



"Same Place Next Year..."

Business to business marketing in the leather industry has evolved a pattern that generally places marketing as a peripheral activity and trade shows at the centre. Marketing is generally viewed as sales support to help a direct sales force with administration and tactical promotions activities. Yet, with so many trade shows in the calendar, in so many countries, the role of the trade show in the marketing and communications mix is being questioned in many sectors.

The famous Supershow in Atlanta, noted for its 100,000 visitors, has shrunk to faint memory, the major players no longer attend golf's biggest show at the PGA Orlando, and summer ispo looks under threat.

Specifically, in the leather sector the long-running Semaine du Cuir eventually caused its own demise and now even APLF in Hong Kong could be overshadowed by Shanghai in the not too distant future. One important lead group in the leather industry includes the chemical companies and it is significant that this October, for the first time, all five of the major chemical companies were absent from TanningTech. The official post show press release made the point that "the significance and role of trade fairs is currently under the microscope and TanningTech cannot avoid analysis or self criticism. Contacts between the organisation, exhibitors and visitors are intense and the best counter measures will certainly be studied in the coming weeks". What does all this imply, and, just as important, what role should trade fairs play in the leather industry?

Work done recently by Stefania Borghini at Milan's Bocconi University, and from which we have taken the title for this article*, provides some deep insights into what trade fairs are about. What is clear is that ongoing research is one of the most valuable activities in the professional life of an industrial buyer. This is all about developing new knowledge, being reassured, making new relationships and generally being in touch.

The value of trade fairs is that it involves full immersion, with an opportunity to feel and touch the product and develop a dialogue with skilled technical people. This experience is provided in context, amidst the suppliers' products and with large amounts of personal interaction. All those readers who are regular visitors to industry locations such as Bologna and Hong Kong



Michael Duck, right, director of Asia Pacific Leather Fair, with industry dignitaries at the opening ceremony, 2005

will recognise the ritual element in this activity, like pilgrims going to the Holy Land. As highlighted in the study, "Habitual visitor behavioural patterns, edition after edition, show remarkable similarities in term of paths within the fairgrounds, stands visited, people talked to, and so on. The observations of behaviour during the visit, the atmosphere generated and the analysis of the emotions felt by the people involved allow us to see trade fairs and open houses as ideal contexts in which to perpetuate ritualistic behaviours that elsewhere have been identified as important patterns in industrial contexts."

Liminal space

The rituality of ongoing research together with the unusual atmosphere allows the study to offer us a new term for trade shows, "liminal" space. The neat little definition for this, which tanners will readily understand, is "a place where boundaries dissolve a little and we stand there, on the threshold, getting ourselves ready to move across the limits of what we were, into what we are to be". Buyers and suppliers together build a new order, a new state of the market. At such a trade show the supplier must decide the balance between product and information exchange as the focus. Either way the stand is of less value than an advertisement or an email if the supplier does not act as "host" and provide the correct experience. The supplier is effectively engineering the rituals in order to strengthen the relationships with the buyer. This phenomenon poses interesting challenges to the way companies operating in business markets traditionally manage their trade show participation or measure returns on trade fair investments. What if the merely

curious visitors, who are not interested in an immediate purchase, are not dedicated attention by the booth personnel? What if a company stops exhibiting at a trade show where most visitors are already customers?

Collecting information

Trade shows are considered to be one of the most important means of collecting information in industrial markets. It is also easy to identify numerous reasons for attendance which are not directly correlated with purchasing processes. Current buyers may seek confirmation of a past purchase or of the composition of their actual portfolio of suppliers. Potential buyers can be more involved in developing knowledge and awareness of the range of products/services provided in the industry in order to gain new ideas. Influencers of a buying centre may be more involved in gathering information to preserve their credibility within their organisations. Moreover, non-buyers may be interested in gathering information about the industry or about technological evolutions. From the relational point of view, nearly all categories of visitors presumably attend trade shows to establish and maintain relationships, in other words to reduce the social as well as the technological distance from sellers. One thing of interest is to acknowledge the large number of categories of visitors. These include exhibitors' suppliers, competitors, and operators in related industries. Exhibitors' suppliers attend in order to collect market intelligence on downstream sectors, to realise end market foresight or to establish contacts for future sales. Exhibitors' competitors typically undertake competitive intelligence activities, collecting ideas from competing players. Finally, operators from related industries see great advantage in the opportunity to verify compatibility with their own strategic choices and to gain inspiration for new product ideas and solutions.

In dealing with these complexities, Michael Duck, director of the Asia Pacific Leather Fair, which runs both the APLF and the ACLE amongst other shows, argues that the leather show is "a forum to bring people to meet in order to show their products, trends, colours, innovations, and to meet existing and new customers". With his team he has been working to enhance the APLF to ensure it is the definitive meeting place for the leather industry to understand new trends. He likes to separate Hong Kong



ALPA exhibits at TanningTech



from Shanghai which he views as purely for the Chinese industry while Hong Kong is a more neutral location which remains the largest, most international leather meeting place. Increasingly in Hong Kong, design competitions and seminars are being added to provide greater levels of interest and additional reasons to visit. This receives an ambiguous response from exhibitors who understand the rationale for a more varied experience but do not like to see events which pull customers out of the halls. The combined fairs of Bologna this October clearly viewed themselves as creating the definitive venue for worldwide tanners, building on a long tradition of highly innovative tanning and machinery development, and the Italian flair for fashion. A trip round the stores in Bologna in the evening, or better still a half day in Florence, is a requirement for many visitors. For TanningTech, despite the loss of the largest chemical suppliers, there were still 248 exhibitors although a reduction from 25 to 21 in the numbers of countries represented.

So why were some chemical suppliers missing this year and what are the implications? The simple answer of cost is not enough. Although the year has been a tough one for all parties in the industry we are really dealing with the disposition and prioritisation of budgets after all. Some would say that priorities are now in Asia, and that Shanghai makes more sense, others that Bologna demands a disproportionate amount of the development team's time in preparing samples, and others say that the EU's REACH initiative will damage many European tanners so it is better to invest elsewhere.

Even before the EU project came into focus, TFL set the trend a few years ago and were the first to show a somewhat disbelieving leather audience that there is more than one way to use a marketing and communications budget. With the rising cost of funding fair attendance, where the cost of stand space is only a small element, the same money could be put to very good

use with other below and above the line activities. Some of the ideas TFL has developed are described in the separate panel. When the Paris show ruled the world of leather (it was always interesting to note just how many company personnel had to attend Paris but were then never seen at other exhibition venues), trade show visitors from all over the world would make an extended visit and travel on to meet the major chemical companies and machinery people to consolidate their relationships and learn more. Now much of this latter activity is more cost effectively done locally making the European trip less of an attraction. It has also meant for TFL that a withdrawal from trade shows has not reduced their presence in any of their target countries, including Italy where recent acquisitions and the development of the successful TFL Academy have demonstrated considerable commitment.

A change in dialogues

Nevertheless and whatever the reason, the absence of so many chemical companies did change the dialogue, and interrupt the ritual of many attendees. Finding the escalators closed that normally take the visitor upstairs to where they have historically found the chemical companies was shock enough, but on top of that the first day was astonishingly quiet.

Considerable social exchange and innovative dialogue, however, did take place on the stands that were present and many were extremely busy. Senior visitors to TanningTech from Latin America made the point that "there is no other location than Bologna where we who live at a distance can come and see all the machinery, new chemicals, and process trends than in Bologna". Yet with visitor numbers down all round it was the tanners in Lineapelle who came away the most positive. One regular visitor told *World Leather*, "I would say that this might have been the best European Fair for a long time, perhaps even for several years! While the number of visitors seems to have been less than usual—definitely not clogging the

aisles of the Exhibition—it certainly is better that visitors seemed to be mainly 'interested' people and not just crowds who just came out of 'curiosity and to look around'. Of course, and as usual, what was good for one might have been bad for his neighbour, but generally I would say that there seems to have been a good amount of business booked and, even more importantly, the follow up seems to be also quite favourable, so far at least.

"In any case the majority of the people I talked to were basically satisfied with the fair, and this comes from the mouth of several people who did have stands but had told me before the fair that they might not take a stand in the next Lineapelle Fair since it had been a dead loss for the past several editions or even couple of years. It goes to show again that, for better or for worse, this Lineapelle Bologna Fair/Exhibition is possibly the most important one in Europe."

As well as serious traditional business, the recently introduced trends section was a huge draw throughout the show, indicating that the new younger designers who are entering the industry are finding Bologna a useful source of ideas and inspiration, just as intended. The machinery stands in TanningTech are harder to fit into this equation. They are hugely expensive to set up, and yet a swatch in a TanningTech trend section is not an option. Perhaps it is a solution to this conundrum. ►

TFL's goal is to be the leather industry's leading partner through quality service and innovative systems, and markets its products and systems in a selective way. In its view, trade shows with their various visitors deviate from a focused strategy. Some years ago they decided to no longer participate in TanningTech and other fairs such as APLF. Efforts were focused on alternative marketing tools, such as promoting major innovations to selected customer groups. Company road shows with their specific marketing and customer benefits were considered more efficient than fairs.

It also invested specifically in major markets such as Italy where it acquired Deacolor and Novaria, two Italian companies with strong finishing know-how, built its TFL Academy in Montebello, expanded finishing production at the Buscate site, which includes service laboratories, built new premises and service laboratories both in Castelfranco and in Solofra, which opened in 2003 and developed competence centres for garment, shoe, leather goods and upholstery customers. States Dr. Christian Csaki, division head and managing director of TFL Italy, "Our success in Italy builds on its excellent customer relationship management together with tailor-made services, superior products and state of the art infrastructure."

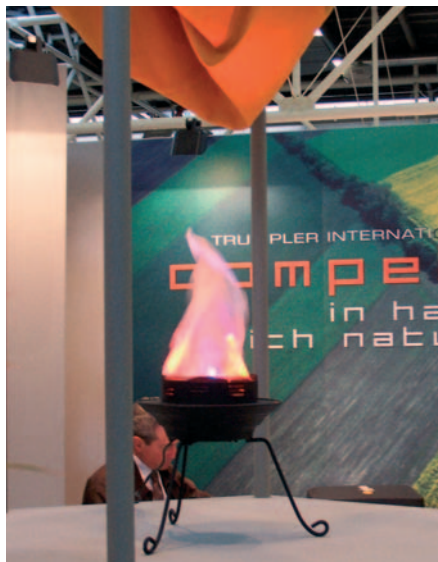


"SAME PLACE NEXT YEAR..."

So for the 248 exhibitors who did show at TanningTech and all those who showed at Lineapelle, according to the study here are the reasons people attend:

- a) to make a purchase
- b) to find new products or new potential suppliers
- c) to build a bank of information (of products and sellers) for future use rather than to make a purchase decision
- d) to meet known and regular suppliers
- e) to update existing knowledge in order to improve professional skills and credibility
- f) to get 'inspiration' for product innovation
- g) to take part in an important event in the industry
- h) to be part of a community of practice
- i) to be reassured by the presence of sellers and other customers

This is what the organisers and the exhibitors must work on to make the show relevant. We are living in a time-poor society and, in many ways, this is why trade



Trumpler highlights its new fire-retardant treatment on the stand at TanningTech

exhibitions work. But as companies communicate their offerings using a mix of tools, they need to know the relative importance their customers assign to different promotional instruments, in order

to allocate the usually limited resources available for promotional activities in the best way. The tanning industry has always had an unbalanced mix, little true marketing, and a willingness to let the product fall away into a commodity sector dominated by suppliers and customers. Perhaps that is why we should identify 'liminal' spaces better than most since they are ambiguous and ambivalent. They slip between global market and local place, between public use and private value, between work and home, between commerce and culture. It is perhaps time for the leather industry to defend its history and its values, and to keep its great trade shows alive with full support without always seeking the aid of the suppliers. "Betwixt and between" is not a state that bodes well in a competitive world. 🌐

**Borghini, Golfetto and Rinallo (2005) "Same Place Next Year..." An in-depth analysis of Ongoing Search among Industrial Buyers. Proceedings of the 21st IMP Conference, 1-3 September 2005, Rotterdam. Rotterdam: RSM Erasmus University.*



I knew I should have
subscribed to **leatherbiz.com**