



Potential Aside, China is Still a Bold Move For US Exhibition Organizers

by Michelle Bruno

The People's Republic of China is not yet, according to Steven Hacker, the most optimal market for US-based exhibition organizers. Facility managers have yet to develop the policies and resources needed to accommodate the needs of American organizers and the Chinese culture and government regulations are still formidable obstacles. Nevertheless, he says, the opportunities are enormous for the right group.

Steven Hacker has been to the People's Republic of China 36 times in the past 25 years. As a former president of the International Association of Exhibitions and Events and Principal of the Bravo Management Group, an international nonprofit and trade show consultancy based in Dallas, he has seen the country and the exhibition industry evolve and expand at a rapid pace.

"It's kind of the old Wild West where there is an enormous amount of activity and an absence of restraint in terms of rules and processes," Hacker explains. That's not to say that there aren't excellent organizers and shows in China, he adds. The problem is that there are also a number of obstacles for companies interested in developing new shows in the country:



- Once the announcement of dates for a new exhibition from an American or European organizer is announced, competing shows are likely to be launched around the same dates by local Chinese organizers.
- Experienced, English-speaking convention service managers are not yet available in all convention centers.
- Chinese trade show organizers qualify for lower space-rental rates than international organizers.
- Security deposits from international organizers may be retained by the facility for any number of reasons beyond damage or default.

Despite the obvious risks, the potential for US organizers is huge, Hackers says. "In the U.S. there are 16 cities with a population of a million people or more. In China, there are 161 such cities and most of those have new exhibition centers." A second center of five million square feet is scheduled to open in Shanghai adjacent to the domestic airport.

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The Chinese middle class is growing so rapidly that within twenty years it will become the largest consumer market in the world. And, because of the Internet (even though access is restricted by the Chinese government) Chinese consumers have developed an appetite for western goods. “The anticipation for the Apple Watch is as large in Beijing as it is in New York and San Francisco,” Hacker explains.

German trade show organizers have been in China for decades followed by the British and Italians, Hacker says. In fact, he adds, the Shanghai New International Exhibition Center is a partnership between three German Messes and the City of Shanghai. Even a handful of American trade associations, including the Association of Equipment Manufacturers and the Consumer Electronics Association, have secured pavilions or produced standalone shows in China in the recent past.

The Chinese government, Hacker says, understands that they have to restructure to make the exhibition environment more user-friendly. Even now, “the changes are breathtaking and there is no predicting when they’re going to make decisions that unleash a torrent of momentum in developing a system that is friendly to international exhibition organizations,” he adds.

There are several ways that American companies and organizations can test the waters in the Chinese market as a precursor to or even in lieu of organizing their own shows. “Take a pavilion in an existing show if the space and rates are favorable. After four or five years, you will become familiar with the landscape and more able to spin off a show. It is also a legitimate way to satisfy the needs of your key US exhibitors” Hacker suggests.

Another way to understand China is to “become a part of a group, create relationships, and learn about opportunities that don’t exist anywhere else,” Hacker says. He suggests that organizers attend the China Expo Forum for International Cooperation (CEFICO), an annual conference co-organized

by the China Council for the Promotion of International Trade (CCPIT), the Global Association of the Exhibition Industry (UFI), International Association of Exhibitions and Events (IAEE), and Society of Independent Show Organizers (SISO).

Another way for international companies to “navigate the maze of issues” in China is to find a trustworthy, experienced representative on the ground. “A sure recipe for failure is to go in without a partner,” Hacker explains. Attending the CEFICO meeting is one way to meet potential partners. International organizers can also partner with the exhibition facilities in China or ask relevant trade associations for recommendations.

“The U.S. market is so big that doing business in China won’t resonate with more than 5% of the universe of organizers. This is speculative. It’s bold. It might work well or it might fall flat. It’s like asking permission to experiment,” Hacker says. Nevertheless, he adds, “US organizers who are willing to invest the time and capital and who do it correctly stand to make a lot of money.”



Global View Notes is published by:
Rogers Worldwide
7345 S. Durango Dr. #B-107-404
Las Vegas, NV 89113
Contact:
Sherri Pelc, LCB
Phone: (702) 642 3575
Fax: (702) 648 6968
Email: spelc@rerogers.com
Web: rerogers.com

Editor:
Michelle Bruno, MPC
Phone: 1 (801) 520-0797
Email: michelle@brunogroup.com

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