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# Development Trend of Exhibition Industry of Wuhan in The E-commerce Environment

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**Abstract:** With the development of Web Economics, network exhibition came into being. Network and reality exhibition complement each other and develop together. New opportunities and challenges are promoting exhibition industry of Wuhan, which based on innovation, make full use of modern technology, electronic commerce and service, efforts to expand its geographical space and space. Exhibition industry of Wuhan should speed up the construction of virtual exhibition business platform, which is a unique design, complete functions, convenient operation platform and it is feasible.

Keywords: network virtual exhibition; electronic commerce; innovation

## 1. THE EXHIBITION OF INNOVATIVE MODELS IN THE E-COMMERCE ENVIRONMENT

According to the complementary nature of exhibition and e-commerce, the cooperation model between e-commerce and exhibition can be divided into two types:

The first mode of cooperation is that the B to B e-commerce service providers use online resources to advertise the exhibition. This fact can be seen that the B to B e-commerce sites extend to the exhibition industry. This not only extends the e-commerce service provider's business channels, but also lays the foundation for the line transactions. Because of the limitations of online transactions, it has become inevitable that e-commerce service providers seek the opportunities of making the line transactions. At present, some e-commerce sites start experimenting with the line of meeting services. They use their own resources of buyers and sellers, with the help of on-site exhibition platform of their business partners, and held a meeting with a specific topic and eventually create a new marketing model and exhibition model for the e-commerce industry.

The second mode of cooperation is that the exhibition company uses the third-part e-commerce platform during the exhibition. This actually is a means which the exhibitions use information technology to improve the efficiency and operation standard of the industry. With the help of e-commerce, we can achieve the result which is very difficult to get in the old model. We can be more convenient to get the customer information and reduce transaction costs. We can also improve the operational efficiency and management speed and build strong customer relationships.<sup>[1]</sup>

Because of its characteristics of interactive, real-time, large-capacity, e-commerce becomes an ideal platform for product promotion.<sup>[8]</sup>

Now, the second mode of cooperation has obtained a good application. For example: Shenzhen Telecom launched a new business model which makes the online exhibition, live exhibition and B to B industry trade channel together in the fourteenth session of the international Exhibition of Gifts & Crafts. This model uses the network exhibition platform which is provided by Telecom and is set of video, audio and text messaging as a whole to develop the traditional on-site exhibition into a three-dimensional interactive multimedia exhibition which can be online and offline at the same time. This new exhibition can also transfer to the B to B industry trade channels and continue to provide online trading services when the on-site exhibition time ends.

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However, in the new economic era, online virtual exhibition and a variety of electronic media can not replace the real physical exhibition. These two models complement each other and develop together. In the future, there will be many cooperation ways between the e-commerce and traditional exhibition with the development of the e-commerce, thus contributing to economic development. With the pressure of new competition and challenges, Wuhan exhibition industry bases on innovation and takes full use of modern e-commerce technology and services to expand its geographic space and business space. Therefore, the important foundation to accelerate the development of Wuhan exhibition industry is to rapidly build a virtual exhibition business platform which has a unique design and perfect function.

## 2. CURRENT DEVELOPMENT OF EXHIBITION INDUSTRY IN WUHAN

### A The advantage of development of exhibition industry in Wuhan

Exhibition industry is a new economic form and it has been growing to receive great attention and support with its obvious economic benefits, a strong stimulating effect, as well as a significant propaganda effect. Wuhan is a strategic node in the east and west, so it not only has good basic conditions and advantages for the development of exhibition industry, but also has a favorable external environment.

a. Wuhan is located in the geographic and economic center of the China, so the advantage is obvious that it gathered a large number of people, logistics, business flow, capital flow and information flow.

b. Since the ancient times, Wuhan is named of “through the street of nine provinces.” Wuhan has well-developed transportation and it also is the largest transportation and communication hub (see Table 1).<sup>[2]</sup>

**Table 1: Transportation**

Index	Measurement Units	2008	Annual Growth Rate%
Cargo turnover	One hundred million tons/kilometer	1445.1	1.9
Railway	One hundred million tons/kilometer	1141.73	0.3
Water transport	One hundred million tons/kilometer	223.8	9.7
Highway	One hundred million tons/kilometer	78.55	5
Aviation	One hundred million tons/kilometer	1.02	-2.9
Passenger turnover	One hundred million people/kilometer	627.18	4.7
Railway	One hundred million people/kilometer	465.72	5.4
Highway	One hundred million people/kilometer	81.07	4.3
Aviation	One hundred million people/kilometer	80.39	1.4

C. Wuhan has leading strength of science and education and active trade flow. Moreover, the highly developed commercial and the growing financial sector (see Table 2)<sup>[2]</sup> about Wuhan creates a favorable external environment for its exhibition development.<sup>[2]</sup>

**Table 2: The city's financial institution's deposits and loans of the local currency and foreign currency**

**Unit: hundred million Yuan**

Index	2008	Annal Growth Rate%
The Balance of Deposits	6497.92	21
Enterprises Deposits	2845.94	22.6
Household Savings Deposits	2428.02	24.6

The balance of Loans	5176.23	20.2
Short-term Loans	1649.57	20
Long-term Loans	3145.67	20.8
Consumer Loans	686.55	6.4
Individual house Loans	583.12	3.8
Individual car Loans	44.3	26.433
RMB Launch(+) Return(-)	-198.45	-3.2

In recent years, Wuhan comprehensively promotes the exhibition industry and the exhibition economy for the goal that we should build Wuhan as the exhibition center city in the central China and the famous exhibition city which is based on the central China, and the radiation is all around China and even the whole world. The city strengthens the exhibition convention infrastructure, promotes the healthy development of service systems and carefully nurtures various brand show and more.

### **B The problems in the development of the Wuhan exhibition industry**

As the Central vigorously implement the strategy of central China, Wuhan cities are approved as social comprehensive reform pilot area which is defined as “resource-conserving and environment-protecting.” Around achieving the goal that we should build the city into the resource-conserving and environment-saving city, Wuhan comprehensively promote the exhibition industry and the exhibition economy. Wuhan exhibition industry ushered in its major development opportunities and prospects. Because of the special status of Wuhan which is the larger economic center of the cities in the central China, the development of exhibition industry in Wuhan has a great room for growth. But, compared with Ningbo, Chengdu, Zhengzhou, Changsha and other cities, Wuhan is still lagging behind in the exhibition industry development plans and promoting mechanism policies. Main problems as follows:

#### **a. Exhibition market is not standardized and the law is not perfect**

According to the Wuhan Morning Post reported in 2009, there are few large-scale exhibitions, convention and exhibition industry in Wuhan this year. The current situation is that there are few large-scale exhibitions. Even though more than 50 exhibitions have been booked, covering apparel, automotive, advertising, food, machinery and other industries, there are very few large-scale exhibitions which have more than 300 booths and more than 100 million consolidated revenue, only "Fair machine", "Food Fair", etc. This is a sharp contrast to the situation last year. Wuhan Exhibition Association Vice President Zhang Jun thought that the domestic exhibition industry average growth rate was 30%, so this year's convention and exhibition industry in Wuhan is not normal. This phenomenon in Wuhan exhibition proved that the hardware and software standards are to be improved.<sup>[3]</sup>

Currently, Wuhan has dozens of large and small exhibition company. This company hosts nearly a hundred times a year shows in Wuhan. But these companies have their own way and disorderly competition, so they often repeated exhibition. Moreover, the respective responsibilities, rights and interests are not clearly defined between the main exhibition, the contractor, and the exhibitors for the exhibition. And there is no basic norms and legal basis. So the exhibition will inevitably lead to confusion in the market situation with this problem.

#### **b. Lack of qualified personnel and high-quality exhibition company**

“Annual salary of 100,000 a year are unable to recruit a high-quality exhibition project manager” said Zhang Jun, Hubei Province Chamber of Commerce Convention and Exhibition Industry Association chairman in March 28, 2009 at the Hubei Province Chamber of Commerce of the development of Exhibition Industry Forum. So the local exhibition industry professionals are severe shortage.<sup>[4]</sup>

Exhibition personnel don't have high quality, and there is a lack of brand-name exhibition company. Exhibition economy has not yet formed the pattern of specialization and cooperation. And the technical information providing support services for the exhibition is lagging behind. All these problems limited exhibition economies of scale to play a role.

**c. Exhibition hall is in short supply in the number and scale**

In Wuhan, the total area currently available for exhibition is less than 10 million square meters. The main hall area of the exhibition is still not available to hold a real sense of the large-scale exhibition. All of these hardware lag seriously which hindered the development of exhibition industry in Wuhan. In 2006, the seventh Machine Exhibition, due to the expansion of the exhibition, the exhibition area of the International Convention and Exhibition Center can not meet the needs of the exhibition. So the organizing committee had to set two exhibitions in the Wuhan International Convention and Exhibition Center and Wuhan Science & Technology Convention Center. As the two exhibition centers are far apart, this exhibition does not only seem to uncomplete the entire exhibition, but also bring customers and visitors big trouble.

**d. Lack of brand awareness and poor quality of the exhibition**

International Exhibition Alliance provides: Any exhibition which its foreign exhibitors' total exhibition area account for 20% of the total exhibition area, the 20% of the audience are from abroad, and 20% of revenue use for advertising the exhibition can apply International Exhibition Union (UFI) for certification which is a symbol of a high-profile exhibition. There is no certified show in Wuhan. So, Wuhan has a very difficult task on the brand creation awareness of the exhibition, and has a big gap compared with the rapid development of domestic exhibition city. The exhibition industry in Wuhan is basically still in the "small and scattered" state.

### **3. THE NECESSARY ANALYSIS OF ESTABLISHING ONLINE VIRTUAL EXHIBITION**

E-commerce has characteristics of efficiency, no time limited and broad audience. These characteristics make it become a trend that the traditional exhibition extend to the Internet and will become the mainstream mode of exhibition. But in the short term, online virtual exhibition can not completely replace the traditional exhibition model to become the only exhibition. The two modes will coexist in the way of symbiotic cooperation.

#### **A The necessity for the establishment of Virtual Exhibition**

In the new economic years, network technology rapidly changes the appearance of the world. The exhibition industry is not an exception. All the industries are faced with how to integrate with e-commerce. This is a new type of e-commerce transactions which responses to the economic trend and toward to e-commerce transactions. Of course, its appearance will certainly bring new opportunities for traditional convention.

**a. Break its own resource constraints of space**

In order to break the traditional exhibition space and resource constraints, a fundamental way is to vigorously develop the construction of virtual exhibition and network trading platform, and make the physical exhibition extend to the virtual exhibition.

**b. Improve exhibition management efficiency and reduce exhibition costs**

As the convention scale and exhibition business volume rapidly expand as well as the complexity of the business substantially increase, e-commerce technology is bound to solve the drawbacks of traditional methods. The new technology can not only reduce information searching costs, but also can improve the efficiency of information processing.

**c. Optimize the management of the exhibition business and Establish fair and effective enterprise image**

Network Exhibition can make the exhibition information promptly release to the outside world, making the exhibition organization and the transaction process more standardized and effective, and is conducive to the organization and management of exhibition activities. Meanwhile, the network interaction will help the enterprises to adjust strategy and effective management and be beneficial to establish a perfect market image.<sup>[10]</sup>

#### **d. Promote the exhibition industry's global and international development**

Network makes the exhibition project and the organization outreach for the world and makes the exhibition information from the targeted-release toward none targeted-release. It also makes the publicity for the exhibition free from the shackles of geographical location. Online exhibition makes the exhibition industries within international competition to be a living reality.

### **B The Symbiotic Necessity of the Online Exhibition and Traditional Exhibition**

As e-commerce into other sectors of the traditional industries will have some impacts, but the online virtual exhibition can not replace real physical exhibition, and the more are attached to the physical exhibition. E-commerce and traditional exhibition have symbiotic necessity.

#### **a. Network exhibition's own technology defects<sup>[5]</sup>**

The implementation of the network depends on the exhibition network technology. As the computer network information has the characteristics of global, open, spread, shared and dynamic nature, it faces a variety of security threats, such as: information disclosure, tampering, theft, impersonating, abuse and destruction. Objectively speaking, the network exhibition security issues are inevitable, so it is more effective to take online and offline mode with each other.

#### **b. The problem of people's consumption habits**

Although the online exhibition has its incomparable superiority, it does not replace the traditional exhibition. There is a very important factor is people's consumption habits. Exhibition is an art; many consumers and businesses are more biased in favor of direct face to face interpersonal communication and touch experience, which the online exhibition can not match.

#### **c. The incompleteness of online display information**

Online exhibition information has certain limitations. Some information can not use text or 3D presentations to convey. For example, some specific machine operation need to "seeing is believing", such as textile machinery, plastic molding machines, etc., which still need to have a physical exhibition support to complete.

## **4. TRENDS OF WUHAN EXHIBITION INDUSTRY IN THE E-COMMERCE ENVIRONMENT**

### **A The advantages of implementing e-commerce into Exhibition Center**

#### **a. Before exhibition---E-commerce marketing function**

(i) Timely online information publishing. Group exhibitors immediately release the variety of news and information through the network. So we can let exhibitors know the exhibition schedule, the news about trends, demand information, and highlights Project.

(ii) The online exhibition process is quick and easy. Exhibitors can directly register by online application and book the booth. The system can also divide booth area based on industry exhibitors, size and reputation. Meanwhile, through membership, participant projects can directly report online, and the network provide real-time dynamic query exhibition project.

(iii) Efficiently searching for online exhibition information. Online exhibition provides a powerful information retrieval system that you can easily and quickly find your target exhibits information. The system

can quickly find and feedback to match the query results even when you just type the keywords of exhibition information. And the using time is even less than the time which participates in the traditional exhibition come from door to the target exhibits.<sup>[9]</sup>

#### **b. Exhibition in E-commerce management capabilities**

(i) Management of Exhibition information and data. During the completion of exhibition, we can use e-commerce technology to do the work of collection, transmission, processing and other aspects on the information and data about display exhibits and activities and participants exhibited. And we can also do the analysis of data and information and statistics for online management.

(ii) Forum management. It provides a communication venue during the show, and hires technical experts in online discussions so that listeners can not restrict and participate in many seminars.

(iii) Management of Exhibition services resource. Application of computer system can efficiently organize and manage the boards, tables, chairs, carpets, electrical load, network cable, telephone lines and other exhibition facilities and management staff, and make efficient use of resources.

#### **c. After the exhibition---E-commerce transaction capabilities**

(i) Business opportunities from online interactive platform. Online interactive features of network exhibition enable both exhibitors across geographical boundaries and use a variety of real-time communication software to consult with each other. And exhibitors can use comments and replies to deal with jet lag, so that visitors to submit feedback suggestions form and exhibitors can be of various kinds of feedback information in time, and timely respond to changes in the business for the exhibition of interactive sessions to provide a consultative platform for scientific development, so that the whole transaction quickly and conveniently.

(ii) Online payment platform is facilitated for transactions. Network exhibitions are established perfect online payment platform, buyers and sellers can make use of the facilitated and safe funds settlement system on the Internet directly to complete the payment process, thereby reducing transaction time and speeding up the cash flow.

(iii) Continuous service platform can be secure. All-weather network exhibitions can at any time to solve the problems of regional exhibition mode and enable online transactions free from fear troubles.

### **B The innovative development strategy of Wuhan exhibition— Exhibition Center founding the e-commerce platform system**

#### **a. The uniqueness of virtual exhibition platform design**

(i) Virtual exhibition platform needs perfect display function. The biggest desire for a visitor is to clearly understand the exhibits. Therefore, we should establish a virtual exhibition system, using a wide variety of multimedia performance like maps, text and sound to show the comprehensive exhibition contents. Thus people can observe the exhibits from different angles and distances, and some products can even be “trial”. Meanwhile, in order to meet the personal demands, there must have a wide range of options about visit routes. Based on these, people not only have personally participating experience, but also will be convenient and free from trouble, and have a feast for the eyes.<sup>[11]</sup>

(ii) Virtual exhibition platform needs powerful publicity investment function. We should build an exhibition center for the function of network publicity and service. With this platform, we can immediately release exhibition information, and do a full range of online promotion and investment for a variety of special events. At the same time, it is convenient for cross-boundary trade. The platform, in addition, provides services, including guidelines of foreign forensic services, exhibition layout and other services for the exhibitors and buyers. In this way, Exhibition Center will not only be able to quickly find and access to the target customers, but also can more timely response to the needs of target customers and can more accurately calculate the

exhibition scale and benefits.

(iii) Virtual exhibition platform requires comprehensive information management function. We should build a information management platform. The platform is composed of business management information systems each for exhibitors business and for buyers business. With this platform, the exhibition center is able to utilize the modern e-commerce technology to replace the traditional manual mode of operation, thus to simplify operation procedure, reduce business operating costs, and greatly improve the management efficiency of the exhibition.<sup>[6]</sup>

#### **b. The utility of e-commerce platform of virtual exhibition**

By building a network transaction negotiations and clearing platform, exhibition center comprehensively introduce the e-commerce technology to exhibition industry, in order to provide superior network transaction environment for exhibitors and buyers. In order to achieve the true sense of the online transactions exhibition, the following aspects of support are required.

(i) To establish a procurement of information dissemination, indexing and feedback channel, and help the exhibitors to achieve both sides of supply and demand interaction and communication.

(ii) To provide a safe and reliable electronic payment and settlement services, and introduce logistics distribution companies involved in line service to achieve network transaction model about small trading goods, supplies, commodities and promotional information.

(iii) In the support of technical safety certification such as electronic certificate and the signature, network signing function transfers the complex, time-consuming, laborious contract work to convenient, worry, and high efficiency work.

#### **c. Trust problem about virtual exhibition should be solved**

(i) To speed up the development and introduction of laws and regulations about the online exhibition. At present, due to the lack of necessary laws and regulations, the online exhibitions market is in disorder and online trading is not guaranteed. Therefore, the relevant government departments must publish relevant laws and regulations to make online exhibition market operate orderly.

(ii) To establish the exclusive online arbitration of online exhibition platform. Exhibition Center builds an online arbitration system specifically to solve the electronic commerce transaction disputes. Online arbitration is in the development of electronic commerce tide, with online disputes increasing, and to effectively solve the disputes resulted from the online.

(iii) To establish a scientific and effective online credit rating system. Like the website of electronic business affairs trades, we establish an effective credit rating system to score for online exhibitors and buyers, thus to effectively promote the online exhibition transaction credit.<sup>[7]</sup>

(iv) To strengthen the online exhibition market's supervision and management. The industry should set a uniform exhibition management department which is devoted to the development of online exhibition management system and to the market for effective supervision and management, so as to ensure the enterprises online transaction integrity.

## **5. CONCLUSION**

Based on the above analysis, we can find that the exhibition industry in Wuhan has great room for development. In order to meet growing market demand, it will become a trend that online virtual exhibition and traditional exhibition are in symbiotic development. In the support of e-commerce and technical services, this innovative exhibition model can be of great feasibility, and can be expected in the near future to bring substantial economic interests for Wuhan.



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