhibition Data

From Figure 1, it is very obvious to know the Chinese exhibition industry is moving forward and the number of exhibitions is increasing [2]. That means the Chinese exhibition industry is developing quickly. In order to better coordinate the exhibition resources, develop exhibition economy, regulate the exhibition market and promote the continuous development, governmental exhibition management organizations or exhibition industrial organizations are established to manage and coordinate the exhibition industry.

2) A research on the venues of Chinese exhibition industry

There are 36 cities of independent-planning cities or above in 2011. There are 153 venues for these 36 cities with construction area as 13.3098 million m² and total exhibition area as 6.8368 million m² including indoor exhibition area as 5.0433 million m² and outdoor space as 2.2944 million m² (XW Liu., 2011). The top 10 of exhibition venues in China are shown in Figure 2, in which Guangzhou is always in the first place.

Table 2: Venues scale of Chinese exhibition industry

City	Rank	Total area for Venue(10000 m ²)
Guangzhou	1	97.46
Shanghai	2	52.93
Beijing	3	45.51
Hangzhou	4	36.96
Shijiazhuang	5	33.39
Chengdu	6	23.71
Ji'nan	7	23.65
Hefei	8	23.18
Tianjin	9	22.84
Nanjing	10	22.12

3) Main types of Chinese exhibition industry

There are about 18 types of Chinese exhibition industry that involves in all aspects of people's daily life and others. From Figure 3, it is apparent to know Chinese exhibition industry involves the industry types very widely and the number of industry types is very large(M Qiu, 2013). But as one of the key factors in economic development, bio-technology exhibitions are not so popular in China now, it only ranks the 14 among the 18 types, so it still has a large space to improve.

Table 3: General Types of Chinese exhibition industry

Types	Number	Types	Number
Sport-related	27	Electronics	77
Basic Commodities	28	Foodstuffs	84
Energy-related	55	Construction Illumination, Materials	87
Agriculture-related	55	Freight Forwarding, Transport	98
Bio-technology	66	Medical, Healthcare	103
Furniture	70	Auto-machines	132
Property	72	Cultural, Education, Technology	141
Toys, Gifts, Artwork	75	Apparel, Leather, Shoe wear,	147
Telecommunication	75	Basic Consumer Goods	152
Total			1650

3. Result and discussion

It is admitted that the development of exhibition industry is a kind of necessary trend; it can not only promote the development of exhibition economy rapidly and increase the country's GDP, but also increase the employment's opportunities. According to the research above, it is apparent that Chinese exhibition industry still has a long way to go, and future development models or mechanism of some specific field (AL Zhao, 2014), like bio-technology, should be given much more concerns for its uniqueness about the products and its procedure of production, delivery and the maintenance. Some significant strategies for its future development models and mechanism are put forward as follows:

1) To strengthen the guideline and get support from government

There are still certain unplanned and overheated tendencies in the local exhibition industry, yet it requires government to guide and support the development in terms of the macro perspective: one is based on the characteristics of local industries and the status of economic development, rationally analyzing the development structure and the industrial layout of exhibition industry at home and abroad, using local conditions, consisting with the development of exhibition market rules, but also it helps the regional economic development and the revitalization of exhibition industry; the other one is researching and introducing a number of exhibition industry support policies, formulating and improving the legal system of the exhibition industry, further regulating bio-tech market order and the exhibition subject behavior. In the way of combination of policy-oriented and market service, this jointly promotes the development of exhibition industry.

2) To cultivate elite enterprises and support brand exhibitions

It is very important to strengthen the cultivation of bio-tech industry leader enterprises. Researching the supporting policies in terms of the corporation finance, tax relief and information construction to promote its development and forms a number of backbone leader enterprises with competitive, influence and advanced power on behalf of the development of industry. In addition, actively cultivating exhibition brand can further enhance the core valuation of the exhibition industry, accelerating the formation of the exhibition market competitiveness and brand appeal.

3) To enhance development foundation of bio-tech industrial

It is necessary to set up well-developed environment, reinforce industrial development foundation and safeguard the sustained and healthy development of exhibition industry. First, it is a must to strengthen the construction of exhibition professionals, promote the establishment of socialized system of bio-tech professional training and develop the talent evaluation system. Second, it is necessary to establish and improve the standard and statistical system of exhibition industry to further regulate the industry standard of exhibition industry. Third, it is fundamental to set up all kinds of security measures, such as accelerating the construction of integrity system of exhibition industry; perfect the rights of exhibition knowledge protection measures and forming the technical service standards of exhibition industry. Last but not least, it is also important to speed up the completion of

public service platform construction and further optimize the development of bio-tech exhibition industry environment.

4) To set up special organizations to promote bio-tech industry self-discipline and coordination

It is true reason for the low-level exhibitions and their duplication that there is no Exhibition Trade Association. Without self-discipline in bio-tech industry, the internal competition is in disorder, which hinders exhibition development. Competition along with this disorder will further reduce the competitive ability. In order to coordinate the exhibitions and fairs, build good relations, Exhibition Trade Association is set up to set standards, rectify the order, and improve the exhibition's level in most developed countries. Therefore, it is very essential to promote the establishment of a national industry association of the exhibition industry. Industry associations should actively guide the industry to enhance the level of self-discipline (RH Zong, 2011), and do a good job----a bridge between government and enterprises to provide the supports for government policies and services for developing enterprises.

5) To bring in advanced foreign experience

It is essential to absorb and introduce capitals strength, the exhibition industry resources, the concepts of service and the advanced management experience of international renowned exhibition enterprises [6]. As well as the integration with actual development of Chinese exhibition industry and form the developing ideas with Chinese characteristics on the foundation of digestion and absorption to enhance Chinese exhibition enterprises, Chinese exhibition self-strength and the overall level of Chinese exhibition industry.

4. Conclusion

Now exhibition industry has become an emerging service industry, which affects widely in its associated field, named exhibition industry cluster, and is associated closely. Therefore, in new era, it is essential to develop the exhibition in bio-tech industry vigorously, to raise the overall exhibition economy. What's more, through analyzing Canton Fair, it is easier to study on the development models of Chinese exhibition industry and find out the solutions of solving these problems. Now China should fully take advantage of special Chinese National Conditions to develop a welled-development model of Chinese exhibition industry—the Combination of Government-driven and Market-oriented. While because of the limited time further study should be focused on development models that are appropriate for Chinese current situation.

Acknowledgements

The authors would like to give their thanks to Jilin Social Science Foundation (NO. 2014B278) and The Education Department of Jilin Province (NO. 2015-201) for their financial and technical support.

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