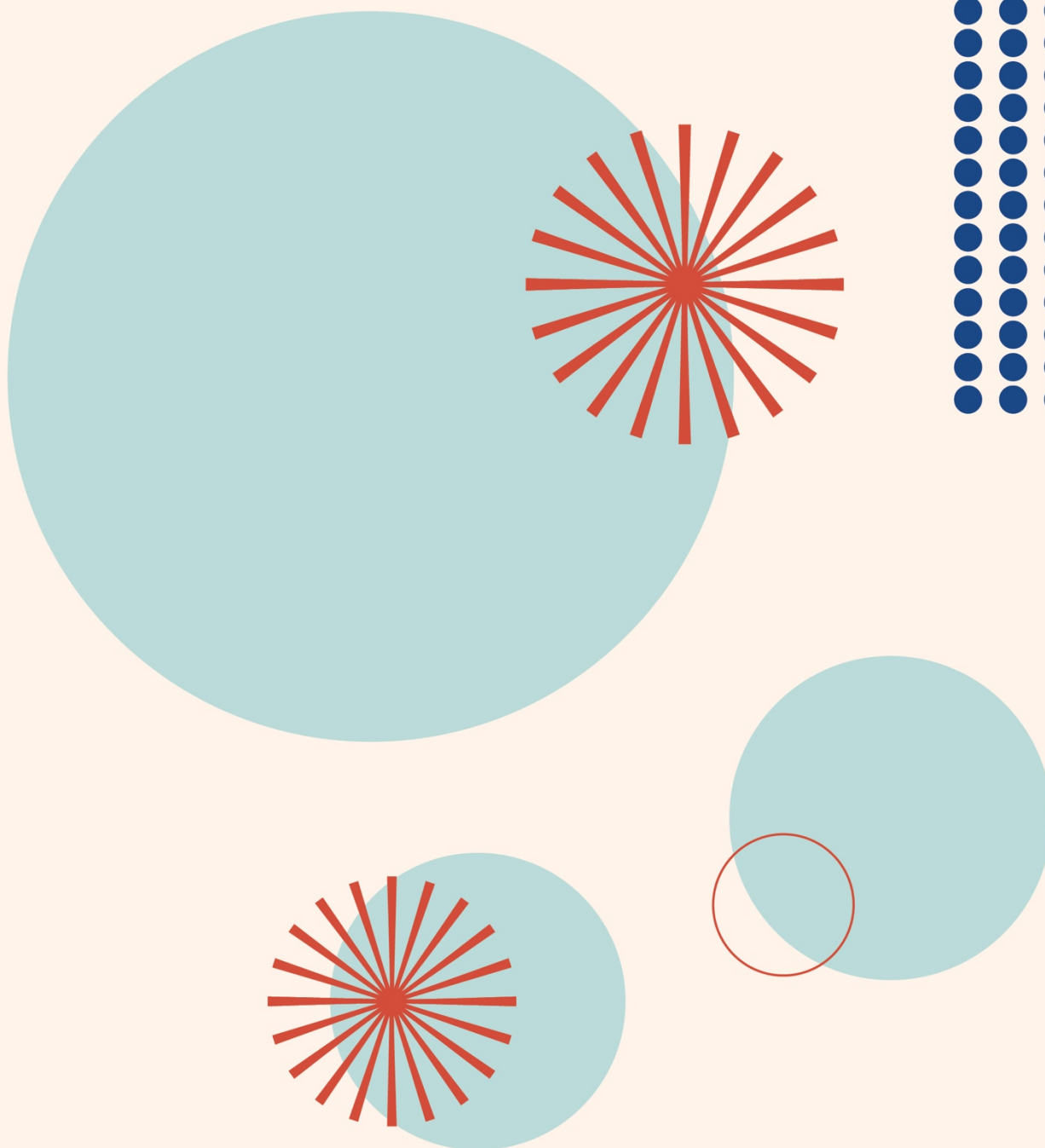
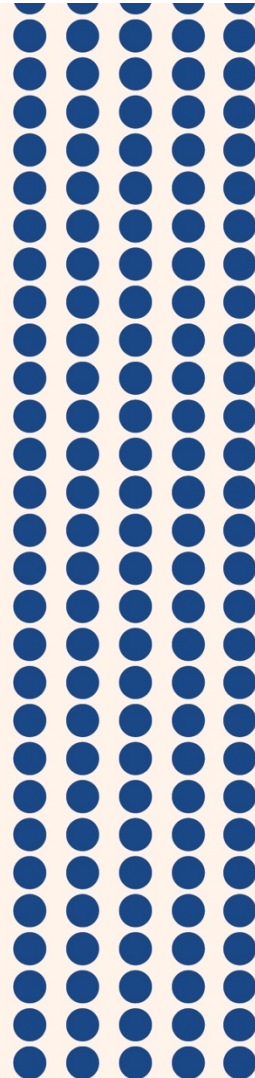


Analysis of the Economic Impact of the Belgrade Fair 2017-2019.

ECONOMIC INSTITUTE A.D.



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SUMMARY

The Belgrade Fair, as the largest and most successful investment fair in Serbia and southern Europe, will generate plant economic effects on the national economy and on the city of Belgrade.

We estimate the overall economic effects of the Belgrade Fair operations in 2019 at:

- 14.4 billion RSD worth of goods and services sold;
- 4.3 billion RSD added to the value, which is equal to 0.10% of the gross value added generated in the Republic of Serbia and 0.25% of the gross value added of the city of Belgrade;
- 1,961 jobs created and
- 2.8 billion RSD of total tax revenues.

Table 1. **Summary of the economic effects of the Belgrade Fair**

Belgrade Fair - net -					
	2015	2016	2017	2018	2019
Sales of goods and services (in mil. RSD)	831,1	778,9	853,1	832,9	937,3
Gross added value (in mil. RSD)	362,0	364,5	380,8	414,0	469,4
Taxes and social contributions (in mil. RSD)	214,5	202,7	220,1	211,0	234,3
Employment	189	188	183	182	173
Direct effects					
	2015	2016	2017	2018	2019
Sales of goods and services (in mil. RSD)	7.435,9	8.691,8	9.001,6	9.297,8	9.712,1
Gross added value (in mil. RSD)	1.588,2	1.711,3	1.753,6	1.735,4	1.726,2
Taxes and social contributions (in mil. RSD)	1.729,5	1.986,9	2.071,3	2.139,5	2.253,2
Employment	914	890	988	916	996
Indirect effects					
	2015	2016	2017	2018	2019
Sales of goods and services (in mil. RSD)	2.492,0	2.757,3	2.933,3	3.057,9	3.224,0
Gross added value (in mil. RSD)	1.381,9	1.527,5	1.618,6	1.683,6	1.771,4
Taxes and social contributions (in mil. RSD)	288,2	318,8	337,3	353,7	372,2
Employment	498	551	587	612	645

Induced effects

	2015	2016	2017	2018	2019
Sales of goods and services (in mil. RSD)	1.115,4	1.303,8	1.350,2	1.394,7	1.456,8
Gross added value (in mil. RSD)	714,7	770,1	789,1	780,9	776,8
Taxes and social contributions (in mil. RSD)	115,3	127,5	132,1	153,1	160,0
Employment	248	290	297	307	320

OVERALL EFFECTS

	2015	2016	2017	2018	2019
Sales of goods and services (in mil. RSD)	11.043,3	12.752,9	13.285,2	13.750,4	14.392,9
Gross added value (in mil. RSD)	3.684,8	4.008,9	4.161,3	4.199,9	4.274,4
Taxes and social contributions (in mil. RSD)	2.133,1	2.433,3	2.540,7	2.646,3	2.785,3
Employment	1.660	1.731	1.871	1.835	1.961

Source: Assessment of the Economic Institute a.d.

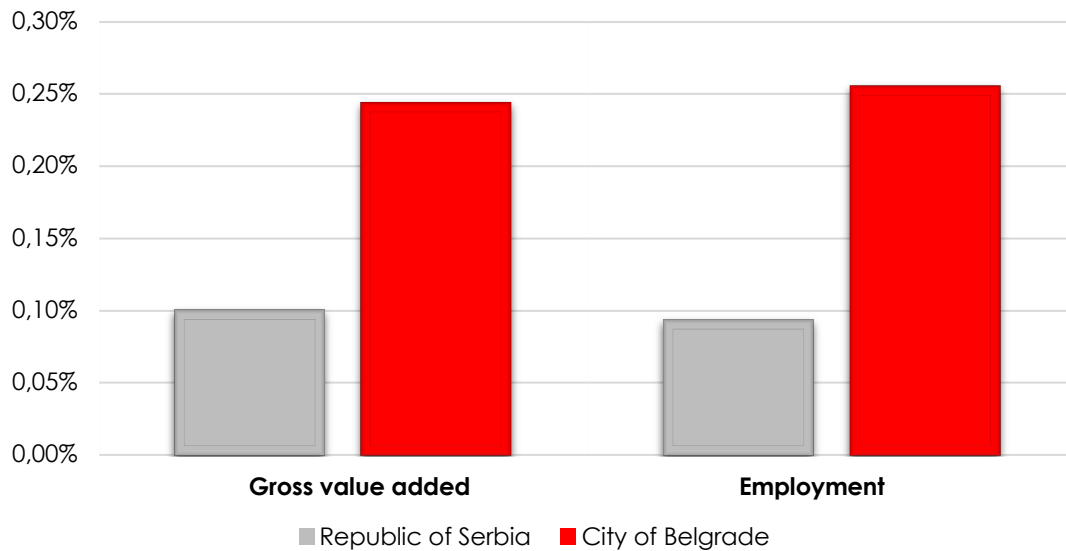
A total of 2113 exhibitors participated in 48 exhibition events organized by the fair and with co-organizers in 2019, of which 17 were foreign exhibitors from 55 countries, recording a turnover of over 9.7 billion RSD. The total invoiced exhibition space is 174519 sq.m, while more than 305,000 sq.m. of office and warehouse space have been leased. During 2019, 737,000 people visited the Belgrade Fair and the net profit exceeded 100 million RSD.

The consumption of visitors together with the turnover of exhibitors at the exhibitions had a direct effect on the growth of demand in the country of 9.7 billion RSD, the growth of gross value added of 1.7 billion RSD and a total of 996 jobs.

Exhibitors and visitors also spent another 750 million or almost 2.5 billion RSD for accommodation, food and drink, transport, entertainment, trade and other needs. Retrospectively, the indirect effects of the fair's operations resulted in an increase in gross value added by an additional 1.8 billion RSD, which corresponds to an increase in employment of another 645 people.

Therefore, the total amount of money spent on accommodation of exhibitors and visitors 2019 exceeds 3.2 billion RSD, only the spending of foreign tourists who visited Belgrade on that occasion was about 1.03 billion RSD.

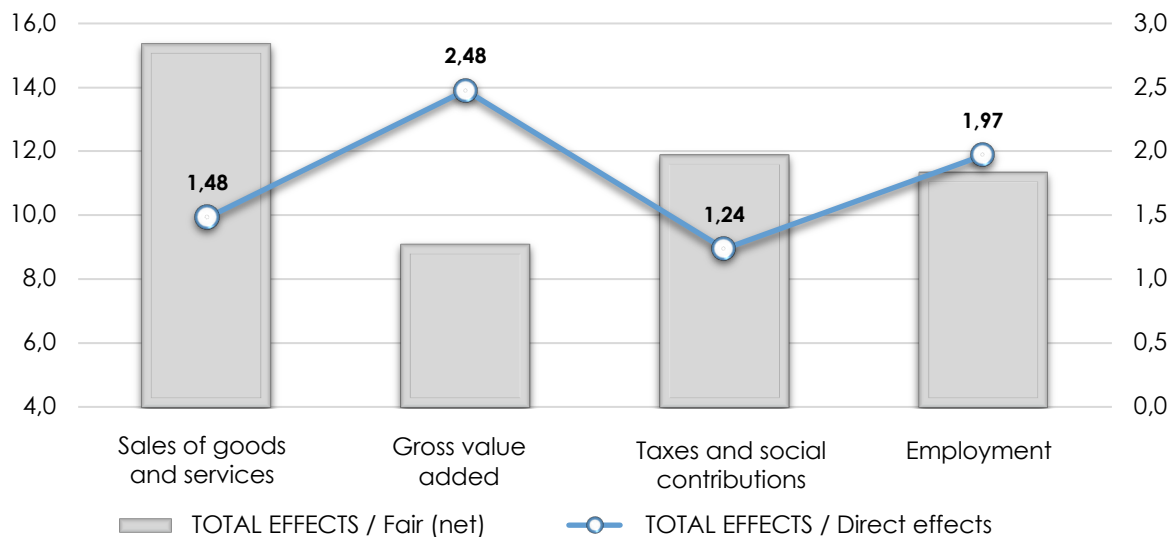
Figure 1. **Proportion of the Belgrade Fair in generating total gross add value and employment of the Republic of Serbia and City of Belgrade in 2019. year.**



Source: Assessment of the Economic Institute a.d.

The purely direct effects of the Belgrade Fair's operations on tax revenues in 2019 reaches almost 2.2 billion RSD, so that the total tax effect of its operations is estimated at 2.8 billion RSD.

Figure 2. **The value of the multiplier in year 2019**



Source: Assessment of the Economic Institute a.d.

Finally, the estimated multiplicative effect on gross value added on generation in 2019 is 2.48. At the company level the Belgrade Fair, as an isolated company it is even 9.1. The result is interpreted in a way that every dinar earned under the dome of the Belgrade Fair in the economy continues to increase by 2.5 times, while in the case of the Belgrade Fair isolated its effect on the national economy rises to over 9 RSD.

Dynamically, here we note a significant improvement in the performance of the Belgrade Fair because the multiplicative effect on the generation of gross value added in 2016 reached 2.34.

As for employment, the multiplier of 1.97 shows that each employee due to the Fair activity in 2019 produced in the economy induced another job. If we isolate only the company Belgrade Fair, then each of its employees in 2019 created approximately 11 jobs.

The plan for 2020 is ambitiously set. The agenda included 46 fairs and exhibitions organized by the fair and with co-organizers. Of which two were new ones. Unfortunately, as early as the beginning of March, the Corona virus (COVID-19) pandemic stopped most of the business activity in the country. Fair unselfishly interrupts its original function of existence and enters the real echelon of defense of 'Life in the country' together with our epidemiologists and Chinese experts from all locations in Serbia choose the Belgrade Fair as a place for a temporary hospital for the treatment of Corona Virus (COVID-19).

THE AIM OF RESEARCH

The aim of the research is to identify the comprehensive socio-economic effects of the Belgrade Fair, which is reflected not only in the domain of immediate positive effects that the fair generates (Increased employment, stimulation of inspections, higher state revenues from taxes on salaries from exchange offices), but also in the domain of influence on a wide range of stakeholders who participate in the realization of fair events.

In this context, through identifying and qualifying the various economic effects that the Belgrade Fair achieves in the local and wider community, the goal is to point out to the general public and decision makers the real economic importance of the organization to take into account is difficult to measure and insufficiently visible, so in this study, in addition to the most obvious effects of the fair, a detailed description is given multiplicative of the impact of the fair industry on other industries but also on the local and wider community.

We focus primarily on the period 2017 to 2019, however, in addition to reviewing the situation, the result for the first time allows us to observe the dynamics of the effects in the medium term, given the fact that we have left contributions for 2015 and 2016.

RESEARCH METHODOLOGY

In order to assess the socio-economic effects of the Belgrade Fair, the method of 'desk' research was used. The research is based on the use of secondary data (publicly available data and data submitted by the Belgrade Fair). The analysis of tangible effects of the Fair was performed using quantitative methods using financial business indicators for the period 2015 to 2019.

Fair business effects are defined as socio-economic changes that occur as a result of activities in the fair industry, however, these effects do not occur solely under the influence of activities in the exhibition industry segment, but also on other types of consumption that occur directly or indirectly found in reaction with the fair industry. Therefore, the fair effects of the exhibition industry did not include the result of the functions performed by the Belgrade Fair of major activities that occur in sectors such as; traffic, tourism, catering, retail, wholesale in Serbia construction and equipping of stands, forwarding and storage of goods advertising and communication costs.

In this context, the continuous impact on the local and national economy that the exhibition industry has can be seen from three aspects. By analyzing the available data and applying the standards of the methodology for assessing economic effects, the direct and indirect and induced effects of the Belgrade Fair are broken down, the summation of which leads to the assessment of the overall economic impact.

Direct effects include basic, immediate economic activities generated by the exhibition industry. This category includes all effects that have arisen as a direct consequence of the renewal of the Fair activities at a particular location and includes;

1. sale of fair goods and services (renting out space, revenues generated by organizers, exhibitors and visitors, sale of goods and services that are the subject of the offer at various fair events and all other revenues generated in accordance with the fair events)
2. gross value added
3. taxes and social contributions
4. employment

In other words, the direct effects of the Belgrade Fair imply all the economic results that are directly related to the holding of exhibition events at that location. In addition to the direct effects, which are the most transparent and which are most easily determined by applying appropriate multipliers, the calculation of the other two categories of effects was performed.

Indirect effects are generated within supporting activities and this category includes economic changes that have occurred as a result of consumption in other related industries. In that context, the initial consumption at fairs also provides direct income for catering facilities, airlines, transport companies, freight forwarders, recreational tourist sites, telecommunications companies and the like. This category of impact

includes compensation for the economic consumption of goods and services of local suppliers that arises as a result of the initial activities of the exhibition. Changes in sales and revenues in other industries, which occur as a result of the interaction of fair activities with other economic sectors, represent a category of indirect effects and indicate a different degree of connection of many other economic sectors in the country with the exhibition industry.

Induced effects imply changes in economic activity that occur directly or indirectly as a result of the consumption of participants in fair events and which in a broader context affect the local and national economy. In this sense, the participants in the exhibition industry spend their revenues generated on that basis in the local community on unrelated goods and services, such as; housing, food, transportation and realization of other social needs. The induced economic impact actually represents the re-consumption of revenues generated on the basis of holding fair events. These are the multiplied effects of the consumption of the participants of all manifestations on the economy of the whole country, these effects actually occur as a consequence of successive consumption circles and they tend to weaken with each new one. In the literature, induced effects are also called 'Keynesian multiplied consumption effects'.

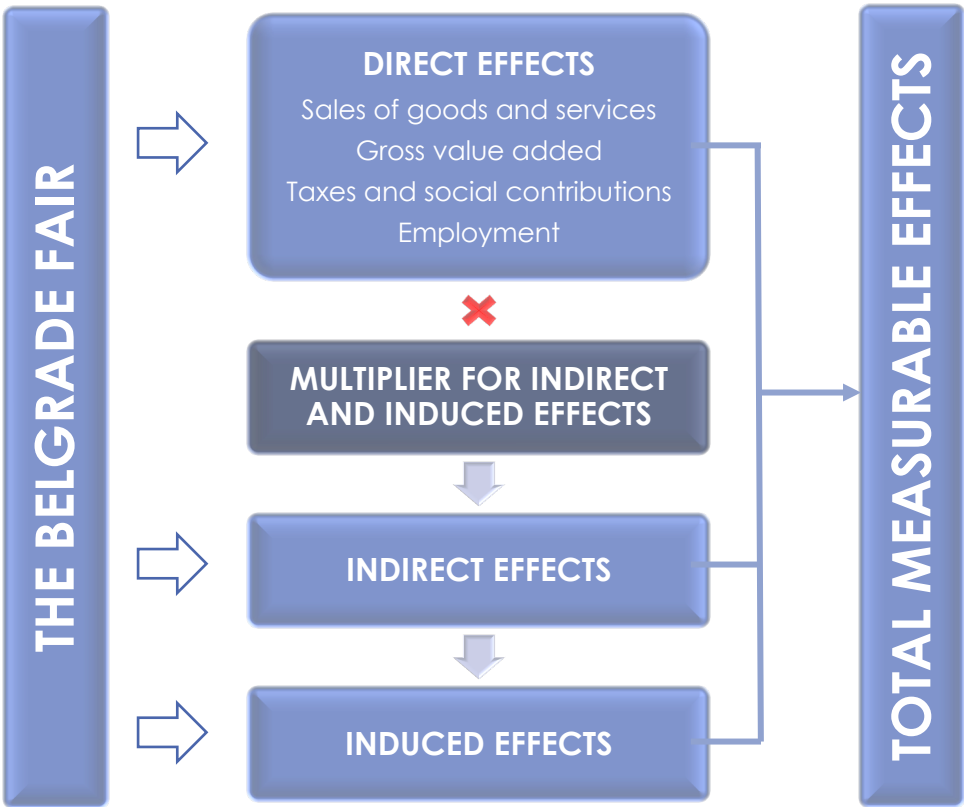


Figure 3. **Graphic presentation of direct, indirect and induced effects of the Belgrade Fair**

As graphically shown in Figure 3, the calculation of indirect and induced effects is performed by applying appropriate multipliers to the direct effects of doing business in the exhibition Industry. Therefore, in addition to the initial economic effects arising from the turnover of goods and services in the Fair activities, thanks to the multiplied impact, it is possible to calculate the overall impact of the Fair's operations on the country's economy. The total, tangible effects of the Belgrade Fair represent the sum of all three categories of direct and indirect and induced effects.

Emphasizes that it was very difficult to assess in detail the fair consumption and production of other activities, again respecting the main goal of this study, which is to assess the economic effects of the Fair on the national economy and research the exhibition multiplier. In almost all segments of the budget, some data were missing, starting from detailed records of foreigners' visits to the exhibition, the amount of turnover by exhibitors at some exhibitions events, quality and structure with contacts, employment estimates based on average coefficients for selected activities.

In spite of everything, the obtained results are credibly internationally comparable and extremely important in terms of assessing the increase in the economic significance of the Belgrade Fair on the national economy and the economic performance of the city of Belgrade.

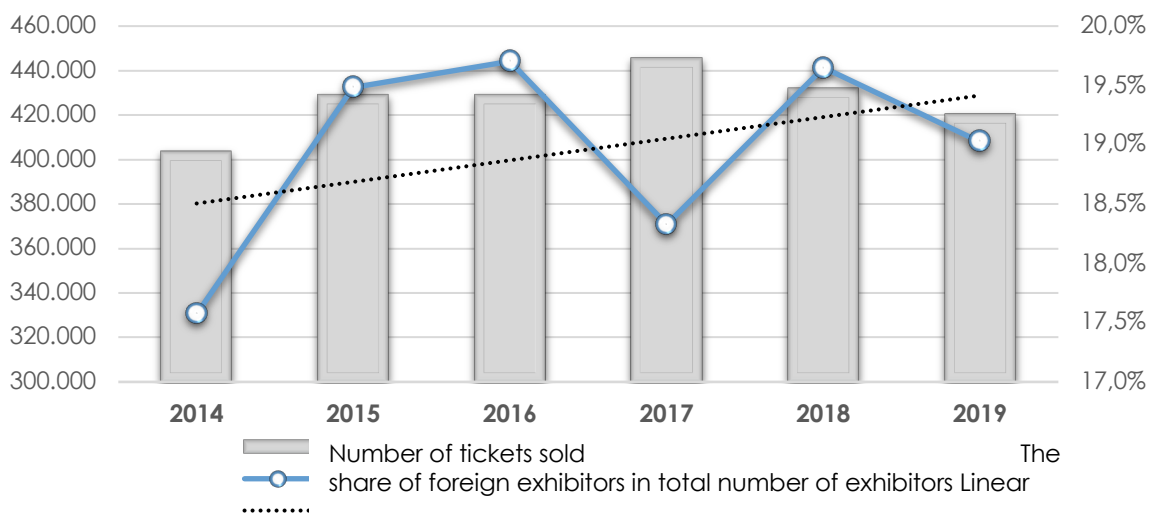
MEASURABLE EFFECTS OF THE BELGRADE FAIR BUSINESS

DIRECT EFFECTS

A total of 2,113 exhibitors participated in the events of the Belgrade Fair in 2019, of which 1,711 were foreign exhibitors from 55 countries. at about 48 fairs and exhibitions, a total of 737,000 visitors were recorded (37% more than in 2016), while over 305,000 square meters of office and warehouse space were leased, which is an increase of 38.6% compared to 2016.

A total of 174,519 sq.m. was invoiced and the net profit exceeds 100 million RSD.

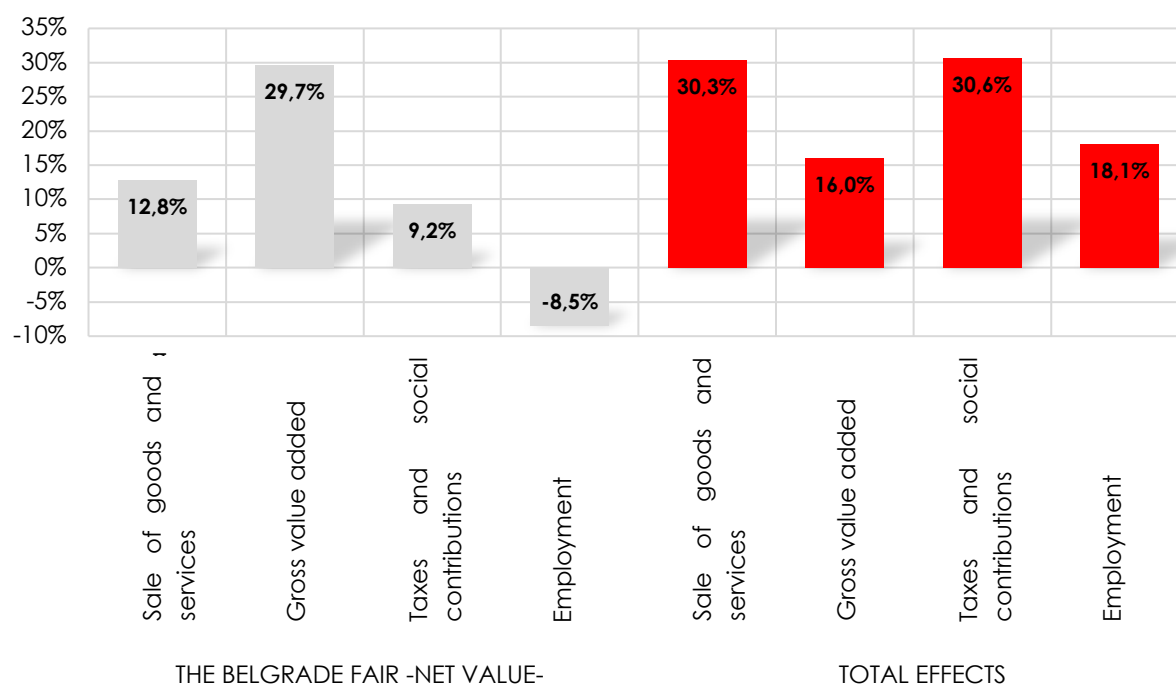
Figure 4. **Visit to the Belgrade Fair, period 2014-2019.**



Source: Belgrade Fair data

With 173 employees, the company recorded an output value of 937.3 million RSD, 469.4 million RSD in gross value added and paid RSD 234.3 million to the budget (Republic of Serbia and the City of Belgrade) in the name of taxes and social contributions.

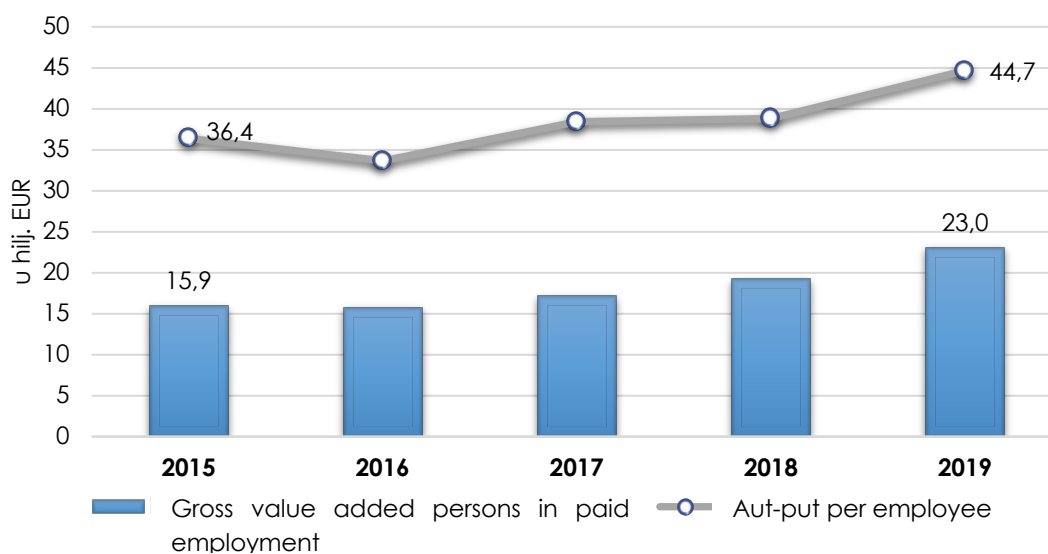
Figure 5. **Relative change in the economic effects of the Belgrade Fair in the period 2019-2015**



Source: Assessment of the Economic Institute a.d.

The productivity of the Belgrade Fair has been steadily growing since 2016. Measured generated gross value added per employee in euros, productivity in the period from 2015 to 2019 increased by 41.5% in the same period. Labor productivity expressed as value of turnover per employee increased by 22.6%.

Figure 6. **Business productivity indicators of the Belgrade Fair - net**



Source: Assessment of the Economic Institute a.d.

The turnover of the fair consists primarily of revenues from the services of renting stands, from domestic and foreign exhibitors at fair events, services of making and maintaining stands, selling tickets for visitors, renting office and warehouse space and more.

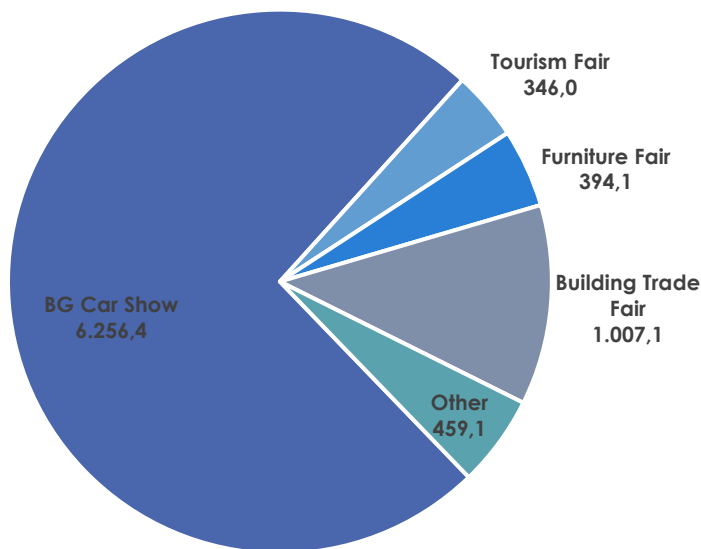
The main actors we follow in the research are; Belgrade Fair, Exhibitors and Visitors. The fair determines the theme of the fair, finds adequate space for holding, promotes the event among potential exhibitors and visitors, rents stands of a certain size and contracts the provision of various technical and other services for the exhibitor before the start, during the fair or after the fair.

For business people, the fair is primarily part of the cubic promotional activities, a means to improve sales and an opportunity for so-called personal selling. While fair events have a kind of control function within certain activities because they give its subjects the opportunity to compare with competitors, but also gain the latest information on the situation in the field in which they are engaged.

In addition to numerous intangible benefits, we estimate that during 2019, a quantitative effect will be achieved in increasing the turnover by around RSD 8.8 billion.

The Belgrade Car Show is certainly a period in which sellers rub their hands contentedly. Big discounts, special offers trick people into spending money, and in most cases they use offers from commercial banks to afford a new car.

Figure 7. **Estimated average annual value of turnover exhibitors in the period 2017-2019 (in millions of dinars)**

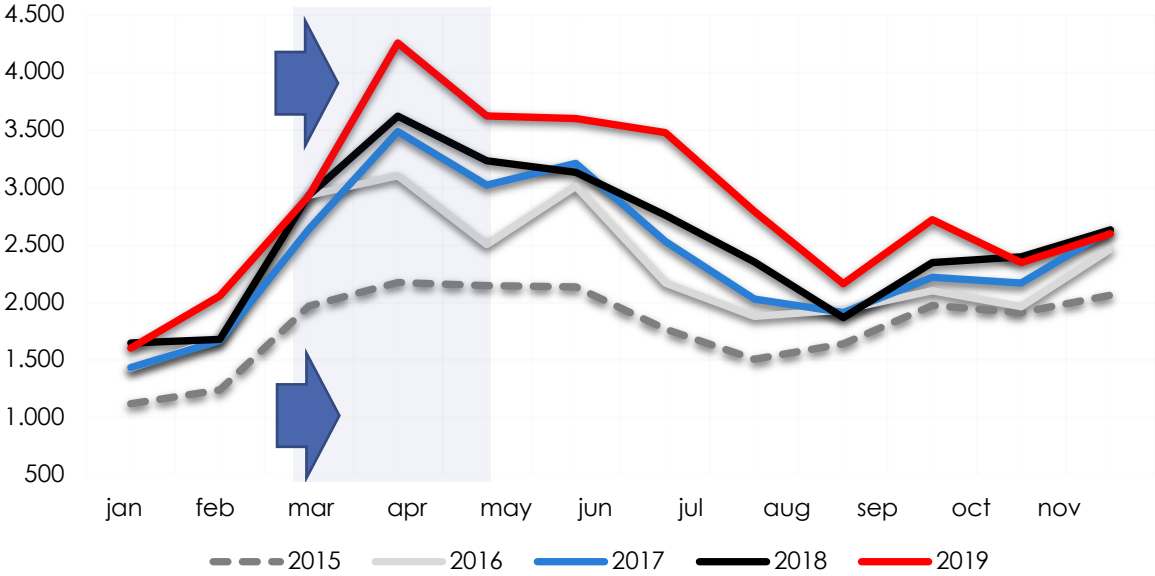


Source: Assessment of the Economic Institute a.d.

In Figure 8t it can be clearly seen that the Car Show is the real trigger for selling new cars. We also know that the Belgrade Car Show is the first in a series of exhibitions in a calendar year that are held in the Balkans, but at the same time the first exhibition after the big Car Show in Geneva. This schedule is a real relief for producers when it comes to logistics and allows attractions intended for our market as well as the market of surrounding countries to be seen live in Belgrade for the first time.

According to our assessment, in 2019, the Car Show contributed to the sale of about 3.6 thousand vehicles, although we know that the best-selling cars were lower, and lower middle class, just as it has been with for years. We can say that the average price of new vehicles was around 16,000 EUR. It follows that the revenue from the sale of exhibitors in 2019 at the Car Show (even without exhibitors at the motor show that is held at the same time) must be greater than 6.7 billion RSD.

Figure 8. **The effect of the Motor Show - OICA, ie BG Car Show - and the sale of new cars in Serbia**



Together with other key events such as the Building Trade Fair, Furniture Fair, Tourism Fair and Technics Fair, we estimate that the value of sales and services in 2019 under the dome of the Belgrade fair reached 8.8 billion RSD.

We estimate that this does not correspond to the affiliation of gross value added of 1.7 billion dinars and 973 jobs.

Gross value added of the exhibition activity is the sum of the total value added in the basic prices of all economic entities from the value chain of activities related to the operations of the Belgrade Fair. Direct gross value added to the exhibition. In that sense, it includes the part of the added value of the exhibition and other activities that is created by the fair demand and is a measure of the direct contribution of the exhibition to the economy.

We achieved the results by (a) extracting from national accounts data related to the fair activity (B) identifying the consumption of visitors related to the Fair from that which is primarily of a tourist nature and (c) analyzing the value of goods and services. Visitors are classified as other consumption of visitors and exhibitors related to the fair activity.

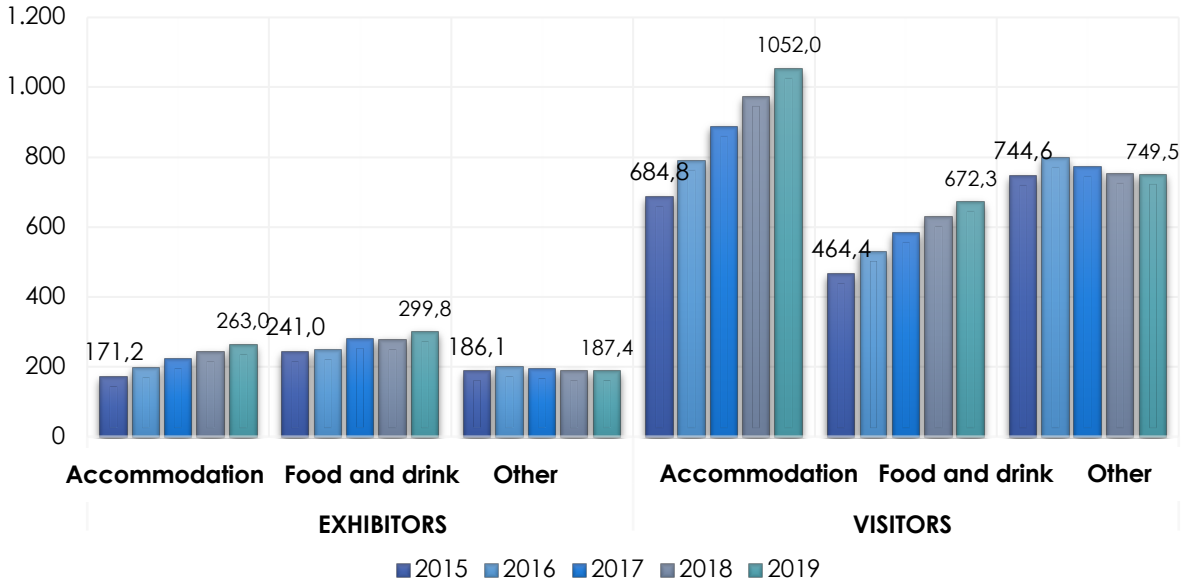
The biggest direct effect on tax revenues again comes from the Car Show in the name of this event, out of the total direct tax revenues of slightly more than two billion RSD, the debt is almost 1.4 billion or 69.5%. of which the largest part is value added tax revenue 32.1 million revenue from motor vehicle use tax and registration tax, while the rest is the inflow based on estimated income tax and the like.

INDIRECT EFFECTS

Large fairs imply the arrival of a significant number of business people but also other visitors who use hotel and catering services in the destination, transport capacity of trade and local economic and non-economic activities.

International fairs are attractive to tourists who come to the destination for other reasons. This setup of basic tourism in recent times known as exhibition industry, also helps destinations in building an image and in general international promotion.

Figure 9. Direct and indirect effects of sales of goods and services, mil. dinars, period 2015-2019



Source: Assessment of the Economic Institute a.d.

We estimated the total indirect effects of the Belgrade Fair on the sale of goods and services in 2019 at 3.2 billion dinars (9.2 billion RSD commutative in the period from 2017 to 2019), which is 7.32 million RSD or 29.3% more than in 2015. Visitors spent over 1.3 billion RSD only for accommodation for exhibitors, while at least 972 million RSD was spent on catering facilities primarily in the city of Belgrade for food and beverage needs.

Total and direct effects of fair activity on gross value added Approximate that they are by 1.8 billion dinars in 2019, while the benefits for employees are estimated at 645 jobs. A detailed analysis of the effects of the Fair's business on tourism and employment is given below.

The corresponding income from taxes and social contributions in 2019 would be at 372 million RSD (1063 million RSD cumulatively observed from 2017 to 2019) 4/5 of this amount is owed to visitors while the remaining part of public revenues was provided by exhibitors.

INDUCED EFFECTS

It is always desirable to observe the wider aspect of direct and indirect effects as multiplied effects of the consumption of fair activity. First of all, the exhibitors and visitors to the economy read the countries. The essence is that money, that is, the added value generated by sales from fair activity, further circulates within the national economy and makes a certain number of transactions before it is created through payments for import purposes.

The coefficient of multi-application therefore depends on the level and dynamics of economic development if in the structure of turnover realized under the dome of the Belgrade Fair and around it a larger share of domestic production and domestic resources will be higher and what are the prices of multiplication because less is spent on imports.

A total of 1641 employees were directly or indirectly as a consequence of the Belgrade Fair without a doubt generates a lot of demand in the economy starting from the purchase of goods and services for everyday use to purchases of greater value estimates must be just then seven million dinars but their new employee for 320 people.

The total in taking into account the estimated multiple forged effect on the generation of gross value added in 2019 is 2.40 at the level of the company Belgrade Fair as an isolated company that is as much as 9.1 The result is interpreted in such a way that every dinar earned under the dome of the Belgrade Fair in economy further increases by another 2.5 times while the cases of the isolated company Belgrade Fair raises its effect on the national economy to over 9 RSD

Dynamically observed it means improving the performance of the Belgrade Fair, because multiplying the effect on the generation of gross value added in 2016 is 23.4.

As for employment, the multiplier of 1.97 shows that each employee, due to the fair activity in 2019, produced for the economy either indirectly or induced another job. If we isolate the company Belgrade Fair, then each of its employees in 2019 created approximately 11 jobs.

EFFECTS ON THE EMPLOYMENT

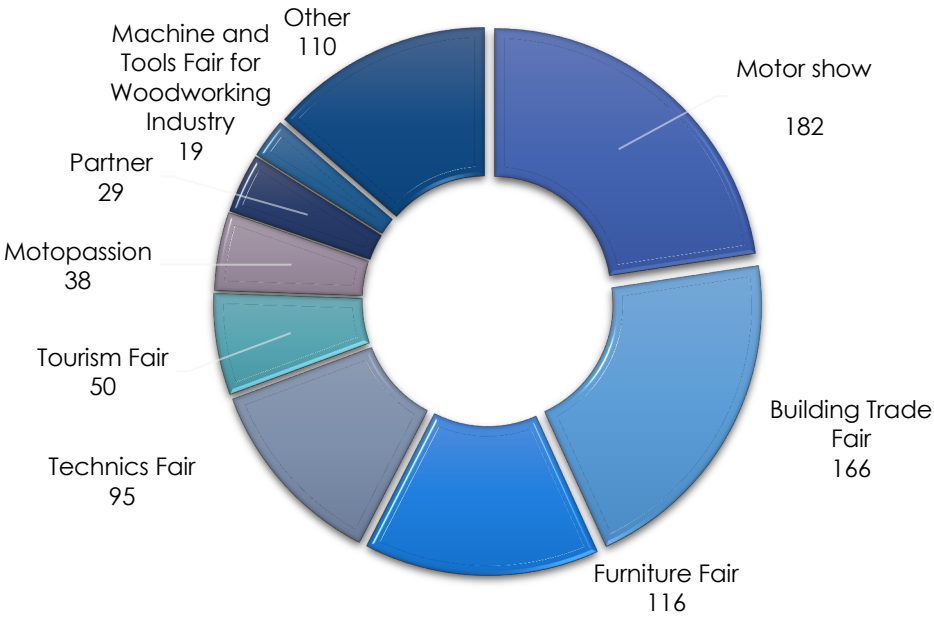
The estimated and direct contribution of the Belgrade Fair to employment in Serbia in 2019 is 996 jobs, with 173 employees or 17.4% coming from the company Belgrade Fair, based on the payroll, while the rest are 823 equivalent jobs generated by the fair exhibitors.

That number was taken into account

- number of exhibitors in 2016 based on invoiced exhibitor registration fees
- the duration of fair events is the shortest, lasting three days, such as the energy fair, the MEDIDENT fair of medicine and dentistry, and the ECOFAIR ecology fair, the longest, as long as 11 days, the International Motor Show, i.e. the Motopassion
- The average estimated number of people hired per exhibitor

Based on these inputs, we get that the number of suitable jobs was 5008, there are as many as 28.529 engagements, which corresponds to the equivalent number of employees in the whole year with full-time work of 823 compared to 2017. The equivalent number of full-time employees in the whole year in 2019 was higher by 18% in 2015 and increased by 98.

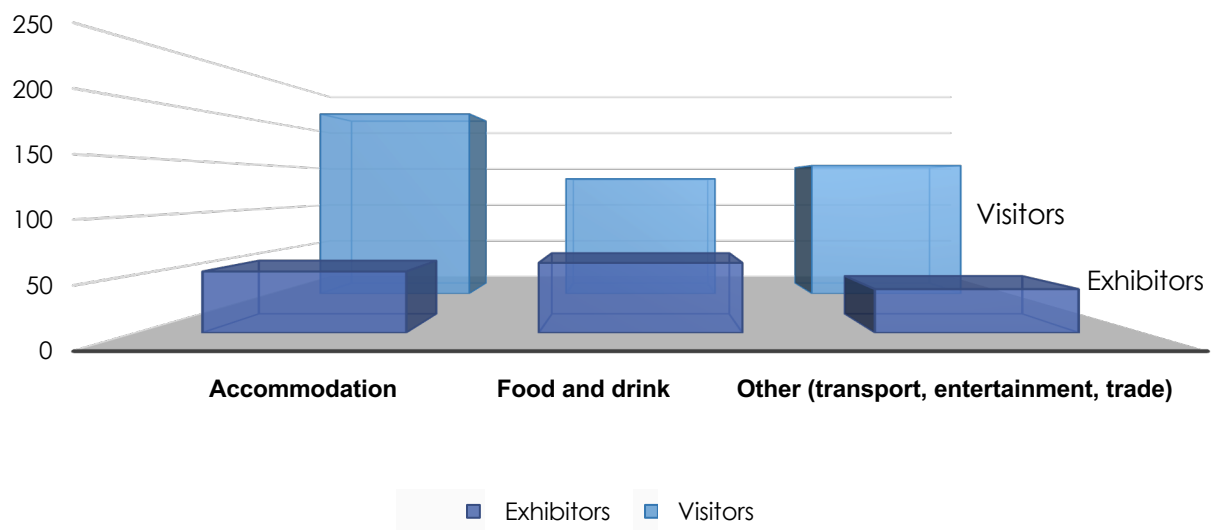
Figure 10. **Estimated direct contribution to fair exhibitors on employment in 2019**



Source: Assessment of the Economic Institute a.d.

Under the term employed persons, we mean persons who have performed a paid job (in cash or in kind) for at least 1 hour in the observed week, i.e. an internationally known definition of employment.

Figure 11. **Estimated indirect contribution of fair exhibitors and visitors on employment in 2019** (the number of equivalent working places)



Source: Assessment of the Economic Institute a.d.

The estimated effective contribution of the Belgrade Fair to employment in Serbia in 2019 is 645 jobs, which is 9.9% or 29.4% more than in 2017 than in 2015.

We started from the extremely conservative assumption that 1 job owes a turnover worth an average of about 5 million RSD. From the records submitted the name of all reports of non-financial operations of the sector of the Republic of Serbia for 2015 at the time of writing this analysis there are still no summarized results for 2016. It can be said that the value of turnover per person in paid employment in the area of accommodation amounted to an average of 2.73 million RSD, in the activity of preparing and serving food and beverages 2.75 million RSD. On the other hand, if there were jobs in the retail trade together, it was necessary to realize a turnover of as much as 14.6 million dinars.

Given the fact that this is the capital city (not the national average), which is certainly lower in 2019, primarily for business tourists who are more demanding in terms of better service, these arguments justify our decision to raise the value of the set criterion even at the cost of partial completeness of the total indirect contribution of the Belgrade Fair business in the employment segment.

Estimating the induced contribution of the Belgrade Fair's business in terms of employment, which was caused as a consequence of the costs of direct and indirect impact, in the period from 2017 to 2019 at 297, 307 and total of 320 jobs, respectively observed.

Summarizing direct, indirect and induced contributions, we estimate that by doing business in 2019, the Belgrade Fair had a total effect on the employment of 1961 people, which is 18.1% more than in 2015 or 0.26% of the total number of employees in the city of Belgrade.

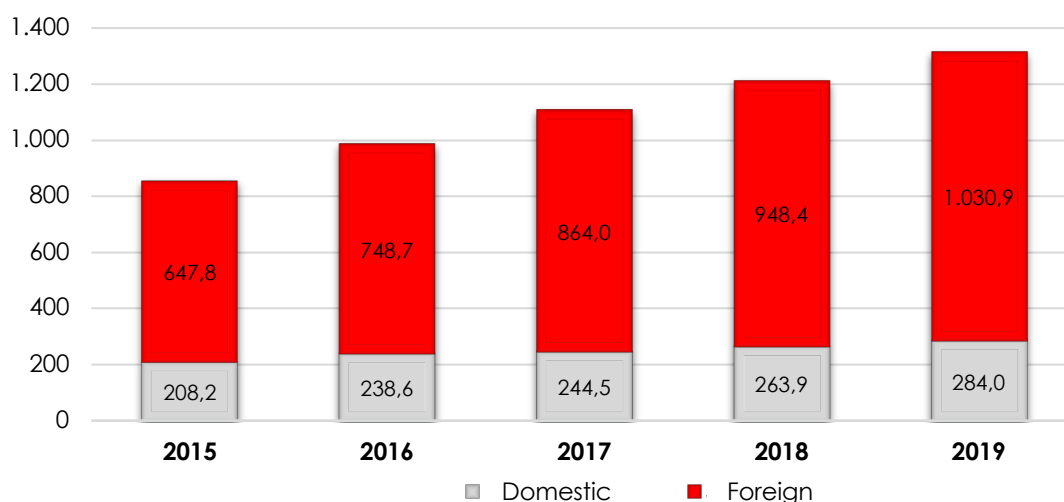
EFFECTS ON TOURISM

In mid-2015, the business association of the hotel and catering industry- HORES initiated the implementation of the project IMHOS (integrated hotel network of Serbia) which investigates the degree of guest satisfaction in relation to the quality of services provided in hotels in Serbia. In hotels in the city of Belgrade, the survey included guests from 18 places of facilities of different categories (966 respondents made the final sample). As the main reason for staying 7.45% of guests stated a visit to the exhibitions, and among foreign respondents the fair was the main reason for staying in 6.6 percent of cases.

In the current empirical research presented in the doctoral thesis of the strategy of basic tourism development in the cities of Serbia by the author Dr. Milena Podovac from 2019, professional results were obtained. The research was conducted on the side of the tourist offer and on the side of the tourist demand in order to observe the views of relative interest groups and draw conclusions about the current state of urban tourism and provide guidelines for improving development. The number of respondents was 392 of which 261 foreign tourists to the question 'What is the most common motive for staying in the chosen city', 23% of respondents answered business events (exhibitions trade fairs business meetings).

It follows that of the 1057 thousand foreign tourists who visited Belgrade in 2019, 69.7% of them stayed in one of the Belgrade hotels in order to visit the Belgrade Fair. In that sense, the number of domestic visitors to the Belgrade Fair who stayed at the hotel at the same time was about 24 thousand.

Figure 12. **Estimated amount of money that the fair tourists allocated for accommodation in Belgrade hotel in millions of dinars, in the period 2015-2019.**



Source: Assessment of the Economic Institute a.d.

Starting from the controversial estimate that three quarters of tourists do not stay longer than one night in Belgrade hotels and that on average, locals paid 80 EUR for bed and breakfast, and foreigners 100 EUR. We come to the total amount spent on accommodation in 2019 of 1.3 billion RSD.

The degree of moderation in assessing the effects of foreign tourists is best seen from the balance sheet data of the National Bank of Serbia for 2019.¹ Namely, the total inflow from business tourism in Serbia during 2019 amounts to 224 million EUR, the amount of RSD 1.3 billion as we estimated the effect of foreign Serbian tourists is only 4.9% of the mentioned amount.

Therefore, the Belgrade Fair brings concrete, measurable financial benefits to the Republic of Serbia and the city of Belgrade through fair tourism. Relatively high daily consumption per person already now and with a respectable number of foreign tourists who come to the capital with the primary motivation to visit the fair guarantees serious financial effects. In doing so, fair tourism provides employment to a number of service providers in the supply chain and therefore has a large indirect induced effect.

It is at the same time important because it amortizes the seasonal mismatch of the inflow of tourists for Out of the main season, while on the other hand business tourists behave as a rule and decently and do not create problems for the local community.

¹

https://www.nbs.rs/export/sites/default/internet/latinica/80/ino_ekonomski_odnosi/platni_bilans/bilans_usluga_19.xls

BELGRADE FAIR IN THE CONTEXT OF BUSINESS, MACROECONOMIC AND SOCIAL FUNCTION OF EVENTS

BUSINESS FUNCTIONS

Fair manifestations in the modern sense represent spatially and time-limited business events that are held at regular semi-annual and annual intervals. They represent a meeting place of supply and demand within a certain branch of the economy, as well as a place of presenting ideas and information and establishing personal and business communication between the participants. The key features of fair events include the simultaneous presence of exhibitors of products or services and potential buyers in a determined area.

Exhibitions are the dominant instrument of integrated marketing communications in the business market. The importance of fair appearances for companies operating in the market of business consumption products is indicated by the fact that more than 60% of the marketing budget is allocated for fair events and personal sales (Smith et al. 2004). Compared to other instruments of integrated marketing communications, fairs perform by far the widest range of functions.

Exhibiting at the Belgrade Fair provides companies to attract new and develop and improve relationships with existing customers, build favorable perceptions of the company in a group of consumers and other stakeholders, as well as establishing initial contacts and recruiting future company staff. For companies interested in entering the Serbian market, exhibiting at the Belgrade Fair can provide information relevant to marketing, such as the activities of competing companies, the level and manner of price formation, potential consumer preferences and knowledge of available distribution channels in the market. In addition to the space where sales relations are initiated and established, the Belgrade Fair is a special place for testing concepts and prototypes of new products and provides exhibitors and visitors with the opportunity to follow trends and market developments. compared to other instruments of the promotional Mix, such as advertising, fairs and represent a relatively cheap form of communication with the market, i.e. consider a more cost-effective marketing instrument for preparing products and services of a dozen consumer groups (Lee Kang 2014) for newly established SMEs who have limited budgets for marketing activities. In marketing executives, considering that at the same time and in the same place they gather the seller and the buyer to influence the persons in the process of deciding on the purchase of users (Blythe 2009), i.e. proper planning and realization of the fair appearance at the right time in the shopping cycle (Lee Kang 2014).

Attracting New and Developing Relationships with Existing Consumers

In modern business conditions that characterizes the intensification of competitive pressures, in setting up individual, short-term transactions with consumers gives way to the development of long-term relationships. The task of fair organizations is to create platforms that will facilitate the establishment and improvement of relations between exhibitors and visitors, during and after the fair event. fair events give exhibitors the opportunity to get in touch with a large number of potential members of the target group of customers in a short time and achieve significant promotional effects and realize sales at low cost (Lee Kang 2014) establishing contact, informing, selling and building a company image are among key motives of exhibitors at fair events. The results of the research in the context of 2B2 Fair events indicate that from the point of view of visitors, mostly representatives of small and medium enterprises, the key determinant activity of a city as a fair destination is accessibility, i.e. favorable geographical location, possibility of transport to the city and venue, the possibility of informing about the city, the meaning of the determinant activity of the fair destination and the perspective of visitors also include the size of the equipment, interior design of the space where the event takes place, but also the cleanliness of the city, tourist attractions in the city and a sense of security. the presence of an international company in the city, the business environment of the city and the religion in which the event takes place and the presence of suppliers and distributors of products that are exhibited in the city and the region where the fair takes place (Jin Weber 2016). from the perspective of exhibitors, the key determinant activities of fair destinations are the geographical concentration of interconnected companies that exists within the industry that is the subject of the exhibition, as well as the presence of distributors, suppliers, equipment, spatial layout and convenient transport to the exhibition center (Jin et al, 2013). appearance at the Belgrade Fair provides exhibiting companies with the opportunity to deepen relations with consumers, given that it creates an environment for establishing direct contact with consumers. longitudinal research on the cause of the German company of exhibitors indicates the efficiency of fair events in the phase of building brand awareness, but also the even greater importance of fairs in the phase of building brand trust and improving customer loyalty (Kirchgeorg et al, 2010). The fair appearance provides an opportunity to establish contact with a wider circle of domestic International business partners and clients, as a result of which it often opens new, additional and previously unseen markets.

Attracting New Products and Services and Achieving Sales Results

As a result of the spatial and temporal concentration of participants, which characterizes the fair events, numerous trends characteristic of the sector become clearly visible during the fair, and the spatial concentration of competing companies is actually a factor that encourages the generation of new products, services and process innovations. Appearance at the Belgrade Fair provides an opportunity to test the market of new products, prototypes and various design solutions. Small and medium-sized companies in particular can benefit from trade fair appearances, given

that their innovative solutions attract more public attention during trade fair appearances than in regular business conditions. exposing prototypes of new products to fair events has a positive effect on the value of exhibiting companies. Research of the effects of exposing the concepts of new products in the automotive industry in different stages of development of new models, ie in the phase of showing the public an improved version of the model in development that has already been presented to the public, indicate significant positive effects on the value of the company's shares, where the effects on the value of the company are more pronounced in the case of presenting an improved version of the model in development and in the case of the company's previous success in commercializing new products (Kim Mazumdar, 2016). Previous research on the market of business consumption products indicates that in the category of new products, appearance at events accelerates sales results, as well as the complementarity of personal sales and trade fair appearances and higher efficiency of personal sales as instruments of integrated marketing communications combined with trade fair appearance (Smith et al., 2004).

A Platform for Improving the Business of Newly Established Companies

Fairs are platforms for improving business contacts. organizing efficient platforms that enable market participants to network, exchange experiences and improve business is a source of competitive advantage of fair organizations (Kircgeorg et al., 2010a). Appearance at the Belgrade Fair can significantly contribute to the improvement of the business of newly established companies, given that it provides them with the opportunity to establish contact with potential customers, recruit sales force, establish distribution channels and present products and services to potential customers.

Image Improvement and Media Coverage

Fairs provide exhibitors with the opportunity to build and improve their image, not only among these consumer groups, but also with a wider audience, given the media's interest in fairs and the good media coverage of fairs. Fair events imply more intensive media coverage of the situation, observed trends and achievements in the industry.

Benchmarking

Fair events imply a spatial concentration of companies operating in a particular industry, and drawing companies at the Belgrade Fair provides a unique opportunity to benchmarking their own products and services offered by competing companies.

MOTIVATION AND RECRUITMENT OF EMPLOYEES

Fair events represent a specific challenge for employees within the company who are engaged in the activities of organization and implementation of the exhibition appearance, given that fair events are held in predefined terms that cannot be arbitrarily changed and which are a strong incentive for employees to all activities. For the organization of performances will be realized in a way that contributes to the achievement of company goals. During the fair events, employees of exhibiting companies who participate in the presentation of the company are motivated in a special way to make the most successful contacts with potential customers and come to valuable information about the activities of competing companies. appearance at the Belgrade Fair to exhibiting companies can contribute not only in terms of business contacts and attracting new ones, i.e. improving cooperation with existing clients, but can also enable establishing initial contacts with persons interested in employment in the exhibiting company, whose personal values fit the set of values of the companies.

Personal Communication

Fair events provide the opportunity to achieve personal communication between business partners, which contributes to the development of a sense of mutual trust. During the fair, potential customers are able to get acquainted with the design and functioning of the product, express personal requirements and specific needs and receive appropriate feedback accordingly. Business events, such as trade fairs, during which personal communication between stakeholders takes place, provide a stimulating environment for the generation and diffusion of innovations. Despite the emergence of new communication media that facilitate direct contact between stakeholders, the need for personal communication between business associates will be increasingly important in the future, indicating a positive outlook when it comes to the prospects of the fair institution (Kirchberg et al., 2010a). In this context, the internet can support the organization of fair activities and monitoring the effects of the fair, but it cannot replace the advantage of establishing personal contact. establishing sales contacts and sales have traditionally been considered other goals of trade fairs, however, recent research indicates the establishment of two-way communication between the exhibiting company and potential customers as the primary goal of trade fairs (Blythe, 2009). Given that less than 10% of visitors come to the fair with the intention to make a purchase, while informing is primarily the motive for visiting fair events, the realized volume of sales during and immediately after the fair event should not be monitored as the most relevant indicator of the success of the fair. In the future, one can expect less importance of fair events as sales instruments, while the emphasis will be on the communication function of fairs (Kirchberg et al., 2010a). In this sense, they will expect expert knowledge from trade fair organizations in the future. When it comes to the challenges faced by users of their services and understanding the needs of users in terms of information and interaction.

Emotional Approach

Fair events are events that involve the activation of all human senses. The potential customer is able to see how the product works and perceive the characteristics of the product through other senses. This emotional approach has become more important in marketing. It is considered that no instrument of the communication mix can fulfill these functions effectively as a fair appearance.

MACRO - ECONOMIC FUNCTIONS

Improving the Economy

Exhibitions bring benefits not only to exhibitors and visitors but to a significant extent in the economy and the region in which they take place. Fair events are considered important generators of added value, given that the benefits of the Fair activities are realized by hotels, restaurants and other facilities that offer accommodation and catering services, as well as companies that offer logistics services and actors involved in arranging and creating the fair space and realization of fair activities. The economic effects of international fairs again with the economy are five to seven times higher in relation to the income realized by the organizer. In that sense, business events and exhibitions organized by the Belgrade Fair are an important generator of employment in small and medium enterprises that offer services to support the implementation of fair activities. Compared to the average tourist, visitors to fair events stay in the place 1,2 times longer and make an average of 6% higher expenses (Tomšić, 2009). Cities and regions in which fair events are organized also generate significant additional tax revenues. direct expenses of visitors and exhibitors also contribute to the increase of production and employment in the branches of nature that offer support services and complementary contents of fair activities prices thus business events organized by the Belgrade Fair contribute to the improvement of regional and national economy.

Creating and Improving Markets

Exhibitions provide a comprehensive insight into the market and thus create one of the necessary preconditions for the functioning of a market economy. Exhibition events provide a comprehensive overview of the range of sectors and allow direct comparisons of products offered and the establishment of personal communication.

Market Transparency

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Business Internationalization Platforms

Exhibitions are of particular importance for small medium-sized companies, which have limited marketing budgets, and which through fair appearances and the network of contacts they establish at exhibitions gain the opportunity to internationalize their business and enter foreign markets. Research results indicate the importance of international exhibitions as a platform for finding business partners and access to foreign markets from the perspective of small and medium-sized companies (Evers, Knight, 2008). In that sense, the Belgrade Fair is a platform that facilitates communication with existing and connects with potential buyers, provides insight into the activities and achievements of competing companies and foreign exhibitors interested in entering the Serbian market may indicate the need to adapt products and services to domestic consumers. Exhibitions are an effective infrastructure for networking, i.e. for establishing and developing relations that are necessary for expansion and growth in an international framework. Instead of perceiving exhibitions as sales opportunities, it is especially important for start-ups to perceive exhibitions as entry points into long-lasting networks of business contacts thanks to which sales goals can be expected to be achieved in the future (Evers, Knight, 2008).

SOCIAL FUNCTIONS

Knowledge Transfer

In addition to the direct economic effects in terms of additional funds in the city budget based on the taxation of participants, and opportunities for additional employment and placement of products and services to serve participants, fair events have broader social implications. Fair events followed by congresses and conferences facilitate the networking of participants in a particular industry and are platforms for the exchange of ideas and meanings. Accompanied by congresses and conventions, fair events also contribute to the spread of social innovations, i.e. facilitate the acquisition of new skills and knowledge among members of the local community. Contribute to and spread public awareness of the importance of a particular industry and improve the activities of the city as a tourist destination and are catalysts for urban development (Mackellar, 2006).

Contact Between Companies and Government Representatives

Exhibitions are platforms for establishing a dialogue between representatives of companies and professional associations, on the one hand, and government representatives, on the other, between whom communication is established on topics of importance to the sector, related to financing, economic and social policies.

Improving the Quality of Life of Residents and Creating Improving the Image of the City

Numerous studies point to the importance of tourism as a factor that contributes to improving the quality of life of residents, with exhibition events recognized as one of the factors that enrich the tourist offer of the city and region (Anderech, Nyapane 2011). The potential of fair events is reflected in the possibility of creating multiplied effects, through the promotion of certain locations as tourist destinations, positioning and repositioning of destinations (Tomšić, 2009). Events have the potential to contribute to building a positive image of the city in which they are held, but according to the findings of the International Union of Fairs, this potential of fairs remains untapped, as long as events are not used in the long-term development strategy of the city. Organized events, through fair events, can contribute to building a positive image of the city if they are shaped by durability, or systematic repetition in order to bring visitors in touch with the city, strong communication support, professionalism in organizing, compatibility with the destination and media support. In that sense, business events organized by the Belgrade Fair have the potential to contribute to positioning Belgrade and Serbia on the map of attractive tourist destinations. The built infrastructure for holding fair events is an active city that affects the value of the city brand. Fair events are also important from the aspect of

neutralizing seasonality and tourist demand, considering that they are held during periods of lower tourist demand (Tomšić, 2009).

Understanding Between Nations

International exhibitions are a platform for establishing contacts and cooperation between business entities and individuals from different countries. Common interest and which transcend political and geographical borders contribute to the establishment of which disputes and understanding between the nations of the fair manifestation are represented by the media for the establishment of cross-border dialogue and in that sense can be perceived as markets of international understanding.

FAIR EVENTS AS AN INSTRUMENT OF INTEGRATED MARKETING COMMUNICATIONS

Global Association of the Exhibition Industry (UFI - The Global Association of the Exhibition Industry)

In accordance with the standards ISO 25639 - 1: 2008 Defines fair exhibitions, events or trade fairs as part of which the presentation, dissemination of products, services or information takes place. It distinguishes them from conferences, conventions, seminars or other business events oriented to consumers. According to the mentioned association, the fairs include business exhibitions, oriented to customers, and exhibitions intended for the general public (www.ufi.org).

Fair events are traditionally considered more cost-effective and short-term incentive, i.e. an instrument of improved sales, given that in a shorter time interval they lead to a concentration of supply and demand and with lower costs compared to regular sales activities allow concluding sales contracts during or directly after the fair appearance. However, according to the modern understanding of fairs and the importance of fairs, the success of the fair performance is not measured solely by the number of concluded contracts during and immediately after the fair event. Although the profit from the sale of products is the ultimate goal, more and more participants in trade exhibitions realize the wider communication significance of exhibitions and expect effects from exhibition appearances that will be manifested in the long run.

Exhibitions are given more and more attention as an instrument of integrated marketing communications, which aim to convey clear and consistent messages to the target audience through various communication channels, and which should result in building a unique position, superior to competing companies, in the minds of target consumers. More and more attention is paid to the exhibition as a channel, i.e. an instrument for creating awareness or improving the image of the company's brands or corporate brand, positioning or repositioning the company.

The success of the exhibition performance requires a planned approach from the exhibitor companies. Fair events should not be approached as 'ad hoc' events, but as one of the instruments of marketing communications, which in combination with other instruments will create synergy effects. According to one of the experts in the field of fair marketing (Siskind, 2005), the appearance of an exhibition requires a precise definition of goals. Appearing at the exhibition because it was done in the previous period and because it is done by other participants in the industry or leading competitors is not an acceptable strategic input. The success of a fair appearance requires the setting of clear, focused and measurable goals, whereby it takes 9 to 12 months to plan a performance. Planning fair appearances involves making a series of decisions, from choosing specific events where the company will perform, announcing participation in the fair through various media and inviting stakeholders to visit the fair, deciding on their own or in cooperation with other companies, deciding on promotional messages and media through which messages will be placed to the public before, during and after the exhibition, to operational decisions, such as the size and position of the exhibition space, design and construction of the stand and training of staff to present the company, its products and activities to stand visitors.

IMPORTANCE OF FAIRS FOR THE REALIZATION OF BUSINESS FUNCTIONS OF EXHIBITORS AND POTENTIAL BENEFIT FOR FAIR ORGANIZATIONS

The results of research on the effects and motivational factors of exhibition appearances indicate a positive impact of exhibition appearances on return on investment, profitability and market share of exhibitors, with the key motivators of exhibition appearances are sales, gathering information, building relationships with customers, a positive image of the exhibition organizers and additional services provided by the organizers, such as organizing forums and conferences where participants can learn more about current trends in the industry, providing assistance to exhibitors in organizing transport and accessibility of exhibition space in terms of good traffic connections and accessibility (Huang, 2015).

Fair events also perform a broader educational function, given that in the case of complex products, which are made according to the specific needs of specific customers to provide opportunities to demonstrate product functions and the specifics of production processes. Appearance at the exhibition can provide companies with a suitable ground, improving sales skills, motivation and commitment of company employees (Hansen, 2004). Fairs also contribute to the generation of ideas for the development of new and improvement of existing products, as well as the discovery of new ways of using existing products. They can support the launch of new products, providing market testing and possible modifications to market products (Kijewski et al., 1993; Kazak, 2005). The fair appearance also provides companies with the opportunity to identify potential customers and improve relationships with existing customers and other stakeholders. Small and medium-sized companies that, as a rule, do not have significant budgets for market research enable the collection of relevant information on trends in the industry, planned actions of competing companies and their strategies, prices and pricing methods, available distribution channels, especially when planning entry. to new markets, as well as detailed consumer preferences. Business fairs in companies provide the opportunity to establish contacts with potential business associates, such as representatives of business customer purchasing centers. Factors originating from the macro environment of Exhibitor companies, which touches the business of comma companies like new technologies, Environmental requirements, social and demographic changes possible to get to know during the exhibition appearance. The exhibition appearance also provides an opportunity to discover the latent needs of consumers and potentially profitable niches, caused by the existing needs of consumers that have remained unsatisfied with the available products in a particular category. Thanks to the company's trade exhibition appearances, exhibitors are able to directly receive feedback from customers regarding existing or new products and directly respond to any customer complaints.

According to a study conducted in China, the motives for exhibiting at the exhibition are different between companies that are just appearing as exhibitors, ie those that have exhibited at exhibitions a maximum of five times so far, and companies of frequent exhibitors. Companies that are just emerging as exhibitors motivated by the opportunity to promote the company, its products and services, networking opportunities, information exchange, and above all to establish contact with customers. Companies are often motivated by opportunities to improve the company's image, acquaint the Government with the company's activities, and the opportunity to develop good relations with which associations and government agencies. The key expectations from the organizers are to help them realize the set goals, and above all in connecting with other companies. According to the mentioned research, unfavorable location of the stand and significant distance from the main entrance to the exhibition space are considered key reasons for dissatisfaction of exhibitors and reasons for non-participation of exhibitors in future fair events (Qi et al., 2017).

Having in mind the above, the chance for exhibition organizations, including the Belgrade Fair, is reflected in the identification of newly established and young companies, which do not have budgets for market research by specialized research agencies, and who was the package of services in accordance with information and additional value from fair appearances to these companies, opportunities to improve revenue in the long run, building relationships with small exhibitors and creating a base of loyal Exhibitors. When it comes to small exhibitors, one of the types of providing additional value for exhibitors is a systematic and planned examination of the attitudes, preferences and behavior of visitors to Fair events by exhibition organizers, with the help of structured questionnaires (Soilen, 2013). Fair organizations are able to implement such activities in a cost-effective way, through cooperation with the student population educated for marketing research and sales, offering certain minor benefits to potential distributors, in the form of free some of future events or promotional materials.

EXHIBITORS' EXPECTATIONS REGARDING THE QUALITY OF SERVICES OF EXHIBITION ORGANIZERS

Numerous studies in the field of service activities indicate the loyalty of service users as a determinant of future business and financial health of service companies. The review of the research indicates the improvement of service quality and customer satisfaction as key factors that determine customer loyalty, i.e. customer readiness and in the future use the services of a particular company and recommend the company.

Considering the marketing and the fact that in modern conditions companies with numerous possibilities in terms of communicating with the target audience, as well as the fact that the cost of the performance itself far exceeds the lease of exhibition space, research on perceived quality of services provided by organizers and measuring the satisfaction of exhibitor companies. According to one of the surveys, a sample of 350 respondents recruited among exhibitors at various exhibitions in Hong Kong, affects customer satisfaction, which positively affects the willingness of exhibitors to use the services of organizers and recommendations in the future. The company of the organizers and other potential exhibitors (Lee et al., 2014). Research on a sample of Exhibitors at the U.S. Hospitality Fair indicated a positive impact of exhibitors' satisfaction on their intention to participate in that exhibition again (Kang & Schrier, 2011). The impact of exhibitors' satisfaction on their willingness to participate in the exhibition in the future was confirmed in a recent survey conducted in Switzerland (Reinhold, 2016). According to a survey conducted in Hong Kong (Lee et al., 2014), Perception of the quality of services provided by Fair organizers are formed on the basis of design and space stand, which should enable effective communication between exhibitors and potential customers. In a short time, exhibition logistics, which should enable fast and uninterrupted equipment of the stand, environment in which the exhibition space is located and effective communication. Between the employed organizers of the fair and the companies exhibitors, as well as the affordable accessibility of the services of the organizers. The research on a sample of exhibitors at one of the most famous international fairs in Taiwan resulted in the following key dimensions of the quality of services provided by the fair organization: Exhibition marketing, ie the organization's activities aimed at attracting domestic visitors and foreign exhibitors, exhibition space design, decoration and location of the Stands, the physical environment of the exhibition space, in terms of good connections with the city center and tourist facilities in the city, cleanliness and safety of the environment in which the exhibition space is located, professionalism and kindness of employees on the first line of contact in the fair organization. organization that is timely, thorough and reliable, which is why the promotional activities of the organizers of the Fair aimed at attracting domestic and foreign visitors and exhibitors were rated as the most relevant dimension of service quality (Lin & Lin, 2013). A review of available research on the quality of services provided to exhibitors by fair event organizers (Breiter & Milman 2006; Jin et al., 2012; Aditza, 2019) indicates the following key aspects of service quality, i.e. exhibitors' expectations:

- Stand size and equipment
- The location of the stand that easily directs visitors from the entrance to the exhibition space to the stand and that allows them to be visited by a larger number of visitors
- Accessible location of the stand from the aspect of logistics activities, ie equipping the stands
- Location of the exhibition space that minimizes the costs and transport time of the exhibitor company staff
- Clean, spacious, well-lit parking space
- Timely and complete informing of exhibitors at the fair event
- Kindness, friendly attitude of the organizers' staff and readiness to meet the requirements of the exhibitors
- Quick reaction of the staff of the Fair organizers to the requests of the exhibitors
- Equipping the exhibition space with time audio-visual technology, which enables the organization of conferences and uninterrupted distance communication
- Timely informing the exhibitors of the possibilities for accommodation, food, staff of the Exhibitors
- Proximity, quality, affordable price and a good range of food
- Cleanliness and tidiness of the interior and exterior of the Exhibition Space
- Cleanliness and tidiness of auxiliary rooms (eg toilets)
- Affordability of services of the organizing company
- Accessibility and Faust signposts that facilitate the movement of visitors through the Exhibition Space
- Simple procedure and fast registration of participants

OVERVIEW OF THE FAIR INDUSTRY ON A GLOBAL SCALE

According to the data of The Global Association of the trade exhibition industry (UFI The Global Association of The Exhibition Industry), published within the Global Borometar from July 2019, on the cause of 322 companies from 57 countries, established, in terms of operating profiles, 80% of organizations operating within the exhibition industry in 2018 left good economic results, with 40-50% of them achieving an increase in economic performance by more than 10% compared to 2017. A survey conducted by the same organization in early 2020 on the cause of 438 organizations and 70 countries also indicated good business results, given that at least 70% of survey participants maintained the same level of performance in 2019 compared to 2018.

In both surveys, organizations, as the most important factors influencing business in the Exhibition industry, conducted the following: the state of the economy in the domestic market, competition in industry, global economic trends caused within the industry itself.

DIRECT EFFECTS OF THE FAIR INDUSTRY ON A GLOBAL SCALE

As highlighted in a report titled Global Economic Impact of Exhibition published by the Global Exhibition Industry Association, during 2018,² approximately 32,000 events were organized globally in more than 180 countries.

The Exhibition Industry globally generated spending by visitors, exhibitors and additional activities closely related to the events, amounting to approximately € 115.9 billion. Fair events held in North America had a direct economic effect of € 50.6 billion, while trade fair events held in Europe, which generated € 39.5 billion, were ranked second. Trade exhibition events organized in the Asia/Pacific region provided € 22.4 billion of direct consumption of participants in the observed year.

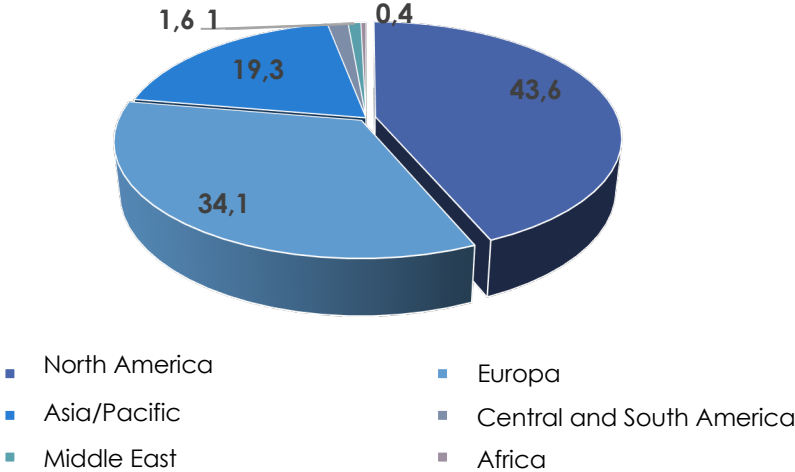


Figure 13. **Direct consumption related to fair events, observed by regions (expressed in % of consumption at the global level) ³**

² UFI, Global Economic Impact of Exhibitions, published: December 2019.
³ UFI, Global Economic Impact of Exhibitions, published: December 2019.

Observed at the World level, the exhibition events were visited by almost 30.3 million visitors and 4.5 million exhibitors were exhibited in 2018. European exhibition events were the most visited, hosting 11.2 million visitors, which represented more than one third of the total number of visitors worldwide in 2018. In second place were trade exhibition events organized in North America, hosting 9.3 million visitors. Events from the Asia/Pacific region took third place with 1.2 million visitors, while events organized in the territories of Central and South America, the Middle East and Africa had less than 10 million visitors.

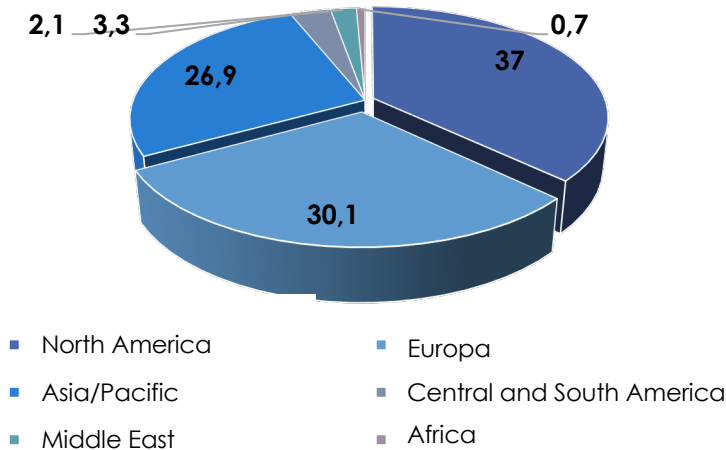


Figure 14. **Number of visitors at fair events, observed by regions (expressed in % of total number of visitors) ⁴**

⁴ Ibid.

Observed by a number of exhibitors, North America was the largest market in the trade exhibition industry globally, hosting 1.6 million exhibitors, representing more than 35% of total manufacturers worldwide. European events took second place, with 1.3 million exhibitors. In the third place there were exhibition events from the Asia/Pacific region, with 1.2 million exhibitors, exhibitions in the regions of Central and South America, the Middle East and Africa had less than 250,000 exhibitors.

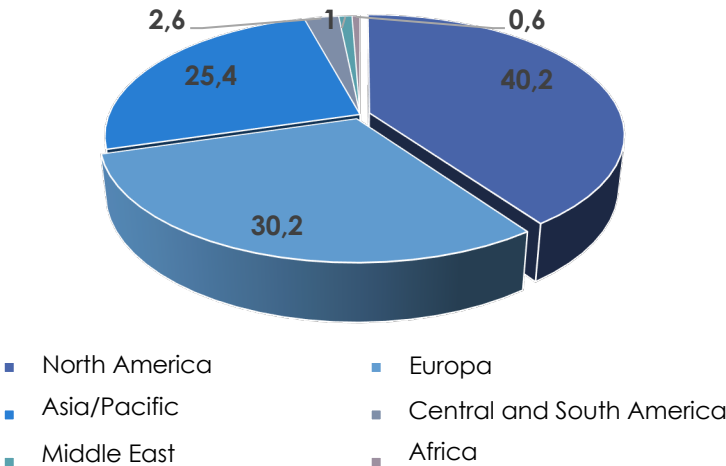


Figure 15. **Number of exhibitors at fair events, observed by regions (expressed in % of the total number of exhibitors) ⁵**

⁵ UFI, Global Economic Impact of Exhibitions, published: December 2019.

Exhibition events generated € 68.7 billion directly from the impact on GDP and more than 1.3 million jobs in 2018. Based on the direct impact on GDP, the exhibition industry in 2018 was ranked as the 72nd most influential industry globally. Trade exhibition events in North America were at the forefront in that period, contributing to global GDP with € 32.5 billion and providing 539,000 jobs. In second place are trade exhibition events organized in Europe with a direct impact on GDP with more than € 20 billion and 358,000 jobs. Manifestations from the Asia/Pacific region had a direct impact on GDP of € 14.1 billion and 356,000 jobs.

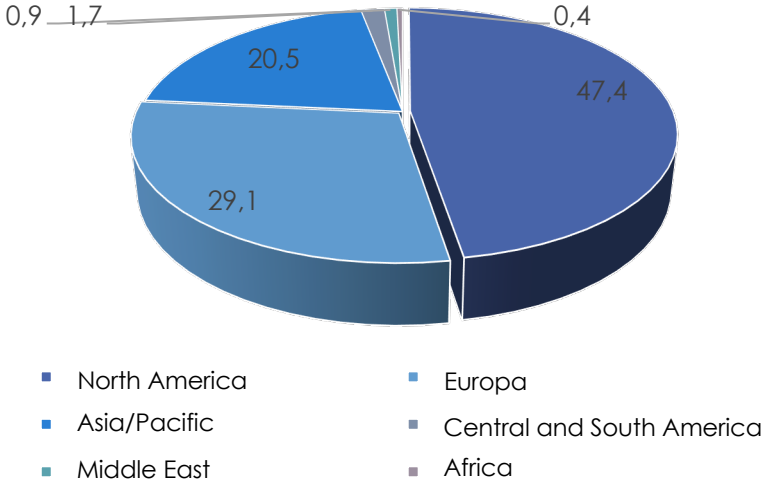


Figure 16. **Direct impact of the fair industry on GDP, observed by regions (expressed in %)**⁶

Direct consumption at exhibition events is observed per exhibitor, amounting to € 25,569 in 2018. In the first place in this context are positioned fair events from North America with an average consumption of € 31,601 per exhibitor. Followed by exhibition events from Europe and Asia/Pacific region with € 29,512 and € 18,482 direct consumption per exhibitor, respectively.

The total exhibition area at the global level was 34.68 million sq.m. Direct consumption per square meter of exhibition capacity amounted to € 3,343. North America is in first place in this regard with € 6,189 of direct consumption per square meter of fair space, followed by the Asia/Pacific region and Europe with € 2,717 and € 2,519 of direct consumption per square meter of exhibition space.⁷

⁶ UFI, Global Economic Impact of Exhibitions, published: December 2019.

⁷ Ibid.

The Total Impact of Global Exhibitions in 2018 Direct and Indirect and Induced Effects Collectively

After calculating the indirect and induced impact of the exhibition industry and combining them with the direct effects of the exhibition industry in the report of the global association of the industry presented and buried the economic impact of the fair industry in 2018 globally. The results can be summarized as follows

- Achieved a total economic result of € 2 5.1 billion.
- € 167.2 billion is the total contribution of GDP at the global level, which makes the exhibition industry ranked 56th in terms of total economic impact.
- The impact on employment is reflected in more than 3.2 million jobs created.

These totals represent a combination of the direct impacts of the exhibition industry with the estimated indirect and induced effects. Using a multiplier for this sector is 2.37, which implies that for every 1 euro of direct consumption generated an additional € 1.37 of indirect and induced costs globally.

Trade exhibition events in North America generated a total economic result of € 118.8 billion in 2018. Events in Europe and Asia generated a total of € 92.3 billion and € 56.6 billion, respectively.

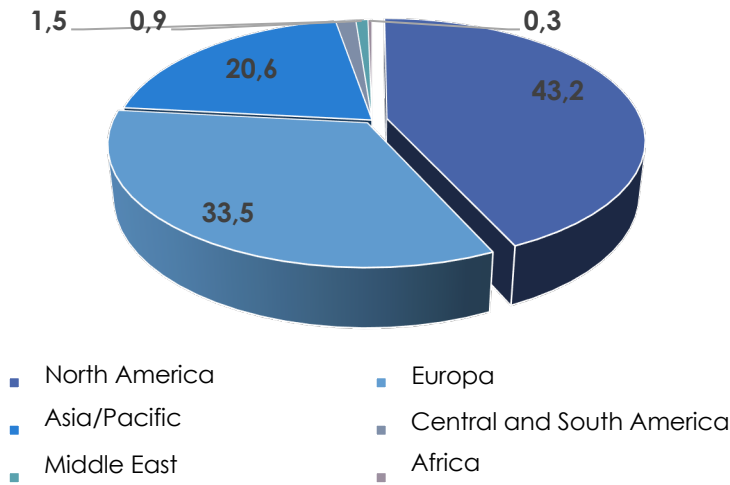


Figure 17. **Total economic impact of the fair industry, observed by regions (expressed in %)**⁸

⁸ UFI, Global Economic Impact of Exhibitions, published: December 2019.

The exhibition industry in North America has left a total impact on GDP of € 78.2 billion in 2018. The trade exhibition industry in Europe and Asia/Pacific realized the global impact of the attackers in the amount of € 48.6 billion and € 36 billion, respectively.

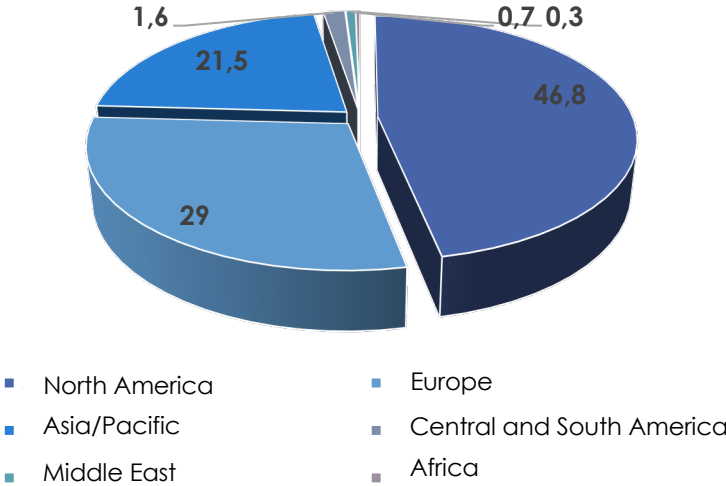


Figure 18. **Total impact of the fair industry on GDP, observed by regions (expressed in %)**⁹

Observed by regions, the largest direct, indirect and induced impact on employment was achieved by the exhibition industry in North America, creating more than 1.3 million jobs in 2018. Exhibition events organized in the Asia/Pacific region and Europe during 2018, achieved a total impact on employment through the creation of 980,000 or 824.000 jobs respectively.

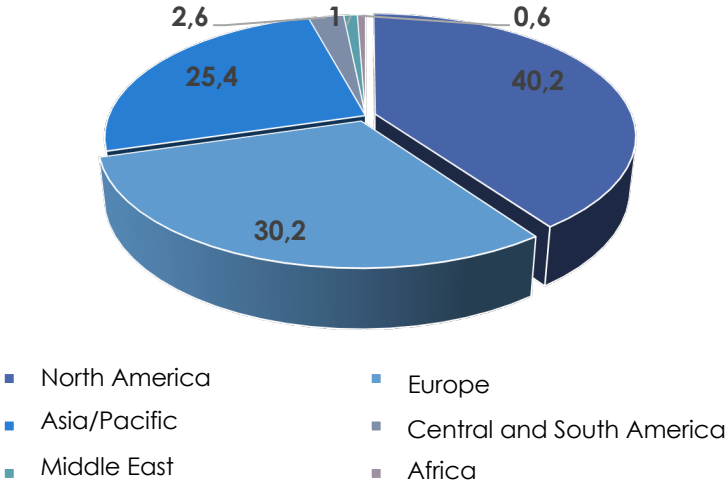


Figure 19. **Total impact of the fair industry on employment, observed by regions (expressed in %)**¹⁰

⁹ UFI, Global Economic Impact of Exhibitions, published: December 2019.

¹⁰ Ibid.

The total economic impact of the industry observed by exhibitors amounted to € 60,680 in the observed year. North America ranked first in this regard with € 74,268

16 UFI, Global Economic Impact of Exhibitions, published: December 2019.

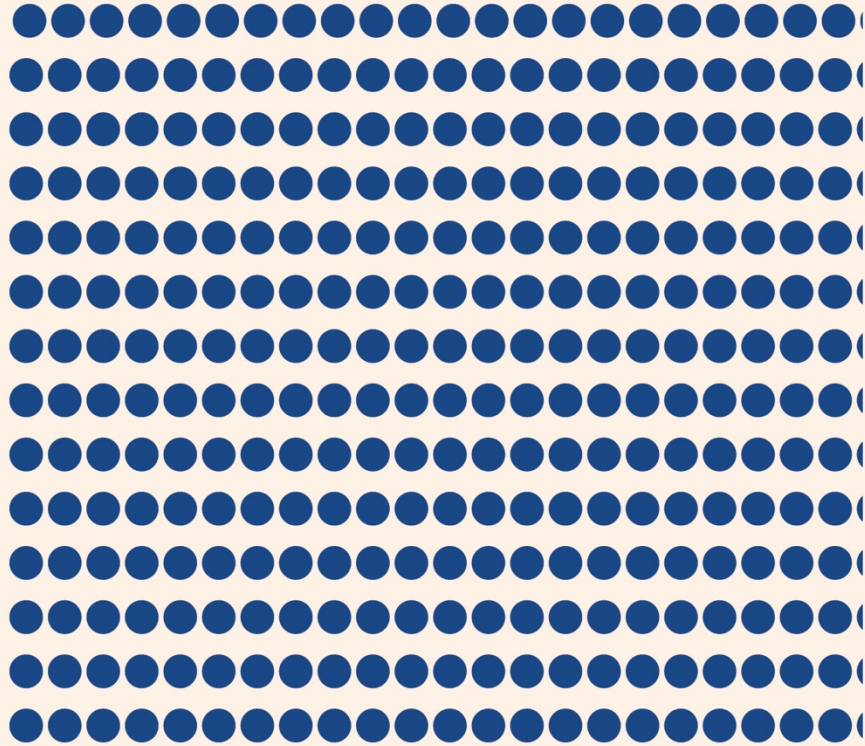
per exhibitor, followed by Europe with € 68,858 per exhibitor and Asia/Pacific with € 68,757 total economic impact per exhibitor. The total economic effect observed per square meter of space capacity is approximately 7,900. In this respect, North America was in the lead with € 14,544, while in second place was the Asia/Pacific region with generated € 6,874 per square meter of space capacity.¹¹

¹¹ UFI, Global Economic Impact of Exhibitions, published: December 2019.

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✉ info@sajam.rs

📍 Bulevar vojvode Mišića 14, 11000 Beograd, Srbija

🌐 beogradskisajam.rs

☎ +381 11 2655 555

📞 +381 11 2688 173