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## EVALUATING THE EFFECTIVENESS OF THE USE OF INTEGRATED ORGANIZATIONAL STRUCTURES OF EXHIBITION MARKETING AS A FACTOR OF HOTEL AND RESTAURANT BUSINESS DEVELOPMENT

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**Introduction and Objective:** participation in exhibitions allows new commercial hotel and restaurant business, which trying to gain market position, to express themselves and define their market segment. At the same time the exhibition inform consumers about the appearance on the market of new products and services.

**Hypothesis of scientific research.** To ensure the current level of marketing communications of exhibition activities it is necessary to form the system of exhibition services using integrated organizational structures of exhibition marketing, development of an integrated information management, standardization and certification of exhibition participants.

**Objective:** improve the theoretical and methodological basis of formation and development of integrated organizational structure as a set of subsystems and components for exhibition, hotel and restaurant business.

**Research methods:**

- Systematic approach was used to study the concept of an integrated exhibition marketing, aggregation purposes of exhibition activities and development of hotel and restaurant business;

Expert evaluation to determine the influence of factors to determine the effectiveness of exhibitions; factor analysis - to build models of exhibition efficiency for the hotel and restaurant business;

Cluster analysis - to analyze and develop a "Exhibiting profile results" as a graphical representation of successful and unsuccessful of exhibition held.

**Results:** proposed improvement of the system of organizational and economic mechanism of exhibition activities as of integrated exhibition marketing organizational structures; ranged factors that affect the reception of both direct and indirect effect of exhibitions; model of effectiveness of exhibitions for hotel and restaurant business is proposed; built profiles of results of exhibition activity.

**Conclusions:** the proposed approach to building organizational and economic mechanism of exhibition activities as organizational structures of integrated exhibition marketing, which increases the efficiency of the exhibition for the hotel and restaurant business.

**Keywords:** hotels and restaurants, organizational structures of integrated exhibition marketing, profile results of exhibition activity.

**Formulation of the problem.** The formation of market economy in Ukraine contributed intensification of theoretical development of market infrastructure, which are the important part of the exhibition. Trade shows are powerful resources for organizing and conducting marketing and social measures, since they give interested parties an effective tool to influence the target audience. Each exhibition reflects the situation in the economic, scientific or cultural sphere, it enables to not only search for suitable partners, but also affect certain areas in the most effective way.

However, the current situation, the system of conducting exhibition activity is characterized by weak structuring and ordering of special events that clearly manifested in duplicating the subject of many exhibitions, their weak information security, and lack of standards for providing exhibition services.

Relevance of the research is determined by a need in-depth study of the actual exhibition business trends and development of domestic marketing communications in specific industry segments. These issues are particularly important in the integration of domestic economy into the global economic system that determines the need for reasonable use of modern marketing exhibition tools by domestic enterprises and organizations.

**Analysis of recent research and unsolved part of the problem.** Different theoretical and practical aspects of the exhibition-fairs reflected in the works of foreign and Ukrainian scientists such as I. Gryshchenko [5], J. Krytsotakysa [4], F. Sharkov [11] and others. Office exhibition activities as an effective tool for solving marketing problems, the indicator of individual businesses and industries presented in works of M. Arshevskoyi [2], G. Zakharenko [3], S. Miller [7], T. Tsygankov [10] and others. Various methodological approaches and practical organization of exhibitions explore O. Humenna [6], B. Pekar [8], N. Tarasova [9] and others.

However, these works are mostly applied in character and directed primarily to the organizational points of the exhibition, at the same time the problem of complex analysis and evaluation of exhibition activity, identify its marketing potential and define the role of integrated organizational structures of exhibition marketing as a factor of economic development in general and hotel-restaurant business particularly in the domestic literature still completely unexplored.

**Aim** of the study is the development of scientific and practical recommendations to improve the theoretical and methodological basis of formation and development of integrated organizational structure as a set of subsystems and components of exhibition marketing.

**Research results.** Forming an integral concept of exhibition marketing as a system of concepts and principles requires systematization of the object of study - the exhibition, which is made by adding the number of classification groups, with the introduction of the definition of a new type of exhibition by degree of use of various methods of marketing activity that reflects the level of integration of the exhibition work. Integrated Exhibition Marketing has its own focus, thus extending the hierarchy of objectives of the exhibition activity.

The implementation of key principals of the integrated exhibition marketing is possible only by providing high level of exhibition services, which requires the formation of the system of quality services to the participants of exhibitions, the construction of which is possible with the formation of complex standards to provide exhibition services. Existence of theory and practice of many types complicates the task of developing a system of voluntary standardization of exhibition services.

The development of exhibition activity in conditions of the market along with positive moments revealed a number of circumstances that indicate the lack of regulation of the market mechanism, namely: the excessive number of small by importance events, exhibition companies overstating prices for their services, lack of coordination between the operators on the market. The above factors complicate the work of organizations, companies and professionals who use the exhibition as a marketing tool, and do not allow regulatory agencies to use the exhibition to act as a leader of state policy in the socio-economic sector on a regular basis.

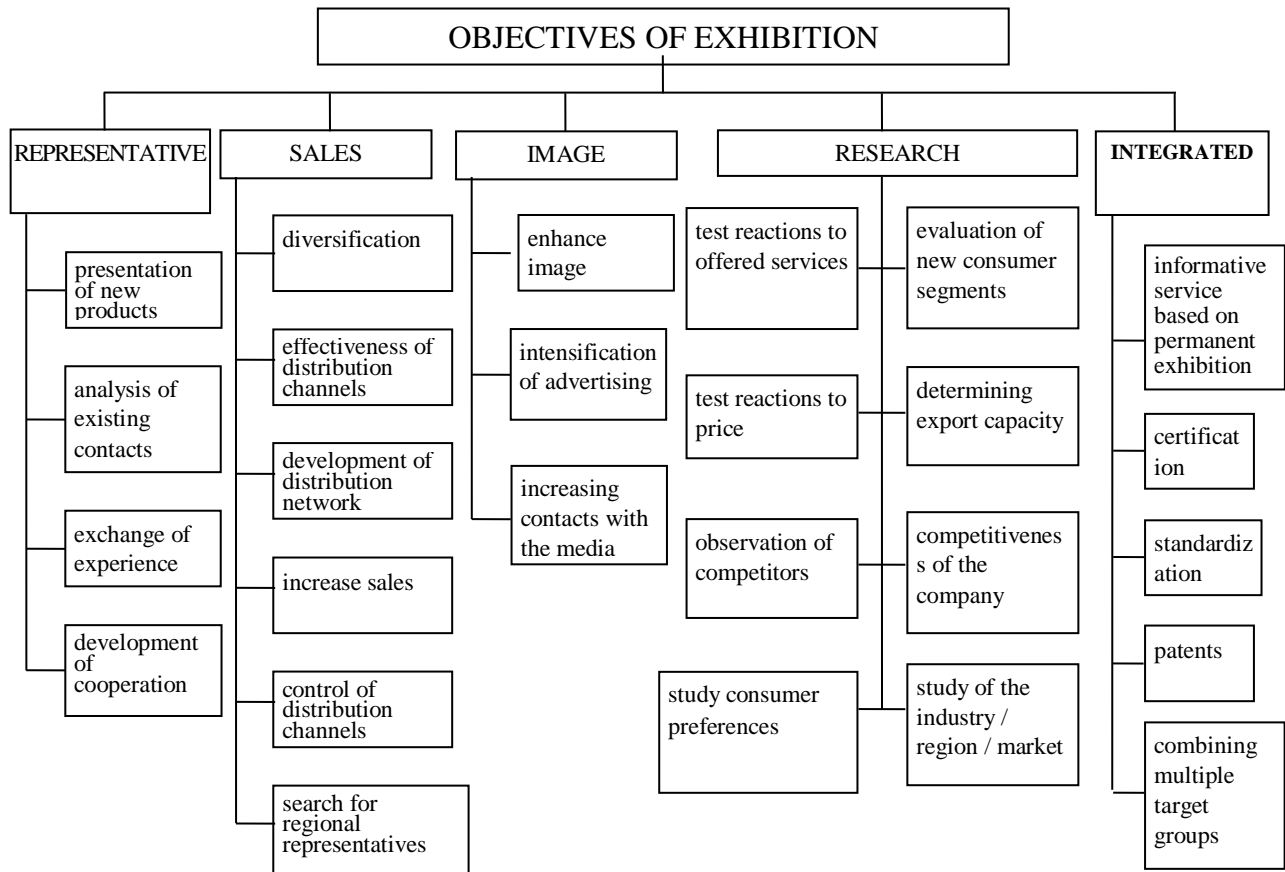
Evaluating the effectiveness of exhibition marketing is complicated by narrow composition of quantification of exposure, as most of the participants use the exhibition in fashion and advertising reasons, and communication exhibition results can be achieved much later its completion, making them difficult to control and account.

Own communication procedures and techniques of interaction of participants allow to consider the exhibition activities as a separate marketing field - Exhibition Marketing (activities of market players to promote their products and services by their display via special events).

The object of exhibition marketing are international, national, regional and inter-regional trade and industrial exhibitions, fairs, trade-fair complexes, that considered as specific infrastructure elements of information support.

As an independent field, Exhibition marketing has a certain subjective part, which can be represented as follows: 1) companies - exhibitors - exponents; 2) companies - exhibition organizers; 3) companies that provide exhibition activity (providing exhibition space, construction, information, advertising and other work.) 4) supervisory and regulatory of exhibiting; 5) Exhibition consumers (state, public, commercial organizations, professionals and visitors of exhibitions). From the standpoint mentioned subjects exhibition marketing can be seen as: a) the concept of information support of marketing; b) an element of the marketing policy of the company; c) operational marketing system for preparation and holding of the exhibitions. These areas are not opposed to each other, and are treated as a single functional subsystem process. Integrated Exhibition Marketing is a set of actions aimed at promoting positive information by maintaining a system of exhibitions with accompanying measures to establish both the internal and external environment favorable attitude to the objects of exposure, as well as to ensure information exchange processes.

It should be noted that since the Integrated Exhibition Marketing understood as a system of information support, its goal may be defined as the permanent formation of stable information communication in a certain socio-economic sphere (Figure 1).



*Proposed by the author*

**Figure 1. Aggregation of purposes of exhibition activities and development of hotel and restaurant business**

Ensuring the implementation of the main goal of an integrated exhibition marketing based on providing opportunities to achieve their goals in exhibition activity. As an effective way to increase sales and communication with the target audience, exhibition activities allows for ample direct contact with stakeholders when they communicate without intermediaries with the largest opportunities for familiarization with each other. It is to solve this problem, but removing the time limit on carrying out specific exhibition activities, directed operation mechanisms of integrated exhibition marketing.

Such a structure could function as a marketing association of businesses and organizations of a certain industry sector (e.g. hotel and restaurant) and act as a permanent exhibition, with main task - create conditions for regular information exchange using exhibition techniques and methods, and materials synthesis of exhibition information.

Marketing association of companies and organizations in addition to providing information and organizational support of exhibitions should implement integration-marketing approach through a combination of exhibition and measures to improve product quality and services. A distinctive feature of the integrated approach to expositions is that it does not stop with the end of the exhibition, and moves into a new permanent exhibition quality.

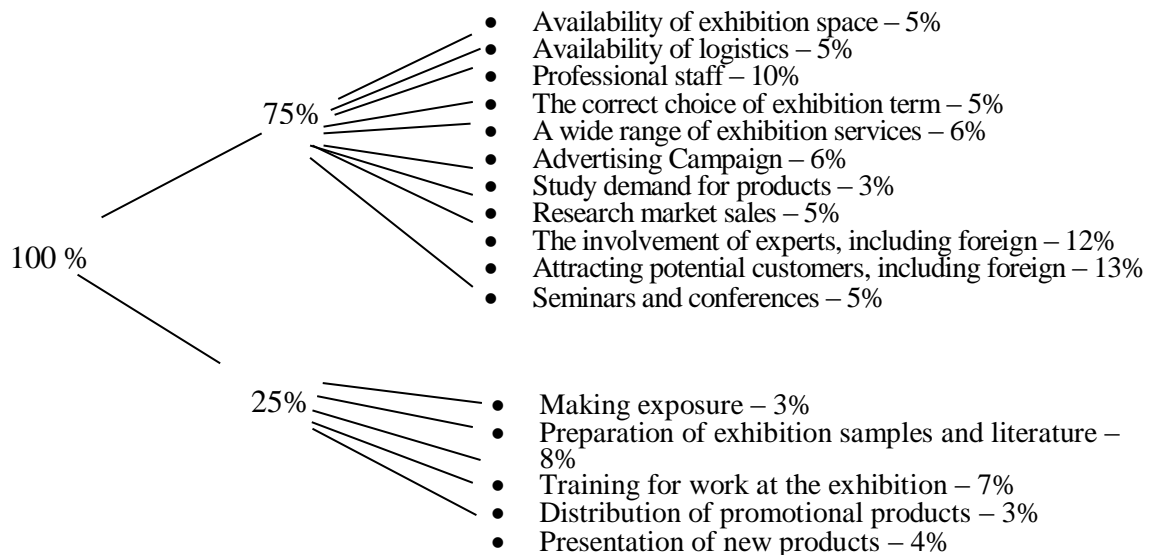
Justification of decisions and exhibition business performance is based on the following assumptions: price competition of exhibition services is developed today through the discrimination, differentiation and modification of prices. Differentiation by type of area is used, as well as price discrimination based on the consumer segment, margins are introduced based on the location and type of exhibitor, modification of rental value according to the rules of payment, price adjustments due to changes in the ratio of the value of world currencies, and modification of discount selection of prices considering psychological factors, as well as a system of fines.

The effect of the organization and realization of exhibitions, derived by organizers and exhibitors is the sum of the profits, depends on the price of exhibition services and the cost of organizing the exhibition. Research of the specific non-price competition expo-services proved that the quality of the exhibition is characterized by the number and level of contact with the exhibitor and visitor, net exhibition space, including a special exhibition area (speaker zones, display zones), number of participants, provided number of brands, the number of visits, visitors, the number of accredited media, publications, broadcasters, news agencies, online publications and portals. Quantifying quality exhibition services also depends on the statistics: the number of needed professional visitors and their professional-quality stock (origin, profession, competence), net exhibition space (total, closed, open), and number of exhibitors. The share of foreign exhibitors and the number of participating countries confirms the quality of international exhibitions. Additional quality characteristic of the service - is the loyalty of exhibitors and the number of potential participants. It affects the quality of the exhibition and the accompanying set of services addressed to exhibitors and visitors.

In our country, the undisputed leader in the organization of the exhibition is Kyiv. Some of the largest exhibition centers in Kyiv are "KyivExpoPlaza", JSC "Kiev International Fair", exhibition company "Euroindex" company 3D Exhibits International, Ltd. "Jungheinrich lift Truck" World Trade Center of scientific and technical ties with foreign countries etc. To build a model depending on the efficiency of exhibitions were used the results of participation of leading hotels and restaurants in Kyiv trade fairs, such as: REX 2016 Twentieth international exhibition of advertising, marketing and media; International Specialized Exhibition «Fast Food - Fast Food Industry - 2016»; RESTAURANT EXPO 2016 -

17th International Exhibition of new technical solutions and equipment for the restaurant business (recognized by UFI); RESTAURANT PRODEXPO 2016 - 16th Exhibition of food and drinks for HoReCa segment; WINE FEST 2016 - 6 international festival of wine (wine, wine, wine); MODERN HOTEL 2016 - 9 Exhibition Complex technical and design solutions for a modern hotel; WORLD OF GLASS AND WARE 2016 – 10-th Exhibition of fashion trends and new installations, professional cookware and household purposes; KIEV CLEAN EXPO 2016 – 7-th Exhibition of new technologies and equipment for the cleaning industry; KIEV Vending Expo 2016 – 10-th Exhibition of automated trading; FRANCHISING 2017 - the exhibition brings together three key format: Exposition franchise, educational program, consulting center.

The influence of factors determined the efficiency of exhibition activities using expert assessment of specialists in hotel and restaurant business (Figure 2).



*Built by the author*

Figure 2. **Effect of exhibitors from participation in exhibitions**

Analysis show that the effect of participation in the exhibition on 75% depends on the activity of exhibition center due to the wide range of advertising on radio and television, specialized magazines, services and customs clearance. The most detailed study of the effectiveness of exhibitions is organized by factor analysis (Figure 3).

Variable	Factor Loadings (Unrotated) (результати_виставки) Extraction: Principal components (Marked loadings are >,700000)		
	Factor 1	Factor 2	Factor 3
п1	0,939660	-0,183552	0,007658
п2	0,810218	-0,427833	-0,101033
п3	0,822300	-0,064621	0,105181
п4	-0,599061	-0,070678	0,712857
п5	0,786899	-0,237627	0,482797
п6	0,282657	0,742965	0,125919
п7	0,882457	-0,228498	0,300758
п8	0,528655	0,540909	0,083312
п9	-0,379586	0,691770	0,401748
п10	0,952115	-0,083091	0,052381
п11	0,903609	-0,212020	0,083924
п12	0,975731	0,021829	0,069800
п13	0,929409	-0,101616	0,098384
Expl.Var	8,014749	1,720368	1,061579
Prp.Totl	0,616519	0,132336	0,081660

Calculated by the author

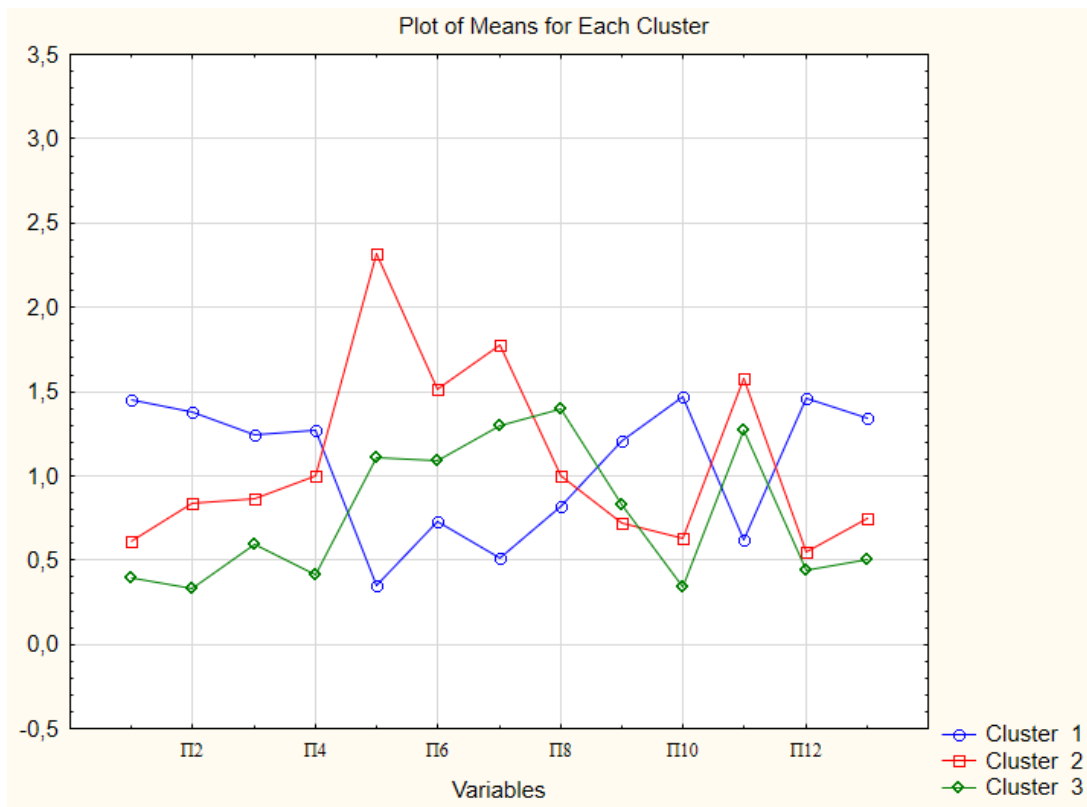
Figure 3. **The results of the factor analysis of the exhibition impact (program listing STATISTICA 10)**

By the results of the factor analysis were found three factors that influence the effectiveness of exhibitions, of which one has the greatest impact - 61.6519% (it combines 9 of 13 indicators), the second - 13.2336% (1 indicator) third - 8.166% (1 indicator). The indicators that influence the effectiveness of exhibitions is highlighted in the program listing by red. According to the listing (Figure 3) model of exhibition activity efficiency looks as follows:

$$P = 1/8,014749(0,93966 \cdot \Pi 1 + 0,810218 \cdot \Pi 2 + 0,8223 \cdot \Pi 3 + 0,786899 \cdot \Pi 5 + 0,882457 \cdot \Pi 7 + 0,952115 \cdot \Pi 10 + 0,903609 \cdot \Pi 11 + 0,975731 \cdot \Pi 12 + 0,929409 \cdot \Pi 13) + 1/1,720368(0,742965 \cdot \Pi 6) + 1/1,061579(0,712857 \cdot \Pi 4),$$

Π1 – net exhibition area; Π2 – special exhibition area; Π3 – number of participants; Π4 – the number of brands represented; Π5 – Number of visitors; Π6 – number of visitors; Π7 – accredited media; Π8 – the price of exhibition services; Π9 – costs of organizing the exhibition; Π10 – the number of specialists involved including foreign; Π11 – The share of foreign exhibitors; Π12 – the number of participating countries; Π13 – number of advertising places on specialized sites.

Based on the data of each position forms the final indicators of the exhibition. In addition, using cluster analysis was constructed "profile results of exhibition activity" - a graphical representation of successful and unsuccessful exhibition activity (Figure 4).



*Calculated by the author*

**Figure 4. Results of cluster analysis - building "Profiles of exhibiting results" (program listing STATISTICA 10)**

As the obtained profiles shows - the largest impact is the 2nd profile - cluster 2, which has the most important indicators of Π5 - the number of visitors; Π6 - the number of visitors; Π7 - accredited media; Π11 - the proportion of foreign exhibitors. The results of the analysis show that the integration exhibition marketing approach (combining the efforts of the media to attract foreign exhibitors) can uniquely choose exhibit measure to improve performance of hotel and restaurant business.



**Conclusions and suggestions for further research.** Choosing the best areas of development, options for participation in the exhibition, hotel and restaurant business should be based on a certain system of criteria or set of indicators. Although there are many methods of choice, they have a common basic principle and for implementation always the most effective option is chosen. The choice of method for assessing the effectiveness, efficiency criterion depends on the purpose of the study, scope and so on. In the most general approach can be said that the effectiveness - is to achieve maximum results at minimum cost. To justify the choice of a specific project participation in the exhibition was investigated dependence of exhibition performance for enterprises of hotel and restaurant business in the city of Kyiv - a model of efficiency dependence based on performance of 13 indicators. This dependency has multidirectional nature in different areas. Features that depend on demand of services reflected in built "profiles of results of exhibition activity", including a second profile (cluster 2) that is most effective.

The model of evaluation of the effectiveness of the exhibition is a functional model that combines main stages of organization and realization of exhibitions, united by system of functional relationships. On the preparation stage has to be used methods long-term and short-term financial planning of the exhibition center, exhibit pricing for services at the stage of direct exhibitions operational management is carried out on the stage of after show, analyzing and evaluating results of the exhibition.

The main areas of improvement and realization of exhibitions processes at the macro level is to ensure the effective functioning of elements and links of organizational and economic mechanism of exhibition activities, and at the exhibition center - taking into account the interests of comprehensive exhibition activities, development and implementation of methods and tools that provide steady development of basic link exhibition management processes, analysis of factors affecting the reception of both direct and indirect effect of exhibitions at the level of exhibition activity (organizers, exhibitors and visitors) and external environment (city, region, state) and justification of decisions aimed at the improvement of exhibition activity, and determination of the effectiveness of their implementation.

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