

Kyiv National University of Trade and Economics
Department of international economic relations

FINAL QUALIFYING PAPER

on the topic:

“Exhibition Activity in International Economic Relations”

(based on the data of Ukrainian Chamber of Commerce and Industry, Kyiv)

Student of the 2nd year, group 2am,
speciality 051 «Economy»,
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ВИПУСКНА КВАЛІФІКАЦІЙНА РОБОТА

на тему:

«Виставкова діяльність в міжнародній економіці»

(на матеріалах Торговельно-Промислової Палати України, м. Київ)

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ABSTRACT

Danylets M. Exhibition activity in international economic relations

Qualifying work for obtaining a master's degree in specialty 051 "Economics", specialization "International Economics". Kyiv National University of Trade and Economics, 2018.

In the final qualifying work the approaches to the definition of the term "exhibition activity" are analyzed, the essence and value in international economic relations are determined and substantiated. The methodological approaches to assessment the effectiveness of exhibition activity are presented.

The world trends and the best practices of exhibition industry are highlighted.

The financial-economic activity, efficiency of the exhibition activity and contribution to exhibition industry of the Chamber of Commerce and Industry of Ukraine are analyzed. The efficiency of the exhibition activity of the Chamber of Commerce was evaluated in order to give practical recommendations to improve exposition activity of UCCI at the general level and exhibition sector. The strengths and weaknesses of the Ukrainian Chamber of Commerce and Industry are determined.

The necessity of finding ways to implement measures to improve exhibition activity in the Ukrainian Chamber of Commerce is substantiated. Practical recommendations for increasing the effectiveness of exhibition activities within the CCI of Ukraine and the sector were provided. An assessment of the proposed activities effectiveness was made.

Key words: exhibition activity, exhibition industry, exposition activity, effectiveness of exhibition activity, exhibition activity performance, Ukrainian Chamber of Commerce and Industry, small and medium business.

АНОТАЦІЯ

Данилець М. Виставкова діяльність в міжнародній економіці

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 051 “Економіка”, спеціалізацією “Міжнародна економіка”. Київський національний торговельно-економічний університет, 2018.

У випускній кваліфікаційній роботі проаналізовані підходи до визначення терміну «виставкова діяльність», визначені та обґрунтовані її сутність та цінність в міжнародних економічних відносинах. Представлено методологічні підходи до оцінювання ефективності виставкової діяльності.

Висвітлено світові тренди та найкращі кейси у ринку виставкової діяльності.

Проаналізовано фінансово-господарську діяльність та ефективність виставкової діяльності Торгово-Промислової Палати України. Проведено оцінку ефективності виставкової діяльності ТПП з метою виявлення нових шляхів її підвищення. Визначено слабкі та сильні сторони ТПП,

Обґрунтовано необхідність пошуку шляхів впровадження заходів для покращення виставкової діяльності у ТПП України. Надані практичні рекомендації щодо підвищення ефективності виставкової діяльності в рамках ТПП України та сектору. Проведено оцінку ефективності запропонованих заходів.

Ключові слова: виставкова діяльність, ефективність виставкової діяльності, ТПП України, малий та середній бізнес.

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SUMMARY
TO THE FINAL QUALIFYING PAPER
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Kyiv 2018

Final qualifying paper: 101 p., Illustrations - 12, Tables - 22, Appendices - 2,
References - 98

The object of investigation is the process of exhibition activity development in domain of international economic relationships.

The subject of investigation is theoretical and methodological aspects of UCCI's exhibition activity organization.

Enterprise that is a basis for writing master diploma work is the Ukrainian Chamber of Commerce and Industry.

Purpose of final qualifying work is justification of ways of improvement the performance of exhibition activity of UCCI.

Task: to study the different approaches to defining the term “exposition activity”; To research methodological base of estimation the efficiency of exposition activity of the enterprise (organizer or participant); to highlight modern worldwide trends and best practices in the exhibition activity market; to analyze exposition activity development and effectiveness of the Ukrainian Chamber of Commerce and Industry; to compare UCCI's activity with other exposition organizers of exhibitions at the local level; to estimate the exposition activity efficiency of the Ukrainian Chamber of Commerce and Industry; to define strengths and weaknesses of the Ukrainian Chamber of Commerce and Industry and give practical recommendations to improve exposition activity of UCCI at the general level and exhibition sector; to estimate performance of the recommendations by forecasting proposed measures.

Methods of investigation: axiomatic (basing on existing general theoretical positions); analysis and synthesis (researching the methodological approaches to assess the effectiveness of the import substitution strategy); method of comparison and generalization (analysis of financial and economic activity of the enterprise); methods of economic and mathematical modeling (evaluation of the effectiveness of the proposed measures); expert assessment (determining the importance of the proposed measures implementation).

In the introduction to the work the role and value of the chosen topic are explained; the purpose and the urgency of its practical significance are formulated, the research

object, the subject of research and its tasks are represented. In addition, methodological and theoretical part of the study, methods that were used in the work are described.

In the first part of work “Exhibition activity’s theoretical background”, the essence of exhibition activity is defined. There is described the typology of exhibition activity by different scientific resources. The methodological approaches to evaluation exhibition activity by organizer and by participator are represented.

In the second part of the work "The Ukrainian Chamber of Commerce and Industry’s contribution to exhibition activity development in Ukraine” the financial and economic activity of UCCI and UCCI’s exhibition department are analyzed, the analysis of world trends and best practices is provided. The diagnosis of performance efficiency of the UCCI as a provider of exhibition services is assessed.

In the third part of the work "Suggestions and recommendations for improving the exhibition activity of UCCI” the competitive position strengthening within exhibition industry of UCCI is justified. The measures required for efficiency enhancement of the UCCI’s exhibition activity are developed. The forecast and evaluation of the economic impact of suggested measures’ implementation in UCCI’s exhibition activity were provided.

Summary and propositions contains theoretical generalization and ascertain solutions to the given scientific problem, the essence of which is in the comprehensive study, assessment and effective implementation of proposed measures in the researched company.

CONTENTS

INTRODUCTION	9
1. EXHIBITION ACTIVITY’S THEORETICAL BACKGROUND	12
1.1. The role, essence and typology of exhibition activity in international economic relations	12
1.2. The latest worldwide trends and best practices of exhibition industry	21
1.3. Efficiency evaluation tools and methods of exhibition activity.....	34
CONCLUSIONS TO THE CHAPTER 1	42
2. THE UKRAINIAN CHAMBER OF COMMERCE AND INDUSTRY’S CONTRIBUTION TO EXHIBITION ACTIVITY DEVELOPMENT IN UKRAINE	44
2.1. Positioning, goals and functions of the UCCI.....	44
2.2. Analysis of the UCCI’s competitive position as a provider of exhibition services	53
2.3. Efficiency estimation of exhibition activity of the UCCI.....	60
CONCLUSION TO THE CHAPTER 2	70
3. SUGGESTIONS AND RECOMMENDATIONS FOR IMPROVING THE EXHIBITION ACTIVITY OF UCCI	72
3.1. Justifications for strengthening UCCI’s competitive position within exhibition industry	72
3.2. Development of measures required for efficiency enhancement of the UCCI’s exhibition activity	79
3.3. Forecast of the economic impact on the efficiency indexes following suggested measures’ implementation	89
CONCLUSION TO THE CHAPTER 3	99
SUMMARY AND PROPOSITIONS	100
REFERENCES	102
APPENDICIES	

INTRODUCTION

The actuality of the exhibition activity is primarily due to the growth in consumer demand for different groups of goods.

Exhibition activity is one of the major tools that provides the promotion of enterprises and their products in the market place both in micro and macro levels.

Expositions help to maintain partnerships and get information about all the current trends in a particular industry. The primary task of the exhibition is the presentation of the exhibitor's goods and services with a further opportunity to promote the company. The exposition shows the current situation on industry's development and some of the main companies.

Expo features include the implementation of many tasks and goals that require the presence of a large staff of employees and the efficient execution of processes at all levels. The exhibition is one of the effective ways of demonstrating and developing new developments and achievements in the industrial, social, scientific and economic spheres of enterprises, regions and countries. Exhibitions demonstrates economic, scientific, production achievements to a large number of people, and play a major role in the development of the current society.

The exhibition is an important event of regional, national and international significance. Expo activity contributes to the sustainable development of trade and economic, international, scientific, cultural and other cooperation between business entities so as between countries.

Modern exposition is an innovative, rapidly evolving form of a complex organization that owns a specific set of goals, tasks, concepts, has its own materials and resources that are used to perform the tasks and objectives.

Exposition is a reflection of a particular industry, an important information base that provides changes' predictions in the marketplace and thin niches. Participation in an exhibition is necessary for companies to create effective marketing processes that affect the promotion of not only the enterprise but also the industry.

World experience shows that voluntary associations have the great potential in protecting the interests of entrepreneurship, stimulating its development and influencing the formation of effective governance: civil society institutions, self-organization of economy, membership associations, chambers of commerce and industry. However, such institutions are underestimated and underdeveloped, have weak influence in Ukraine.

A significant contribution to the formation of theoretical foundations and applied recommendations for the development of entrepreneurship is reflected in the works of such well-known scientists: V. Sombart, R. Cantillon, J.-B. Say, A. Smith, F. Hayek, J. Schumpeter, as well as domestic scholars, among them: Z.S. Varnal, V.M. Heyets, Yu.V. Gorbatenko, A.V. Dukas, O.G. Denisyuk, P.V. Egorov, V.F. Ivanyuta, M.I. Krupka, D.V. Lyapin, V.I. Lyashenko, B.A. Rayzberg, S.K. Reverchuk, O.R. Romanenko, V.Ya. Shvets, Malukha S., Mangushev D., Antonenko I., Dupliak T., Arshevska M., Lukashova L., Kritsotakis Y.. Works of domestic economists A. A. Mazaraki, M. A. Anufriyev, G.M. Boldyra, I. L. Gurnyaka, V.V. Ostromova and G.D. Chizhikov are dedicated to the activities of chambers of commerce and industry as those, which were created by the demand of the law of non-governmental and non-profit organizations. However, the role of system of CCIs in Ukraine of promoting entrepreneurship development was not researched well enough. The necessity to develop theoretical positions and practical recommendations for the further development of CCIs and increase their efficiency as institutions stimulating the development of entrepreneurship ledi to the choice of the theme of the diploma and its relevance.

In the study, following tasks are formulated:

- To study the role, essence and typology of exposition activity in international economic relationships;
- To highlight the latest worldwide trends and best practices of exhibition activity;
- To research the efficiency estimation tools and methods of exhibition activity;

- To assess the positioning, goals and functions of the Ukrainian Chamber of Commerce and Industry;
- To analyze UCCI's competitive position as a provider of exhibition services;
- To estimate the exhibition activity efficiency of the Ukrainian Chamber of Commerce and Industry;
- To define justification for strengthening UCCI's competitive position within exhibition activity;
- To develop measures required for efficiency enhancement of the UCCI's exhibition activity;
- To forecast the economic impact on the efficiency indexes following suggested measures' implementation.

The object of the final qualifying work is the process of exhibition activity development in domain of international economic relationships.

The subject of final qualifying work is theoretical and methodological aspects of UCCI's exhibition activity organization.

The purpose of the study is justification of ways of improvement the performance of exhibition activity.

Methods of investigation used in study are hypothetical-deductive method, descriptive, modeling, systematic approach, structural and functional method, computational statistical methods and retrospective analysis.

Manuals, textbooks based on mentioned issues, statistical yearbooks, provided *the information base* for this study. Scientific articles, monographs, analytical research papers, marketing researches of specialized agencies played the special role in the study.

In addition, the research was affected by domestic and foreign normative legal acts.

Structure of final qualification work. The research consists of an introduction, three sections (each consists of three divisions) of conclusions and proposals, 13 figures, 25 tables, 6 formulas, 2 supplements and 98 sources.

1. EXHIBITION ACTIVITY'S THEORETICAL BACKGROUND

1.1. The role, essence and typology of exhibition activity in international economic relations

One of the oldest, but still advanced and modern, methods of promoting company, goods or services through B2B, B2C and B2G relations is exhibition activity.

With the future development new terms appeared to denote trade fairs — “exhibition”, “exposition”, “trade show”, “mixed show”. As said, exhibition is not a new marketing instrument or the way of promotion of goods and services. Nevertheless, even nowadays they gained much attention as an innovative market-based problem-solving mechanism, which do not stop in progress.

Exhibition activity is an important tool for the formation and implementation of macroeconomic policy of the state. It is an extensive marketing toolkit for communication through channels of different levels: B2B, B2C, B2B2C, B2G, G2B, G2G and so on.

It is an indicator of the development of country's economy and social development, foreign and domestic trade, culture and external relations, technologies and science.

From the side of enterprises, exhibition activity is a tool of marketing communication through the mentioned channels: state, business segment and customers.

Exhibitions and fairs are powerful instruments of commodity market infrastructure for increasing the efficiency of national and international exchanges, attracting investments into the country's economy, activating financial flows and forming an information environment.

Exposition activity contributes to the sustainable development of trade and economic, international, scientific, cultural and other cooperation between business entities so as between countries.

Intelligence of all sorts about competitors is freely available at most major trade shows. Shows are one of the cheapest and most reliable ways a company can inform its technical, production, and marketing people about the competition [27].

In today's time, in a tense situation in the country, it is very beneficial to have such a functioning tool in use. Exhibition activity allows to expand the scope of cooperation at the micro and macro levels, as well as to involve all parties - participants, organizers and visitors on such a large scale.

For instance, Ministry of Economic Development and Trade of Ukraine published information about number of events that were held in Ukraine: it rapidly increased in 2017 for 4 times from 2016.

Therefore, as number of events organized by Ukrainian Chamber of Commerce of Ukraine raised in 7 times from 2016 to 2017 [52, 53, 54].

Planned number of event by Ministry of Economic Development and Trade of Ukraine for 2018 is 49; private expo-centers have already planned more than 300 events for 2018 [74, 76, 78], but in fact there were more than 500 events held in Ukraine in 2018 [54, 71, 73, 74, 76, 78].

Ukrainian and foreign scientists studied the variety of problems for the Ukrainian Chamber of Commerce and Industry's activity, trends in exhibition sphere and its development. The notable works that help identifying and highlighting different aspects of exhibition activity are Malukha S., Mangushev D., Antonenko I., Dupliak T., Arshevska M., Lukashova L., Kritsotakis Y., Kotler P..

G. Pyatnytska and O. Sinitsyna study exhibition activity through the methodological basis of regional management [13, 16], but also analyze the definition of exhibition activity. The following statement include the multilateral analysis of the definition "exhibition activities" by scientists like V. Pekar, F. Sharkov, V. Farberov, N. Suprun, L. Strovskiy, I. Grischenko. They define exhibition activity as "not only the process of organization, holding, material and

technical maintenance of an event, but also activities aimed at promotion of products and services in regional and international markets that stimulate communication and competition” — that means inclusion of the marketing component in the economic process. Eventually, the exhibition activity creates a temporary information and marketing environment for exhibitors and non-exhibitors in a certain place and terms. In addition, O. Vdovichena analyze the coordination and control of exhibitions through the management approach [15].

D. Mangushev made a statement about the dividing the exhibition activity into two categories. He agreed with S. Malukha about the definition of exhibition itself, but added the international aspect: “promotion of goods and services on the domestic and foreign markets” — qualitative transformation of the exhibition activity — the transition to the international level [51].

Ukrainian scientist N. Karpenko supported this statement [36]. Secondly, fairs — activities directly related to trade (retail or wholesale), held in a certain place and within certain timeframes.

S. Malukha wrote: “the exhibition is a presentation of the achievements of mankind in a certain industry and, as a consequence, gain of benefits, in addition to this, the exhibition involves advertising, marketing research, as well as demonstration of goods and services. Those activities facilitate the contact between the manufacturer and the future consumer that shows the production chain and the involvement of both producers and consumers in economic activities” [24].

Ukrainian scientist V. Pekar suggested: “the exhibition is activity of enterprises, institutions and individuals connected with the organization, participation and attendance of exhibitions and fairs, provision of various services and performance related to exhibitions and fairs” [7].

In addition, V. Pekar with O. Denysenko and G. Pidgrushniy analyzed the important marketing tool as exhibition activity, considered its historical significance and development [7].

So as the Global Association of the Exhibition Industry gave the definition only in historical context [84].

L. Lukashova gives the explanation to physical type of exhibition-fair activity “as a system of professional information, advertising, technical, economic, technological and managerial actions of numerous legal entities and individuals, stimulated by production, distribution, exchange or consumption needs. They are based on preparing, holding and completing exhibitions, salons, techno parks, fairs, presentations and accompanying events (press conferences, seminars, symposiums, congresses) that is ahead or precede the direct retail trade and provide continuous interconnection and development of reproductive processes in society” [6].

However, she also defines the new type of exhibition with the implementation of new technologies: “on-line exhibition is a conditionally unlimited time and space event, which implements indirectly through the Internet. The organizer of the web-resource provides the opportunity to post information consisting text, graphics, audio or video of company’s exhibit, it should contain data about company's activities, products, services and technology. The information is placed on a free or paid basis. Visitors are free to acquaint the information and exhibits presented by the exhibitors” [98].

T. Dupliak and I. Antonenko had studied exhibition activity in the context of its importance for the development of the country; analyzed the conditions of exhibition business in Ukraine. Also they pointed to the absence of legally regulated definitions for “exhibition activity”, “exhibition-fair activities” or “activities of exhibitions and fairs’ organization”, “exhibition services” , “exhibition events” or “services for the exhibitions and fairs’ organization” [10]. Professor T. Tkachenko shared this point [4].

The Cabinet of Ministers of Ukraine explained exhibition activity as: “an event related to the demonstration of goods and services. It helps to promote these items and activities on the domestic and foreign markets, taking into account their conjuncture, creating conditions for conducting business negotiations in order to conclude treaties on supply or protocols of intentions, creation of joint ventures, investments”. In addition, law regulate the explanation of “fair” — an event directly

related to the retail or wholesale trade, which is held regularly in a certain place and within a specified period [2].

Looking through the each presented before points of view the definition and aims of exhibition activity, the essence vary in the terms of aims, tools and results. Moreover, it is necessary to take into consideration the technological progress. In general, scientists did not point out the potential of the Internet and concentrated to the physical performance of exhibition activity.

Considering the definition in general, exhibition activity is the multiple interactions of B2B, B2C, B2G, G2B or even B2B2C, G2G which involves numerous information, advertising, technical, economic, technological, managerial, legal and human recourses on not only the regional or national level but also international and global. Cooperation exists with the purpose of experience and resources' exchange among the involved entities and the dissemination of information about the exchange to the other market participants physically same as the digital tools. With the inclusion of the digital component, those interactions now are limited by time and place, but not by space (dimension).

Over time and the development of technology, as well as industry, the number of types of fairs expanded, and their qualitative component increased. Now there are the following classification of exhibitions according to specified criteria, presented in the Table 1.1.

Table 1.1

Classification of exhibitions by criteria

Classification criteria	Type of exhibitions
1	2
Territorial basis	Exhibition activities held within Ukraine
	Exhibition activities held abroad
Source of funding	On a public budget basis
	On a private commercial basis
	On a mixed basis
Status	World-wide exhibitions
	International exhibitions
	National exhibitions
Place	Interregional exhibitions

Continuation of the Table 1.1

1	2
Place	Regional (local) exhibitions
Target audience	For professionals
	For a wide range of visitors
	For professionals and a wide range of visitors
Frequency	Periodic
	Annual
	Seasonal
Duration	Constant
	Temporary
	Short-term
Industry	Universal/Multi-industrial
	Specialized
Task	Sales/orders
	Information/tutorial
	Development of communications/contacts
	Thematic
By offer type	Multi-industrial consumer goods
	Multi-industrial industrial goods
	Equipment and technologies
	Investments
By form	Traditional (physic) exhibition
	Virtual (digital) exhibition (VE)
National expositions abroad	Image
	Specialized

Source: made by author, based on [2, 11, 22]

Basing on territorial basis towards location (Ukraine) exhibitions divide into two groups: activities held on the territory of Ukraine and abroad (outside Ukraine).

By source of funding, there are two major bases: public and private financing, so there are mixed form. Public funding is to cover the costs of organization and managing the event come from the state and local budgets. Private funds is to cover the costs of organization, costs provides by businesses and individuals (organizers of the event, its participants and sponsors, investors) to hold the event.

By the status, exhibitions and fairs are divided into worldwide, international, national and industry. Only the BIE (the Bureau of International Expositions, located in Paris, France) gives the worldwide status to the exhibition. International status,

by the resolution «About improvement of exhibition-fair activity in Ukraine» by Cabinet of Ministers of Ukraine, has an exhibition total number of its participants include 10 percent or more of foreign companies or organizations. National status has exhibitions and fairs which participants include at least 20 regions of Ukraine business entities or products, goods and services presented relates to five or more industries. Industrial is an exhibitions and fairs, which presents products, services characterized by a common feature of production and economic activity of business. The Cabinet of Ministers of Ukraine gives international and national status of exhibitions hold within Ukraine. The list of exhibitions and fairs, approved by the Cabinet of Ministers of Ukraine, which has international or national status places on the official website of the Ministry of Economic Development and sent to foreign diplomatic institutions and institutions of foreign countries in Ukraine.

By place, exhibitions are divided into interregional and regional (local). Interregional is an exhibition that contains products or services presented by legal entities and individuals from two or more regions, districts or cities. Regional (local) is an exhibition that contains products or services presented by business entities from one region, districts or city.

Target audience is also the key criteria of classification, because it means the goods and services will be presented, so there are exhibitions for professionals — people who have a professional interest and their activities are directly related to the theme of the exhibition. Wide range of visitors implies attendance of the event by people whose professional interests is not related to the exhibition's key theme, aim is to attract a new audience, increase awareness of the problem/product/service to raise profit or change image. Exhibitions for professionals and a wide range of visitors are supposed to attract both professional auditory and wide range of audience.

By frequency exhibitions divides to periodic, annual and seasonal. Periodic exhibitions are held from time to time: intervals between events may be equal or different. Annual exhibitions relates to periodic type but have an equal interval that

is distinguishing feature. So as annual, seasonal exhibitions relate to periodic type but its feature is seasonality of events.

Duration of exhibition is variable, so constant exhibitions lasts from half a year to a year, temporary from half a month to five months and short-term duration means 1-5 days at all.

By industry, there are two types: universal as known as multi-industrial and specialized. The first: universal exhibitions combine several types of industries' products, and second is only for the limited range of specialties within one industry. Watch Appendix A.

By task, there are four types of exhibitions: sales/orders, information/tutorial, communication, thematic.

The main aim of the first type is to attract new counterparties — customers or executors — in order to increase the number of orders and thereby increase profits of business. Exhibitions related to second type has informational or educational aim, depending on the goals set by the business. Exhibitions combining several businesses' corporate responsibility projects or some education projects relate to this type. Third type aimed to spread the information and to make research of the market: condition, volume, and average prices, main executors or customers and so on. The fourth type is thematic that combine representatives of companies with the one theme of performance etc. None mentioned excepts each category of exhibition: tasks may be multiple and has different priority for each company.

By offer type exhibition can be multi-industrial consumer goods, multi-industrial industrial goods, equipment and technologies, investments. Offer type depends on the companies' performance on the market: production and positioning — beneficiaries or investors.

By form, there are physic and digital form of exhibition.

Physic exhibitions refers to the general form that has the material form, a definite place, lasts a certain time.

A virtual exhibition (VE) was earlier defined as an online Web-based hyper-textual dynamic collections devoted to a specific theme, topic, concept or idea. Most

virtual exhibitions are attributed to museums and archives to make visible their collections to end users, generally the public or specialized user groups. Original artifacts are digitally captured and rendered into 2D or 3D objects, which are packaged together and linked by hyperlinks to allow non-linearity or multiple-linearity by users (exhibition visitors). Virtual exhibitions are viewed as dynamic entities as they often undergo ongoing change in terms of design, activity and content, including encouraging users to contribute towards its collective memory, thereby adding to its dynamism [12].

Thus, the virtual exhibition is a specific form of exhibition product's distribution in the virtual market. Virtual market is a market, which bases on the Internet [4].

Last classification refers to law and describe the involvement of national exhibitions, as well as held abroad, in the world exhibitions parts as image or specialized.

Image exhibition is a national exposition that participates at world, as well as international, exhibitions and fairs to create a positive image of Ukraine, organized by international organizations, foreign states and citizens, in particular investors. Those exhibitions aimed to inform the international community about national economic potential and investment environment's attractiveness, popularizing tourist-recreational potential, strengthening humanitarian contacts.

Specialized is the national exposition that participates at world, as well as international, exhibitions and fairs for promotion of domestic competitive products, goods and services to the foreign market, attraction of foreign investments, implementation of the newest technologies [2].

Therefore, exhibition activity has already been a promising vector for the development of relations as between legal entities, but also relations between companies and the government, which go beyond the space, the country, and more recently, physical reality.

1.2. The latest worldwide trends and best practices of exhibition industry

World's tradeshow organizers and exhibition center operators, as well as the major national and international exhibition associations, and selected partners of the exhibition industry gathered into the leading global association known as The Global Association of the Exhibition Industry (further mentioned as UFI).

UFI provides comprehensive data on the latest global trends pursued by companies. According to Global Exhibition Barometer [89], the exhibition industry continues to be an expansive industry, with notably positive trends emerging in the mature markets. Four out of 10 companies say they will develop operations in new countries, with this number highest for companies in the UK, the Middle East, China, India and Germany.

Different event formats, digital revenues, or marketing services are listed as opportunities, with these new models a strategic priority in the short to medium term [91].

Whole exhibition industry is growing: in the Americas, Europe and Asia – Pacific, 70 to 80% of companies increased their turnover in the second half of 2017. The Middle East – Africa region reported around 50% of companies registering such growth. For the first time in ten years, all four global regions report a positive development simultaneously: everywhere, the share of companies declaring an increase in turnover is rising, regarding the second half of 2018 [88, 89].

The detailed results show that most companies maintained a good level of performance in 2017 and more than 40% of companies from all regions declared an increase of more than 10% compared to 2016.

Companies-members of UFI proposed and identified the most important influencing factors for their business in the coming year [89], the share of each point visualized in Figure 1.1:

1. State of the economy in home market;
2. Competition from within the industry;

3. Global economic development;
4. Internal challenges;
5. Impact of digitization;
6. Competition with other media;
7. Regulatory/Stakeholders issues.

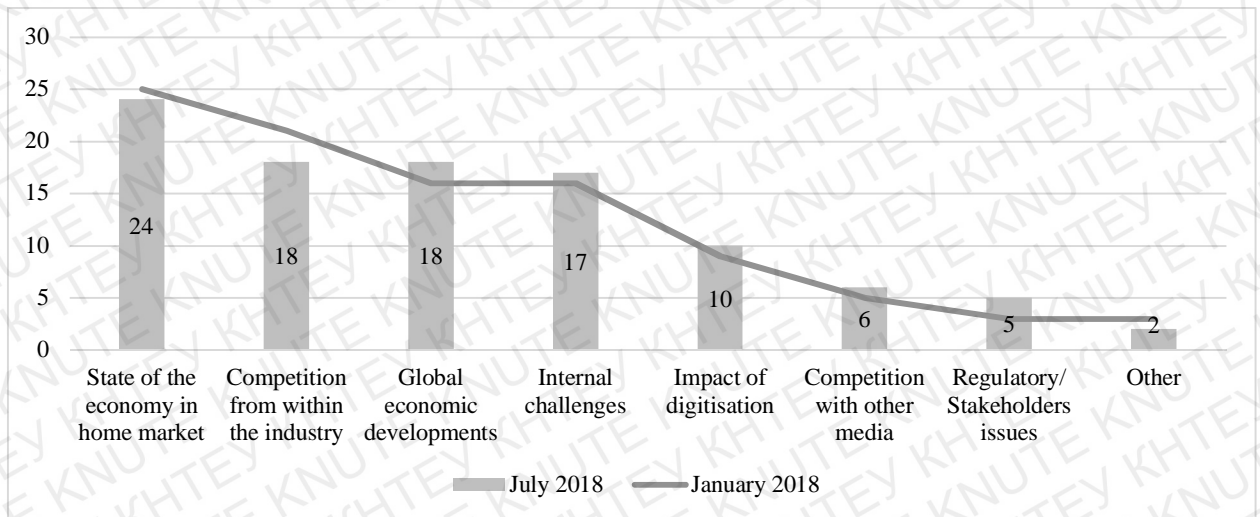


Figure 1.1. Most important issues facing the exhibition industry worldwide, 2018, % of companies involved in exhibition activity and are the UFI members¹

Source: [89]

Most important business issues do not change much. Just like previous years, organizers seem to prioritize four main issues affecting their business. The results are very similar to the previous researched period. [39] Following statements changed their position:

- “State of the economy in home market” (24% in the current survey, down 1% compared to 6 months ago);
- “Competition from within the industry” (18% in the current survey, down 3% compared to 6 months ago);
- “Global economic developments” (18% in the current survey, up 2% compared to 6 months ago);

¹ There and further 312 companies-members of The Global Association of the Exhibition Industry from 55 countries all over the world.

- “Internal challenges” (17% in the current survey, up 1% compared to 6 months ago), where “Human resources” are named as the most important aspect (79%), “Finance” — 30%.
- “Impact of digitization” include the following statements: “Responding to customer digitization needs” — 70%; “New digital products” — 62%; “Internal processes” — 48%.
- “Competition with other media” includes 55% with “Social media”; 51% with “Internet”; 29% with “Virtual trade shows”; 11% — other.
- “Regulatory/Stakeholders issues”: Sustainability: 50%; Health and safety: 38%; Other: 29%.

It is not all about the future of course, the present poses plenty of its own challenges. In addition, here there is great variety in responses too. In the Americas for example, “internal challenges” are regarded as more important business issue than “global economic developments”.

In Europe, however the impact of digitization is a primary concern, perhaps as a result of new General Data Protection Regulation (GDPR), part of the EU Digital Single Market strategy. While this stands to open up digital opportunities and enhance Europe’s position as a world leader in the digital economy, it has major implications for industry, which trades on the collection and transfer of data and personal information. Those new revenue streams deriving from digital development may be potentially lucrative [91].

Thus, digitization still has a poor impact on the exhibition industry regarding to organizers (Europe and Americas evaluate the impact of digitization more than Asia-Pacific and Middle East-Africa), on the other hand, digitization affects overall the world, including GDP [29].

The ratios of companies that do not seek to go into the digital sphere, create, and distribute their products / services to new markets such as live or virtual events; they are shown in Figure 1.2.

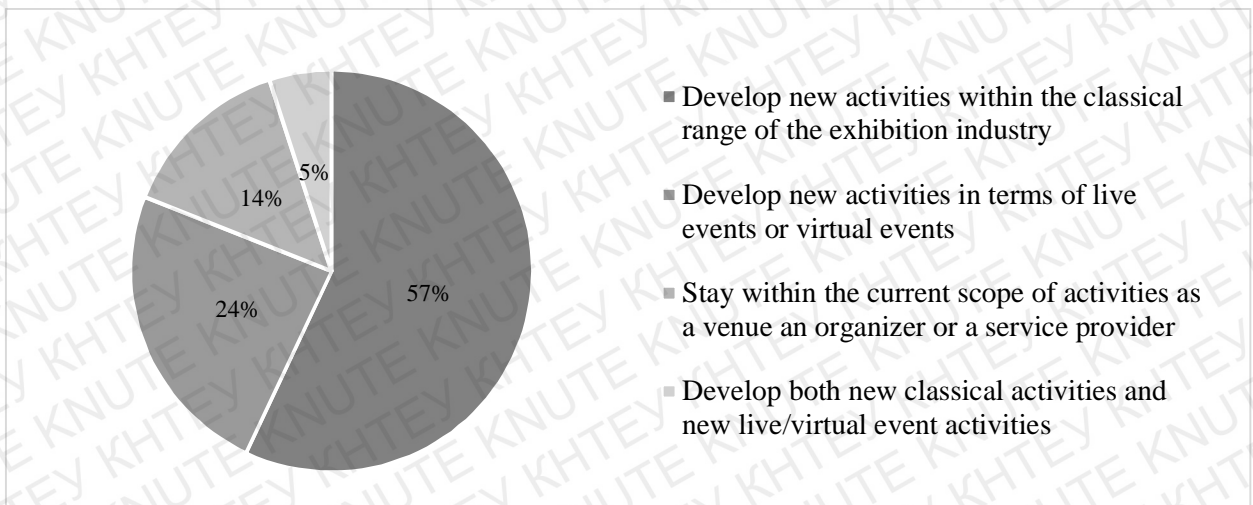


Figure 1.2. Strategic activity priorities of the exhibition industry worldwide in 2017, % of companies-respondents involved in exhibition activity, the UFI members

Source: [90]

More than half (57%) of the companies that act as organizer, service provider or venues will develop only activities within the classical range, but on the contrary, less than a quarter of companies (venue/organizer/services) intends to develop new activities in either the classic range of exhibition industry activities [97].

The part of companies (organizers and service providers) introducing something new, including the intention to develop both at the same time, is higher than companies that are satisfied with their level. However, at the same time, their part is lower than the classically-oriented companies are.

Total share of venues directed to the categories of “develop new activities in terms of live events and virtual events” and “develop both of these developments” is 34% that is the biggest among the types of companies.

Considering current strategic priorities related to the range of activities by type of company, there act organizers, services providers only and venues, the share of each differs within 20%, visualization in Figure 1.3.

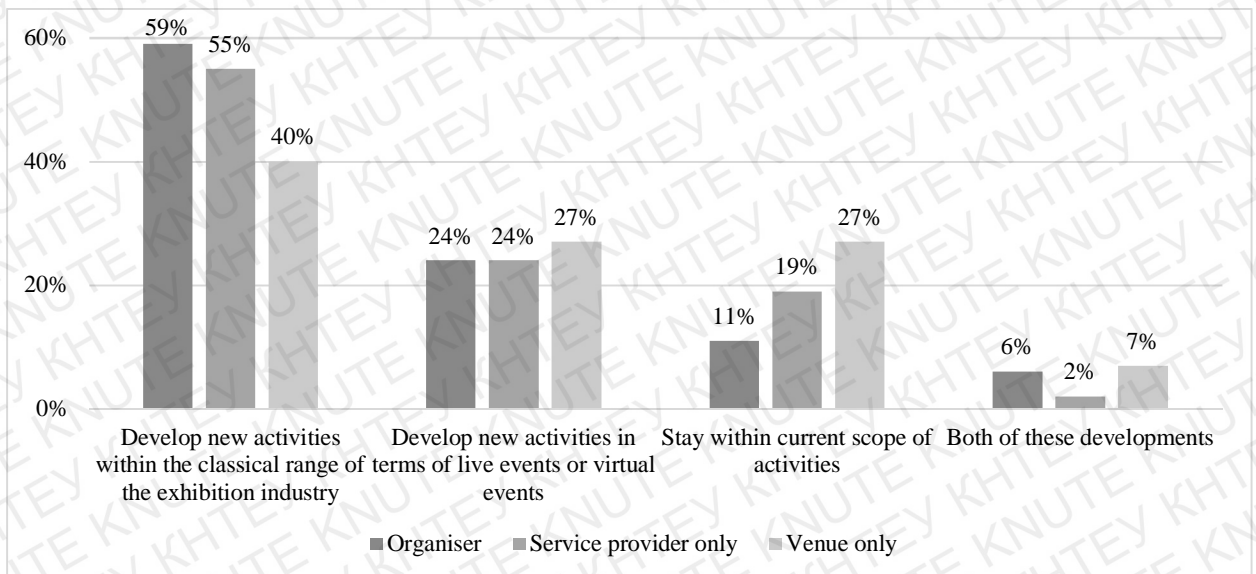


Figure 1.3. Current strategic priorities related to the range of activities: results by type of company, share of companies-respondents involved in exhibition activity, the UFI members

Source: [90]

With digitization accelerating in businesses around the world, the UFI focused on the state of digital activity in the exhibition industry. The results show that the majority of companies have responded to the accelerating process of digitization in the exhibition industry. However, progress is limited.

The “Digitization Implementation Index” towards a “full digitization” is 32 globally (+1 compared to a year ago). Compared to last year, the most striking development is the fact that, by now, 37% of the participating companies state that they have developed a digital transformation strategy on a company level.

Germany, the U.K. and the U.S. are identified as the exhibition markets who are currently most advanced in the digital transformation process [90].

Following global trends, companies are guided by the best, thus they implement digital strategies in internal processes and products / services. The following Figure 1.4 show the global results, followed by detailed results.

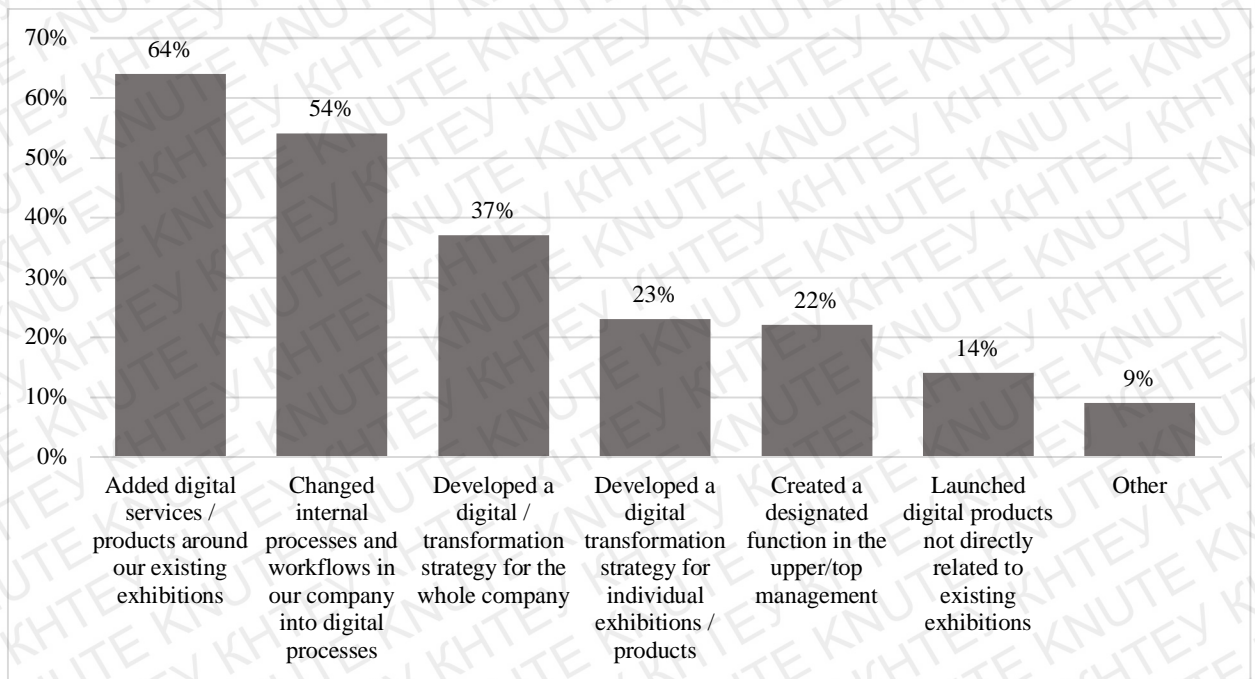


Figure 1.4. Digitization: global results, share of companies-respondents involved in exhibition activity, the UFI members

Source: [90]

1. 64% of survey participants reported that they have added digital services/products (like apps, digital advertising and digital signage) around existing exhibitions. This is already widely established in Brazil (86%), Italy (85%) and Germany (83%);

2. The companies in the exhibition industry are digitizing themselves as well: globally, 54% stated that they have changed internal processes and workflows to be more digital oriented. The most advanced exhibition markets here are the U.K. (90%), Germany (75%) and Russia (71%);

3. 37% of companies participating in the survey reported that they have developed a digital transformation strategy for the whole company, with Mexico (71%), Germany (67%) and Brazil (57%) leading;

4. 23% of companies developed a digital/transformation strategy for individual exhibitions/products, with Indonesia (43%), U.S. (40%) and India (38%) leading;

5. 22% have created a designated function in the upper/top management – led here by the U.K. (40%), Germany and the U.S. (both 33%);

6. Finally, 14% of survey participants stated that they have launched digital products not directly related to existing exhibitions – a development especially visible in the U.S. (42%), the U.K. (30%) and China (27%).

Based on all the above data, presented trends were reported by UFI for 2018 [35]:

1. Contradictions in global trends. Despite the opposition to the growth of political tension in the world, in Ukraine in particular, and free trade, the world economy, including exhibition sphere, is growing rapidly. Companies are increasingly focused on BTL-activity, as well as digital marketing. The possibilities of exhibition space are expanding, which indicates a surge in investment in this industry. This flow bases on the sustainability and adaptability of the exhibition industry: the more industry expands and introduces new technologies, the more its position will be strengthened.

2. Despite the current imbalance in the development of classical and innovative tools, global trends are related to the digital sphere. Sustainability and adaptability of the exhibition industry is both a challenge and an opportunity in these conditions. Globally, investments and attention to exhibition industry are focusing on two areas: building new business models for a data-driven marketing environment, and on future-proofing the existing, square meter-based business models through new products. Companies associated with the exhibition industry are increasingly focused on cutting out the traditional value chain. The natural transition is the emergence of the following products of technological progress: virtual trade shows, use of social media, apps and creative contests etc.

3. Combination of BTL and ATL marketing tools with new digital opportunities and products. Besides data, another major trend picking up steam is the “blurring of the lines” in marketing (BTL and ATL), advertising (offline and online), commerce (Brick-n-Mortar to Click-n-Cart to Click-n-Mortar) and even historically separate event formats like exhibitions, congresses, and conferences – this will continue and intensify. “Accidental organizers” currently manage many of the fastest growing business events. Driven by a need from digital communities to meet face-to-face, hybrid formats like the Web Summit [80] have evolved – part festival, part

conference, part exhibition. In addition, more and more entertainment elements are being blended into B2B events as well, as they are adapted to changing audiences. As hybrid business events thrive, there are more collaboration, maybe even mergers, between these new organizers, established association congresses and for-profit exhibition organizers. In addition, how companies cope with the new digital and classical tools often decides their destiny.

4. Demand for qualified and talented workforce. Organizers and venues are rethinking who they need to hire and what skills they need to add. The evolution of exhibition business will increasingly be shaped by a new and somewhat younger group of leaders, many of whom are currently rising fast through the ranks of the international players of our industry. A significant number of talent programs around the world are now offering additional opportunities for future leaders to stand out and be noticed. At the same time, education programs still need to be developed to provide sufficient qualified talent for everyday needs, especially on the venue side. Simultaneously, exhibition industry will focus even more on bringing in leadership and skills from other sectors, and will look to add more diversity to the top levels of management. To facilitate all this, the focus of HR within companies is shifting towards more investment in people.

5. Reinforcement of security. Against a backdrop of attacks on the public around the world, exhibition industry will have to find the right answer to the challenge of security at events. Over the past year, organizers and venues have been collaborating more closely to minimize risk. Here, probably more so than in many other areas, security for everyone at events will be shaped by the level of collaboration between all the parties involved, including the service providers. The key to the full transparency and control on the entire supply chain of events and exhibitions end-to-end and apart from geographies and specific locations will be closest collaboration and working on innovative solutions by keeping highest and defining new standards like GDPR (General Data Protection Regulation) in Europe [18].

Considering not only global trends in the industry, but also the most important issues for companies in exhibition industry, UFI offers awards to the best practices in the following five categories of exhibition activity:

- Human Resources;
- Digital Innovation;
- Marketing;
- Operations & Services;
- Sustainable Development.

The idea of best practice in HR of 2018 below. The theme of 2018 award was innovative formats and their help; winner needs to demonstrate best practice in successfully implementing an innovative exhibition format [31].

The Human Resources Award recognizes companies who have successfully developed a program for staff to evolve, based on the role of HR as Business Partners [45].

The newest honor follows a string of other recognitions in recent years for Suntec Singapore Convention and Exhibition Centre is considered to be one of the most technologically advanced venues in the world.

Suntec Singapore's project was selected for its corporate strategy that endorsed a closer contact between HR people and different departments as well as between the HR department and the company's top management structure. In addition, the project presented a clearly planned project implementation with measured results, and it proved to be a modern approach to a large scope of HR activities [48]. Suntec Singapore's presented project named as "HybriD". It is a 3D digital tool, providing 360-degree visualization capabilities. It can be installed on any digital device, enabling users to instantaneously visualize a room, hall or exhibition space area in their desired set-up configuration (e.g. theatre seating, banquet setting, classroom, and so on). HybriD combines realism with convenience, allowing organizers to remotely explore and choose their desired set-up without having to spend time on travel and without needing to be physically present [49].

So cutting edge is the new technology that UFI named Suntec the winner of its 2018 HR [47] and Digital Innovation Award [50], an honor bestowed annually on entities around the world introducing technologies that have the power to transform the exhibition industry.

Event managers have the ability to explore seating arrangements, booth configurations, classroom space and more, allowing an event committee to fine tune the look and feel of a space and streamline the planning of its design before any moving carts are wheeled in.

Moreover, it allows planners to mock-arrange a room remotely, as the tool can be installed and used on any device. That feature is credited with the dramatic drop in the number of site visits as well as the duration of site visits, leading to significant cost savings for exhibition center clients.

Augmented Reality can be used to clearly enhance the service provided to exhibition organizers while also lowering the cost

Hybrid solution augments the real world with virtual objects, providing a connection between what viewers see 'live' and what the venue space can be transformed into [34].

The UFI Marketing Award raises the bar every year and prove the importance of using modern technologies and customer-oriented thinking.

Informa Brazil presented their vision about how to integrate face-to-face and digital media, thereby supporting the evolution and transformation of the exhibitions industry and won the UFI Marketing Award.

Strategy of Informa implements by putting the audience (face-to-face and digital) first, implementing a cross-platform strategy in its B2B events for 365 days a year to connect brands and people.

Informa Brazil has adopted a content marketing strategy for its trade shows that delivers real results in terms of lead generation and revenue streams. It demonstrates how valuable digital content strategy is and how the use of digital tools enhances the customer experience. Informa Brazil moved away from a purely square-metre sale

approach and for generating revenue by monetizing the content and qualified audience [30, 31].

The Global Association of the Exhibition Industry has named Stockholmsmassan as winner of the UFI Operations & Services Award 2018, for their “Roboplotter” project – a robotised floormarker system, transforming physically demanding labour into an easy task, managed by an operator [38, 44].

The “Best sustainable exhibiting” theme was chosen in 2018 in order to recognise exhibiting companies that are implementing strong sustainability components in their exhibition booths and related operations.

Six companies were awarded as “Best practices in Sustainable Exhibiting”:

- Design and Display (South Africa) for capturing the essence of sustainability using a creative artwork approach [95].
- Eko Events and Terrena (France) for bringing a highly skilled approach to eco-design exhibiting [21].
- Kingsmen CMTI (Thailand) for delivering comprehensive support to the operational aspects of sustainable exhibiting [85].
- Resource and Design (South Africa) for its Xanita product, a remarkable material that can be used for several types of booths [87].
- Scan Display (South Africa) for demonstrating strong social and environmental awareness at the “Sustainability Village”, 2017 Meetings Africa [92].
- UBM plc (UK) as a global exhibition organiser, for its general policy towards sustainable exhibiting [96].

Five additional entries were also selected as examples for “Best practices in the field of sustainability” in the first round of the competition: ADNEC (UAE) [19], BVV Brno (Czech republic) [93], IFEMA (Spain) [86], La Rural, Predio Ferial de Buenos Aires (Argentina) [94], SANDS – The Venetian and The Palazzo Congress Center and Sands Expo and Convention Center (USA) [20].

Summing-up, it is necessary to highlight several key trends in the development of not only the exhibition business, but also commerce in general, in particular, they identified leaders in the development of the UFI Awards.

The priority of the exhibition industry development is still within the framework of business and commerce, expo activity not inferior to the aims of business development in general. Thus, the following main priorities for exhibition activities development determine the activities of exhibitors, organizers and visitors.

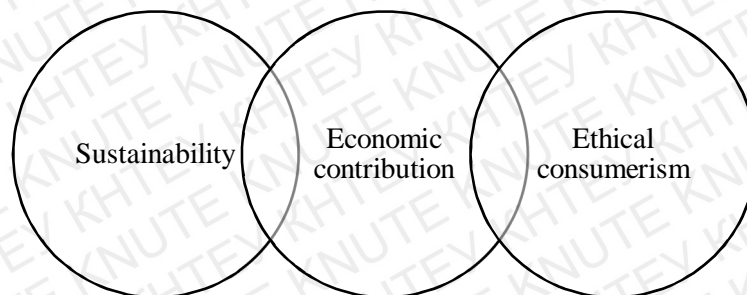


Figure 1.5. Main priorities of exhibition business development

Source: made by author, based on [19-21, 30-31, 44-45, 47-50, 85-87, 92-96]

Those key points determine the strategy and tactics of businesses, its responsibilities and opportunities.

In spite of the shift in the development priorities of the company, it should not be forgotten that the main goal of the business — economic profit for the company in particular, at the macro scale — for the state.

With economic benefit, the following components of the future development come out:

1. Sustainability is the motto of the current century in business development and management. Resilience to changes not only external, but also internal transformations became the global trend. Deeper, this means the development of the toolkit and strategies that a company uses to stay on the market for a long time.

- Corporate social responsibility.

Social benefits the company can give for society and make for its qualitative development.

In the context of exhibition activities, this means cooperation and constant work with partners, the development of projects that will have social significance and make a qualitative contribution to the future.

- Reputation is a key point that sells. The decision on cooperation is being made long before the signing the contract itself or direct contact with the customer, performer or customer. Therefore, it is so important to make sustainable decisions and stick to smart strategies and tone of voice constantly.

- Risk-management. Risks and reputation are firmly connected with the company's image and its positioning, and therefore success in the market. In Ukraine, risk-management in particular is more important than ever: the period of transformations had already begun and requires significant changes — it will help the management to foresee all non-smoothed corners and neutralize potential conflicts in advance.

- Information Security. In the context of globalization and the development of technology, we should not forget about data protection and privacy. Users or internal corporate data leakage will entail impressive reputational risks, outflow of customers/counterparties.

2. Ethical consumerism combines environmental protection and conscious consumption of goods, environmentally responsible operations and social audit, social benefits. Ethical consumption can be a powerful tool for change; however, there is still a long way to go.

In the exhibition activity, there is already a practice of using local materials, for saving costs and, at the same time, supporting local producers; creating green constructions, holding green meetings and events, organizers and participants of which use repurposing waste and materials rules in their policies.

The points that are at the same time the continuation of the main priorities of development, but also are independent trends not only in exhibition activities, but also in commerce in general: transparency, inclusivity, stewardship, stakeholder engagement, social responsibility environmental responsibility, social benefits. Separately, it is worth mentioning the beginning trend at stakeholder engagement. Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions. They may support or oppose the decisions, be influential in the

organization or within the community in which it operates, hold relevant official positions or be affected in the long-term [43].

The foundations of cooperation between B2B, B2C, B2G, G2B or even B2B2C, G2G are being rethought and now the working principles like communication, awareness and partnership are relevant as never before.

1.3. Efficiency evaluation tools and methods of exhibition activity

A follow-up analysis and efficiency evaluation are essential for monitoring the level of exhibition activity's performance. The promises companies or customers has made must now be transformed into reality and it must confront fulfilling orders and commitments. Participation in a trade fairs may only just be the beginning of a close business relationship.

A thorough follow-up analysis helps to determine whether companies has achieved its pre-set trade exhibition objectives.

Such indicators, of course, can determine the success or failure of participation in the exhibition, but they also have a number of serious shortcomings that can be reduced to the following.

1. Absence of a systematic approach in the analysis of the effectiveness of the company's participation in the exhibition. All the above-described indicators are situational, their significance can be random.

2. These indicators do not provide an opportunity to assess the quality of the organization of the exhibition by the exhibition organizer and the participant of the event.

3. Lack of visibility. The existing indicators are not unified, which makes it difficult to compare the results of participation in various exhibition events.

4. These indicators do not allow determining the economic efficiency of the company's participation in the exhibition, that is to say, there is no possibility to estimate the financial result from the money spent for participation. Relatively clear definitions of the effectiveness of exhibition activities by Ukrainian scientists were

formulated only during the past five years. To date, experts have relied on their common sense and experience gained over the years participating in exhibitions. In general, their observations were reduced to the following theses: the main criterion for successful participation in the exhibition is the achievement of a specific goal set before its beginning, known as performance standards.

By systematically evaluating, the visitor data filed on forms companies can follow up events at the fair and monitor its level of performance [46].

There are several approaches, as well as parties to the organization of the exhibition, the effectiveness of each party and its approach to management assessment of events can and should be different. Table 1.2 describes approaches used by companies that take part in exhibition or organize it.

Table 1.2

Approaches to the assessment of the exhibition performance

Approach	Performance appraisal criterion
Multi-parametric approach	The degree of satisfaction of the needs of all interested groups associated with the activities of the enterprise
Target approach	The degree of goals' achievement of the enterprise
System approach	The degree of performance of the enterprise as an open system that interacts with the external environment
Operational approach	The degree of the effectiveness of managerial work and managerial decisions
Value-oriented approach	Market value of the enterprise
Standard approach (benchmarking)	The degree of conformity of the results of the enterprise to the standard (leaders, competitors)

Source: [4]

Multi-parametric approach involves satisfying needs of all those people and groups of people that directly or indirectly participate in the activities of exhibition

organizations (personnel, suppliers, consumers, shareholders, investors, other counterparties and the state). The effectiveness of management characterizes the degree of the interest balance achievement of all parties that take part in the exhibition organization. The approach emphasizes the relative importance of different group and individual interests in the organization.

According to target approach, organization's activities are aimed to achievement of some goal and the effectiveness of management characterizes by the degree of achievement of the goal. Indicators reflect the result of the exhibition activity; all used indicators are expressed in measured value. Target approach may stand for key exhibition performance indicators and their comparison with the previous period indicators of another company progress.

According to system approach, both internal and external factors influence the results of the exhibition organization, and the management effectiveness characterizes by the degree of adaptation to the negative impact of the external environment.

Operational approach describes by criterion of the degree of effectiveness of management work and decisions. The approach uses indicators that characterize the effectiveness of management. These indicators should reflect the dynamics of the development and growth of the enterprise, and correlate with the cost of resources that create new resources by the exhibition management functioning.

Cost approach level based on market value of the enterprise. This approach include profit-oriented, cost-oriented and comparative methods for assessing market value of the enterprise. The profit-oriented method bases on the calculation of future earnings after exhibition and the determination of their current value of company. The main feature of the cost method is the assessment of the object by its constituent elements. Comparison of known market value of companies is the main feature of the comparative method.

The standard approach determines the degree of conformity of the results of the enterprise after exhibition to the standard performance. As part of the standard approach is valid benchmarking approach. The essence of benchmarking is the

process of identifying the highest standards of excellence for products, services, or processes, and then making the improvements necessary to reach those standards, commonly called “best practices” [8].

Each company must develop a management strategy in accordance with its goals and the market on which it operates. Thus, it can combine some approaches to assessing its activities, but applying them in different directions. A company (participant or organizer) can use both commercial and non-commercial indicators to determine the effectiveness of an exhibition.

To measure effectiveness, it can be set of pre-show objectives measured quantitatively, but many of contacts or indicators at shows are not quantifiable.

The correlation between period after exhibition and return types, which include both financial and intangible returns express the fact that in the short term, the company makes a profit after the exhibition (contracting), as well as solving current business problems. In the long term, the solution of business problems will bring additional benefits in the form of lifelong customer value and pent-up demand [28].

Some quantitative indicators may indicate intangible achievements, e.g. number of editors / journalists met indicates built-up media relationships and high quality meets. The main strategic goals and metrics for company performance within exhibition event described in Appendix B and the short version presented below in the Table 1.3.

Table 1.3

Performance standards and suggested metrics of exhibition activity

Area of performance	Suggested metrics
1	2
Sales	No. of leads, orders, new contacts
Customer Relationships	No. of customers met & recorded, ‘update’ sessions held, of ‘update’ sessions held, ratio of value of sales to customers, quality of quotes won, value of lapsed customers met
Market Research	No./quality of feedback sessions

Continuation of the Table 1.3

1	2
Brand Building	No. of demonstration attendees, of gross ² impressions at, during, after show, Gross impressions of specified message delivery; Editorial coverage in financial press, No./quality of contacts from new market
Channel Building	No. of dealers/partners met, No./quality of partners met or signed up and No./quality of prospective partners met
Public Relations	Column inches /broadcast minutes gained, No. of editors /journalists met

Source: [28]

Typical performance indicators used for evaluation of the past events based on ratio of targets to actual data, returns on some cost and dynamic of some indicator, e.g.:

- ROI;
- The cost per lead generated;
- Percentage of contacts that led to the agreements;
- The growth rate of sales within the exhibition;
- The ratio of the number of new and regular customers;
- Percentage of attracted visitors (share of the total number of visitors met up with).

Effective market communications involve objectives other than those that are selling-related, moreover as a tool to maintain relationships with key customers or to satisfy other needs like competitive intelligence-gathering.

Regular contact between a company and its existing customers, for instance, may be a good way for a company to become aware of service problems, or to learn about a customer's plans before they surprise the vendor [27].

Quality metrics may include the following statements:

- The feedback about the show;
- Quality of contacts (degree of importance/value/interest of customers);

² Gross impressions are the total opportunities to see. I.e. total attendance of show plus readership of media in which coverage was achieved.

- The analysis of actual intellectual developments;
- Marketing intelligence;
- Conduct a new product testing;
- Visitor surveys.

Similarly, organizations that operate and use exhibition grounds and premises should evaluate the effectiveness of activities undertaken on their territory to optimize the costs of organizing and conducting the exhibition, performance and profitability. By the way, there is simplified formulation of the effectiveness of participation in the exhibition: if all the tasks of participation were resolved, such participation should be recognized as effective.

Through analysis of exhibitors' activities and their key performance indicators, organizers will optimize the cost of services and enhance their quality. The analysis of indicators will help them to identify the future needs of not only participants but also visitors, respond promptly to changing market conditions, and increase their market share.

For organizer there are more of them like total number of participants, number of foreign participants, number of national participants, general exhibition area, rented area, qualitative characteristics of the participants and visitors of the exhibition, the participation cost in the exhibition, feedback, quantity and quality of services provided during the exhibition.

Basic indicators of the effectiveness of an exhibition or event for organizer:

- 1) Profitability — ROI (commercial effectiveness):

$$= \frac{I - C}{C}, \quad (1.1)$$

where I — income (revenue) from the sale of the exhibition product,

C — current costs associated with the organization of the exhibition.

- 2) Organizational and technical efficiency of personnel:

$$= \frac{P}{C}, \quad (1.2)$$

where — the average number of employees of the enterprise (department), persons.

— income (revenue) from the sale of the exhibition product.

3) Efficiency of use of exhibition areas:

$$= \frac{I}{EA}, \quad (1.3)$$

where — income (revenue) from the sale of the exhibition product,

EA — exhibition area net, sq.m [4].

4) Area utility ratio:

$$= \frac{R}{S}, \quad (1.4)$$

where — rented exhibition area sq.m;

S — exhibition area, sq.m.

5) Cost per visitor:

$$= \frac{C}{Q}, \quad (1.5)$$

where — costs per visitor,

Q — quantity of visitors.

6) Traffic density:

$$= \frac{V}{T}, \quad (1.6)$$

where T — exhibition duration (days/hours).

Analyzing the above indicators and ratios over time, the company can adjust its approaches not only to participate in the exhibition, but also to business management:

1) Quantitative indicators give a physical assessment of the effectiveness of the event that directly influenced the financial position of the company.

2) Qualitative aspects not only influence the dynamics of the company's growth in financial results, but also guarantee long-term cooperation with partners and

counterparties on the market, as well as strengthen market position and the company's image.

3) An approach to analyzing performance and its estimation can influence the evaluation of efficiency and managing a company at the micro level.

4) Tracking the market through participation in exhibitions provide great opportunities in reassessing the target audience and observe the development of the industry and the market, as well as capacity productive building [17].

The figures obtained by the method of the above calculations can become useful with the constant participation of an industrial enterprise in various exhibition and fair events, both on the domestic and foreign markets. Comparing the indicators obtained at each of the exhibition events in which the organization took part, we can conclude about its quality, as well as the market capacity in the region in which it is conducted. Thus, the most topical methodological aspects are not only quantitative, but also qualitative assessment of the efficiency of the participation of an industrial enterprise in an exhibition and fair event, allow the exponent to develop its own scheme for evaluating the results of participation in the exhibition. To obtain more reliable data analysis, it seems appropriate to monitor the dynamics of indicators, which is achievable with the regular participation of an enterprise in exhibition events.

CONCLUSIONS TO THE CHAPTER 1

Scientific and theoretical approaches to the definition of exhibition activity varied from as “not only the process of organization, holding, material and technical maintenance of an event, but also activities aimed at promotion of products and services in regional and international markets that stimulate communication and competition” [15] — that meant inclusion of the marketing component in the economic process. Further, the international aspect was added and transited the exhibition activity to the international level. Deepening into the essence of the contact of the manufacturer and the consumer: “contact between the manufacturer and the future consumer that shows the production chain and the involvement of both producers and consumers in economic activities” [24]. With the development of technology, another type of exhibition has complemented exhibition activities: “on-line exhibition is a conditionally unlimited time and space event, which implements indirectly through the Internet” [98].

Considering the definition in general, exhibition activity is the multiple interactions of B2B, B2C, B2G, G2B or even B2B2C, G2G which involves numerous information, advertising, technical, economic, technological, managerial, legal and human recourses on not only the regional or national level but also international and global. With the inclusion of the digital component, those interactions now are limited by time and place, but not by space (dimension).

The main influencing factors in exhibition activity remain constant like state of the economy in home market, competition from within the industry, competition with other media and regulatory/stakeholders issues, internal challenges, but with the expansion of trade and space boundaries there are global economic development and impact of digitization. The last one affected the world, in particular majority of companies have responded to the accelerating process of digitization in the exhibition industry.

Still each company must develop a management strategy in accordance with its goals and the market on which it operates. Thus, it can combine some approaches to

assessing its activities, but applying them in different directions. A company (participant or organizer) can use both commercial and non-commercial indicators to determine the effectiveness of an exhibition.

Organizations that operate and use exhibition grounds and premises should evaluate the effectiveness of activities undertaken on their territory to optimize the costs of organizing and conducting the exhibition, performance and profitability. Through analysis of exhibitors' activities and their key performance indicators, organizers will optimize the cost of services and enhance their quality. The analysis of indicators will help them to identify the future needs of not only participants but also visitors, respond promptly to changing market conditions, and increase their market share.

Key indicators companies should pay attention to when evaluating the effectiveness of their performance while participating in exhibition activity:

- ROI;
- The cost per lead generated;
- Percentage of contacts that led to the agreements;
- The growth rate of sales within the exhibition;
- The ratio of the number of new and regular customers;
- Percentage of attracted visitors (share of the total number of visitors met up with).

Quality metrics may include the following: quality of contacts, marketing intelligence, visitor surveys.

For an exhibition or event for organizer, there are indicators of the effectiveness:

- ROI;
- Efficiency of personnel;
- Efficiency of use of exhibition areas;
- Area utility ratio;
- Cost per visitor;
- Traffic density.

2. THE UKRAINIAN CHAMBER OF COMMERCE AND INDUSTRY'S CONTRIBUTION TO EXHIBITION ACTIVITY DEVELOPMENT IN UKRAINE

2.1. Positioning, goals and functions of the UCCI

The Ukrainian Chamber of Commerce and Industry was founded in 1972 on the base of the branch of the USSR CCI. It began to develop as a Chamber of independent Ukraine in 1992. On December 2, 1997 the Parliament of Ukraine passed the Law of Ukraine «On chambers of commerce and industry in Ukraine». It marked the development of the Chamber movement in independent Ukraine.

The Ukrainian Chamber of Commerce and Industry is a non-governmental, non-profit, self-governing organization, which unites legal entities and citizens of Ukraine, registered as entrepreneurs, and their associations, on a voluntary basis [2].

The central UCCI and 25 regional CCIs are part of the regional structure of the chambers of commerce and industry. Today the system of Chambers unites over 8 thousand members. Over 1000 representatives of business from all parts of our country receive daily professional consultations and help from experts of chambers of commerce and industry in different directions.

The UCCI has representatives in 23 countries, has signed 91 international agreements of cooperation with foreign partnership organizations. The UCCI is the founder and coordinator of 34 bilateral business councils.

The whole number of UCCI's members is more than 8 000, among them 85% of members are small and medium businesses, 15% — large companies, including JSC «Ukrnafta», JSC «Zaporizhstal», «Metinvest Holding» Ltd., JSC «Turboatom», JSC «Motor-Sich», SE «Antonov» and others.

Among the membership society of the Chamber – over 60 business associations of the country: the Ukrainian Association for Quality, the Ukrainian Association of Light Industry Enterprises «Ukrlegprom», The Association of Turkish Business in Ukraine TUID.

The UCCI is a member of the International Chamber of Commerce, the World Chambers Federation and Eurochambers.

In the years of its existence, the system of chambers of commerce and industry proved its effectiveness in business support.

Goal of UCCI – developed and competitive Ukrainian business on world markets.

The law of Ukraine interprets the purpose of CCI's activity as:

- Promoting the development of the national economy and the national economy;
- Integration into the world economic system;
- Formation of modern industrial, financial and trade infrastructures;
- Creation of favorable conditions for entrepreneurial activity;
- Development of all types of entrepreneurship, not prohibited by the legislation of Ukraine, scientific-technical and trade relations between Ukrainian entrepreneurs and entrepreneurs of foreign countries.

The overall system of values of the UCCI is based on:

- strategy, vision and mission;
- ethical principles of interaction with partners;
- international quality standards in professional activities.

UCCI Mission: creation and support of a favorable environment for conducting business in Ukraine and strengthening of international business cooperation “Ukraine — World”.

The CCI system in Ukraine considered as an influential, effective and proactive organization, the most regionally branched out in Ukraine, with a powerful network of partnerships abroad, which create conditions for increase of competitiveness of business on a regional, national and international level in future developments. UCCI is an organization, which successfully unites traditions and innovations in its activity.

The CCI system in Ukraine promotes values and fundamental principles described in Table 2.1; UCCI as a guarantor of support ethical and business standards of business.

Table 2.1

Values and fundamental principles of UCCI

Values	Determination
1. Independence	The UCCI operates as self-governing independent organization, which unites independent members and forms an independent expert opinion.
2. Trust	The UCCI's values trust for business, government and civil society.
3. Patriotism	The UCCI is the representative of Ukrainian business; The UCCI supports Ukrainian business; The UCCI supports and promotes the brand «Made in Ukraine».
4. Social responsibility	The UCCI – a socially responsible organization for the business community and society.
5. Stability and consistency	Chambers of commerce and industry exist in the world for 400 years; The system of chambers of commerce and industry operates nearly in all world countries; The functions of the UCCI – current and in demand by business; The UCCI uses a systematic approach in the implementation of functions.
6. Uniqueness	The CCI system in Ukraine and its services is unique, based on the Law of Ukraine «On chambers of commerce and industry in Ukraine», by which it differs significantly from other business associations.

Source: [23]

There are principles of the corporate activity and key strategic rules mentioned in “Codes of Ethics of the Chamber of Commerce and Industry of Ukraine”:

- UCCI as competent authority enhances the level of professional knowledge and abilities of its employees and thus improve the quality of service provision. Specialists and experts of the UCCI bear personal responsibility for the quality of the services provided.

- Utility of UCCI is a link between business and government; operate as a platform for interaction between national and foreign businesses. It also provides quality services for foreign economic relations, “green” modernization of the economy, stimulation of investment activity;
- Client orientation means flexibility, reflection and respect are the basis of communication with partners and clients;
- Relationships with partners build on trust and transparency. UCCI operates in accordance with the standards of financial reporting and does not allow any attempt to fraud or manipulate its financial information. The services of UCCI are standardized and meet modern world practices, the quality management system meets the international standard ISO 9001;
- UCCI compliances confidentiality principles and use of confidential information is possible only within the framework of performance of official duties;
- The CCI of Ukraine is combating corruption and carries out its activities honestly, acts ethically and legally, in accordance with all applicable laws and norms, choose suppliers and partners only on conditions of fair competition and consider any pressure on the decision-makers to be unacceptable. UCCI do not participate in corrupt or bribery acts under any circumstances;
- Resistance to financing terrorism: UCCI does not cooperate with companies officially recognized as financing terrorism;
- Environment protection in complying with all the requirements of the current legislation of Ukraine in the field of environmental protection, regularly conducts events and training about energy management and efficiency, “green” modernization of the economy;
- Permanent improvement reflects competency and mean the constant motivation and encouragement of staff that positively affects the quality of services.

In accordance with the “Strategy of development of the CCI system in Ukraine 2020” has five main directions of development of its activities both on the territory of Ukraine and beyond its borders in order to enhance the opportunities of Ukrainian businesses.

Key strategies of development of the CCI system in Ukraine 2020 explained in the Figure 2.1 below.

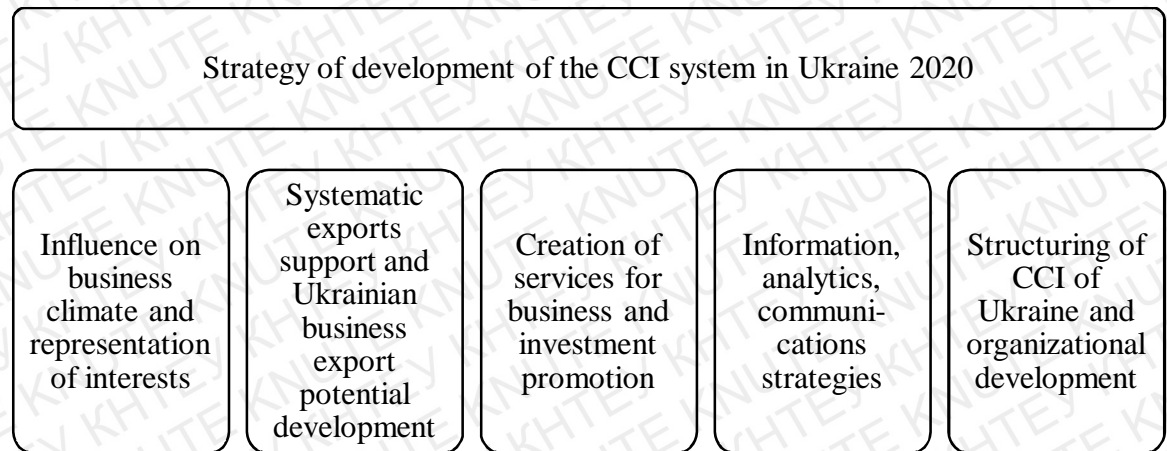


Figure 2.1. Key strategies of development of the CCI system in Ukraine 2020

Source: [25]

The first key strategy includes representation of businesses not only at national and inter-regional level, but also at regional level:

1. Maintaining the role of the leading domestic business association by the number of members;
2. Promoting the prestige of membership in the CCI system in Ukraine;
3. Conducting a system policy and campaigns to protect the interests of the national businesses;
4. Formation of productive relations with the authorities through the system of committees and participation in public and advisory bodies;
5. Formation of the "agenda" of business to power (Business Agenda);
6. Preparation of an annual message from the President of the Ukrainian Chamber of Commerce and Industry to the Verkhovna Rada of Ukraine;
7. Increasing the role of the Ukrainian Chamber of Commerce and Industry as an arbitration organization;
8. Maintaining the role of the most powerful business association to support and develop small and medium businesses.
9. Participation in the creation of local economic development strategies;

10. Participation in creation of the regional and local business development programs;

11. Increasing the role of regional chambers as platforms for supporting and developing small and medium-sized businesses.

Second key strategy includes:

1. Creation of an All-Ukrainian Network of Centers for Exporting Domestic Enterprises;

2. Development of a trade missions network abroad;

3. The brand "made in Ukraine" promotion;

4. Increase the role of the CCI system in Ukraine for export support;

5. Regular reducing/eliminating administrative, trade, fiscal and other restrictions work for domestic goods and services;

6. Strengthening the exhibition activity and development of business tourism.

Strategy of services for business and investment promotion creation:

1. The support and improvement of existing portfolio of services, creation of new ones;

2. The all-Ukrainian network for investment development support, business incubators, clusters, business development funds, business accelerators, interregional business partnerships, business clubs regional investment certificates preparation;

3. Creation of an extensive education and training system.

Information, analytics, communications strategies means:

1. Creation of an effective informational and analytical products system;

2. Using the most up-to-date press center for business communication with government and civil society institutions;

3. Organization of bilateral communications between business and government;

4. Organization of global marketing research for business;

5. Development and distribution among business long-term macroprognoses of the Ukrainian economy development;

6. Increasing the transparency of the CCI system in Ukraine.

Structuring of CCI of Ukraine and organizational development:

1. Functions division and relations optimization between UCCI and regional chambers;
2. Development of horizontal ties between regional chambers;
3. "Network Expertise" — CCI system uses the specialized resources of each chamber;
4. Ukraine CCI activities in accordance with the principles of "green office";
5. Constant professional development;
6. Increasing the level of corporate culture.

Key aims CCI system in Ukraine is planning to achieve according to the UCCI directions of development:

1. To be the first-place influential business environmental institutions in Ukraine;
2. To become is the most influential non-governmental organization in export support, management of exports development and realization of export potential of domestic business;
3. To provide actual and innovative services to customers, attracting domestic and external investment;
4. To create powerful informative, analytical and communicative field;
5. To build stable, developed network with efficient management system, powerful infrastructure and resource base, professional cabins.

Matching the set goals, the UCCI performs the following functions and tasks:

- Assistance in the development of foreign economic relations, export of Ukrainian goods and services, provision of practical assistance to entrepreneurs in conducting trade and economic operations on the domestic and foreign markets, development of new forms of cooperation;
- Representation of the members of the Chamber on issues of economic activity both in Ukraine and abroad;
- Organization of interaction between subjects of entrepreneurial activity, coordination of relations with the state;

- Participation in organization of vocational training and internship in Ukraine and abroad of specialists, as well as in the development and implementation of state and interstate programs in this field;
- Provision of reference and information services, non-commercial information, about the activities of Ukrainian entrepreneurs and businessmen of foreign countries in accordance with national legislation, promotion of dissemination, including mass media, knowledge of economics, scientific and technological achievements, legislation, customs and rules of trade in Ukraine and foreign countries, possibilities of foreign economic cooperation of Ukrainian entrepreneurs;
- Assistance in the organization of the information services' infrastructure for entrepreneurship;
- Provision of services for commercial activities to foreign firms and organizations;
- Establishment and development of relations with foreign entrepreneurs, as well as organizations that unite or represent them, participation in the work of international non-governmental organizations and other joint organizations;
- Promotion of trade and other honest practices in entrepreneurial activity, participation in the development of rules of professional ethics in competition for various spheres of entrepreneurial activity, branches of economy, unions and business associations.

Additionally UCCI has the right to:

- Organize international exhibitions, national exhibitions of foreign states and individual foreign firms, to provide preparation and conducting exhibitions of Ukrainian goods in Ukraine and abroad;
- Organize seminars, conferences, business negotiations about economic issues with the Ukrainian businesspersons and foreign firms both in Ukraine and abroad.

Thus, UCCI provides Ukrainian and foreign entrepreneurs with business, legal information, organizes seminars, conferences, exhibitions in Ukraine and abroad, provides business negotiations on economic issues, provides a line of other services for business activity (information service, translation services, PR support of

business etc.). The UCCI is authorized to issue certificates of origin and carnets ATA, certify force-majeure circumstances, and also trade and port customs instituted in Ukraine. The International Commercial Arbitration Court acts on the basis of the UCCI, having received wide acclaim in the world, as well as the Maritime Arbitration Commission and Arbitration Court. Branch committees of entrepreneurs function at the Chamber that:

- managing trade and economic operations on inner and outer markets (investment promotion, register of reliable partners);
- conducting an independent expertise of legal and regulatory acts;
- carry out commodity expertise, evaluate personal and real estate, non-material activities, doing laboratory tests;
- barcoding goods, patent and licensing services, registration of documentation with the goal to provide protection of rights for intellectual property;
- regulating entrepreneurial and foreign economic activity;
- expertise on issues, which relate to rights and interests of entrepreneurs, preparing on behalf of the Chamber members proposals to organs of state governments as to their improvement.

In the context of all these functions of UCCI, the competence of holding exhibitions is considered as one of the keys to the chambers system development, as well as all the companies that are its members.

The exclusive position of The Ukrainian Chamber of Commerce and Industry as a non-governmental, non-profit, self-governing organization gives certain advantages in carrying out its activities, modified under the influence of legal side and main responsibilities prescribed by law.

With the achievement of settled goals through the algorithm of planned actions and development of the services provided, the UCCI will be able to expand not only the functionality of the regional business, but also contribute to the development of the global system of chambers.

2.2. Analysis of the UCCI's competitive position as a provider of exhibition services

The role of foreign exhibitors in the exhibition activity of Ukraine is significant, as it contributes to establishing international contacts and increasing the competitiveness of enterprises.

Nowadays in Ukraine there are many commercial business-oriented companies managing exhibitions, conferences, etc., the biggest are KyivExpoPlaza [70], convention and exhibition center "Parkovy" [72], National Complex "Ukraine Expocenter" (VDNG) [79], International Exhibition Centre [76]. The whole number of galleries, conference halls, etc. settled in Kyiv is more than 150 places and more than 250 places around Ukraine. It is obvious that Kiev is a center of business and economic activity; allocation of the majority of places here is natural.

The system of Chambers of Commerce and Industry stands out among all expo places. The distinguishing feature of CCI's activity is official verification by an individual legislative act and establishment by the Cabinet of Ministers of Ukraine [2] that clearly defines CCI's special position.

Exhibition activity is one of the many specialties of the Chamber and one of the main that brings profit for the whole system. The UCCI has its own rental space specifically for this type of event, which has the necessary technological equipment for comfortable events. In total, the UCCI has several halls united under the name "Chamber Plaza" [75].

The UCCI's GLA (gross leasing space) is 2 760 sq.m., where 1 000 sq.m. is the exhibition area itself, the other space are:

- 1) The Grand Hall accommodates up to 1 000 people, an area of 1 400 sq. m.;
- 2) "Coliseum" accommodates up to 200 people, an area of 250 sq. m.;
- 3) "Dovnar Hall" accommodates 30 people, an area of 50 sq. m.;
- 4) "Chamber Media" accommodates up to 45 people, an area of 50 sq. m.

Speaking of quantitative indicators, such as total area, number of exhibition pavilions and conference rooms, UCCI cannot differ; its exhibition area is several times smaller than any top expo centers in Kiev and Ukraine.

In the Table 2.2 is a comparative data of the owned areas by the leading expo centers in Kiev, their number and area.

Table 2.2

Comparative data of the leading Kiev exhibition centers

Parameter\Expo center	Chamber Plaza	Kyiv Expo Plaza	Parkoviy	VDNG ³	IEC
The total area, sq.m.	2 760	15 000	27 794	2 850 000	58 000
Exhibition pavilions, number	1	1	2	17	3
Indoor exhibition space, sq.m.	1 000	7 200	8 500	44 000	28 018
The open exhibition space, sq.m.	-	8 650	5 500	10 000	-
Conference rooms, number	4	3	26	-	15

Source: made by author, based on [73-76, 79]

As seen the largest area is owned by VDNG — international multifunctional complex specializing in demonstrating the achievements of Ukraine in industry, science and so on. It includes not only exhibition space, but also concert space and park zone. “Parkoviy” is a modern powerful and reliable commercial data center in Ukraine; its role is similar to Chamber Plaza, but mission is strikingly different — rent and commerce only.

Kyiv Expo Plaza is similar to the “Parkoviy” — it is the modern exhibition and congress center of Ukraine; its position is an exhibition center, which does not hold exhibitions on its own, and provides comfortable conditions for organizers of business and corporate events (72 exhibition were held in 2017, 73 in 2016 and 65 in 2015). The events held in both “Parkoviy” and VDNG do not always relate to the

³ Formerly known as Exhibition of Achievements of the National Economy of Ukrainian SSR, but now the name “VDNG” is not an abbreviation and acts as an independent brand.

development of medium and small businesses, without involvement of the state — they are more related to the entertainment sector

International Exhibition Centre is the largest exhibition building in Ukraine. It acts as the organizer of many authoritative exhibition events. Industry ministries, departments, associations, support most of them. International forums held by IEC are under the patronage of the Government of Ukraine.

Table 2.3

Dynamic of the events held by IEC, number, 2015-2017

Role of IEC \ Year	2015	2016	2017
IEC as rented space, number of events	89	85	81
IEC as organizer, number of events	19	22	20

Source: made by author, based on [40-42].

The number of events does not change much and remains stable, which indicates a standard and established client base without attracting new customers.

Only the fifth part of all events held in the International Exhibition Centre are original and organized by the Center itself. Still it holds more events than “Parkovyi”.

Since the positioning of the Chamber significantly narrows the target audience, but in this way exactly falls into it.

Table 2.4

Dynamic and analysis of events activity of UCCI, 2015-2017

Parameter\Year	2015	2016	Absolute deviation (2016 to 2015)	Deviation (2016 to 2015)	2017	Absolute deviation (2017 to 2016)	Deviation (2017 to 2016)
1	2	3	4	5	6	7	8
Events organized by UCCI, number	326	209	-117	-35,89	287	78	1,37
Ukrainian exposition abroad, number	17	24	7	41,18	35	11	1,46
International exhibition attended by UCCI, number	39	51	12	30,77	74	23	1,45

Continuation of the Table 2.4

1	2	3	4	5	6	7	8
Enterprises took part in the exhibitions held by the CCI system	8 733	8 846	113	1,29	8 963	117	1,01
including foreign enterprises, number	134	119	-15	-11,19	160	41	1,34
Forums, conferences held by UCCI	112	120	8	7,14	131	11	1,09

Source: made by author, based on [40-42].

The active position of the Ukrainian Chamber of Commerce and Industry in the international exhibition market rose greatly in the recent year, especially considering the drop in the previous year. Considering the big fall total number of exhibitions took in 2016, the numbers slowly come back and show healthy growth in numbers. You can definitely notice the significant foreign economic activity focus of the UCCI, which suits the current policy of Ukraine's desire to become a part of EU. Thus, the UCCI had been following world standards, trends over the past 2 years, they are focusing on promoting regional events, investment forums, associations, business events, etc., which encourage cooperation between enterprises, investors and the state. The visualization in the Figure 2.2 below shows a striking decline in 2016, as well as an increase in 2017.

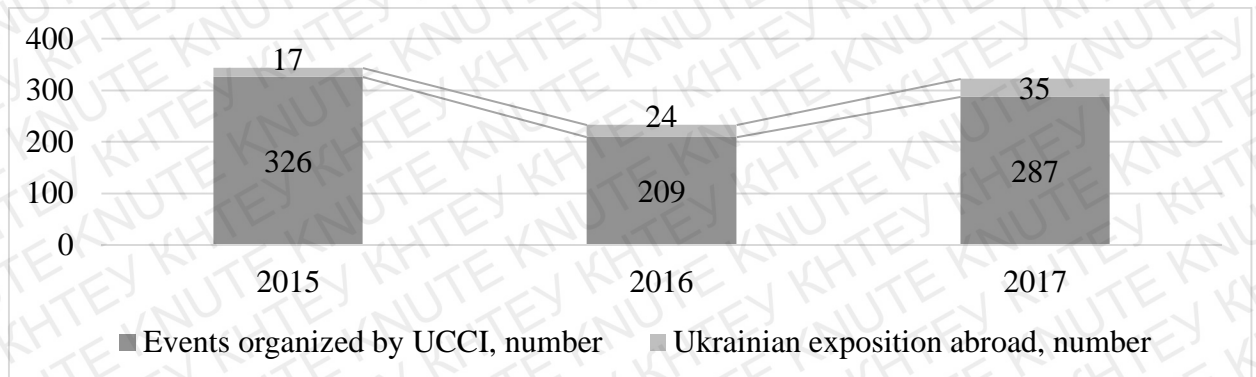


Figure 2.2. Dynamic of events activity of UCCI, 2015-2017

Source: made by author, based on [40-42]

From the table above, follows that number of exhibitions and fairs held by UCCI in 2016 compared to 2015 reduced by 36% (from 326 to 209 events) and then rose for 37% from 209 to 287.

Positive changes in growing number of UCCI exposition abroad (from 17 in 2015 to 24 in 2016) by 41%, and then rose to 35 events in 2017, that in 46% more than in 2016. The reason is the suspended CIS agreement between Russia and Ukraine [32] in 2016.

The mentioned agreement also caused an increase in number of international exhibitions visited by member of UCCI (39 and 51 in 2015 and 2016 respectively) rose in 31% in 2017 and are 74, that for 45% more than in 2016. That means the new states and markets got interested in Ukraine resources, markets and businesses.

Additionally, a number of enterprises and organizations that took part in exhibitions and fairs held by UCCI slightly increased from 8 733 in 2015 to 8 846 in 2016, as well as number of forums and conferences grew by 7%. In 2017 the number of enterprises took part in the exhibitions held by the CCI system were 8 963 that only in 1% more than in 2016, the absolute abbreviation is 117 enterprises.

To better display the performance of exhibitions, it should also be clarified the revenue from the events held by the UCCI.

Table 2.5 shows the average revenue from an event organized by the UCCI.

Table 2.5

Dynamic and analysis of events and revenue activity of UCCI, 2015-2017

1	2	3	4	5	6	7	8
Parameter\Year	2015	2016	Absolute deviation (2016 to 2015)	Deviation (2016 to 2015), %	2017	Absolute deviation (2017 to 2016)	Deviation (2017 to 2016), %
Events organized by UCCI, number	343	233	-110	-32,07	287	54	1,23
Ukrainian exposition abroad, number	17	24	7	41,18	887	863	3595,83

Continuation of the Table 2.5

1	2	3	4	5	6	7	8
Revenue from the exhibition activity, th. UAH	10 588	10 168	-420	-3,97	14 836	4 668	45,91
Revenue per event organized by UCCI, th. UAH	30,869	43,639	12,771	41,37	62,075	18,436	42,25

Source: made by author, based on [40-42]

Thus, the average cost of an event held at the UCCI is growing in comparison with each previous year. This means that the demand for leasing space of the UCCI is growing, and events' performance becomes more profitable, despite the fact that the number of events decreased in 2017 compared to 2016 and 2015. For comparison: the difference in the average cost of the event is 18 436 UAH between 2017 and 2016. In 2016, this difference was 12 771 UAH more than in 2015.

With the increase in activities abroad and the attraction of new partners and organizations to cooperation, the priorities of UCCI in 2017 shifted: the quantitative dimension of the total number of visitors conceded the number of contact cases with foreign delegations and visitors who attended UCCI events is more relevant and important due to the strategy of development. In 2017: 228 foreign delegations attended system of CCI; 356 contract entered by CCI of Ukraine and regional CCI with foreign partners.

As of 2017, representatives of UCCI and regional Chambers is part of the 77 intergovernmental commissions on trade and economic cooperation, subcommittees and working group of those commissions. Within the framework of the EBRD and EU4BUSINESS project, eight business support centers works at the regional CCI. Representatives of Ukraine system of CCI work in 42 countries around the world. Additionally, in 2017 system of UCCI accepted 535 new members.

Considering also the digital component of the exhibition business development, the presence of the expo center in the Internet and social media resources is

noticeable and results are convincing — those resources are quite cheap, but at the same time represent an effective way to attract the target audience presented in Table 2.5.

Table 2.6

Expo Centers' presence and activity in social network services

Expo Centers	Corporate site		Facebook		Instagram		Other	
	P	A	P	A	P	A	P	A
Kyiv Expo Plaza	+	+	+	-	+	-	YouTube	-
							G+	-
International Exhibition Centre	+	+	+	+	-	-	LinkedIn	+
							Twitter	+
							YouTube	+
							G+	-
VDNG	+	+	+	+	+	+	YouTube	+
Parkovy	+	+	+	+	+	+	YouTube	+
UCCI	+	+	+	+	+	+	YouTube	+
							Twitter	-
Chamber Plaza	+	+	+	-	+	-	-	

Source: made by author, based on [55-77, 79, 81-83]

Presence (P) in social networks means the company's official account existence that express its official position. Account availability (A) means periodic account updates, new material releases and outgoing news.

As can be seen from the activity of social media resources, the CCI is not inferior in content management on social networks and media platforms in Internet.

The main forces used on the development of UCCI's channels, not Chamber Plaza, which negatively affects the dissemination of information about activities and services provided.

Basing on the main aim "Building a dialogue between business and government", UCCI are not equal to other expo centers within Ukraine, but it is still subject of exhibition activity in the world. UCCI's special position influence the work of the exhibition activity department, it should be considered as department supporting and establishing business relations within international and regional

cooperation, and not as a purposeful development of the exhibition activity through the activities of the chamber.

Chamber Plaza will not change the exhibition space, but it will be able to establish contacts with the public by setting up positioning itself as a reliable partner and intermediary between business and the state, expanding awareness. In addition, Chamber Plaza with UCCI collaborates with other exhibition venues, which allows it to improve its reputation without attracting additional budgets, acting as an organizer and mediator at the same time.

Undoubtedly, the direction of UCCI's activities aims at helping small and medium-sized businesses to grow and expand, thereby refusing to cooperate with large companies that means more resource and less feedback. The narrow specialization of Chamber Plaza and UCCI activities reduces the set of tools that they could use to promote their services. In exhibition activity, they are forums and conferences, workshops, roundtables, foreign business missions, international exhibitions and affiliate events.

It influence the work of the exhibition activity department, it should be considered as department supporting and establishing business relations within international and regional cooperation, and not as a purposeful development of the exhibition activity through the activities of the chamber.

2.3. Efficiency estimation of exhibition activity of the UCCI

The exhibition is a special event in the field of trade and service provision. Today it is considered one of the main marketing tools. Almost every exhibition can increase the potential impact on the market in which company wants to occupy a leading position or take a small niche. Participation in exhibitions allows exhibitors to solve a wide range of tasks and goals.

The effectiveness of exhibitions is that they create many starting points for product sales. Directly at such events a wide view of the market opens.

Evaluation of the effectiveness of the exhibition consists of many parameters - exhibition statistics, financial indicators, comparison with similar reviews and a number of others. Not always in a series of these indicators includes data on the assessment of the exhibition by the exhibitors and visitors.

In addition, they are the ones of the most important indicators of the effectiveness of the exhibition, forecasting its development, organizing information and advertising work to attract new exhibitors.

The basic solution for the company will be the determination the level of growth / decline of the main financial indicators, which is one of the indicators of economic efficiency, using the index method:

1. Growth rate — the change in the value of a measurement over the period.
2. Increase rate — the change in the value of a measurement to the chosen period.
3. Absolute deviation is the difference between the two periods (current to previous).

To begin with, we will study the basic available indicators of the revenue of the Chamber of Commerce and Industry and the costs of doing its business.

The Figure 2.3 below shows the positive dynamic of the difference between the costs and revenue of UCCI's activity within 2014-2017.

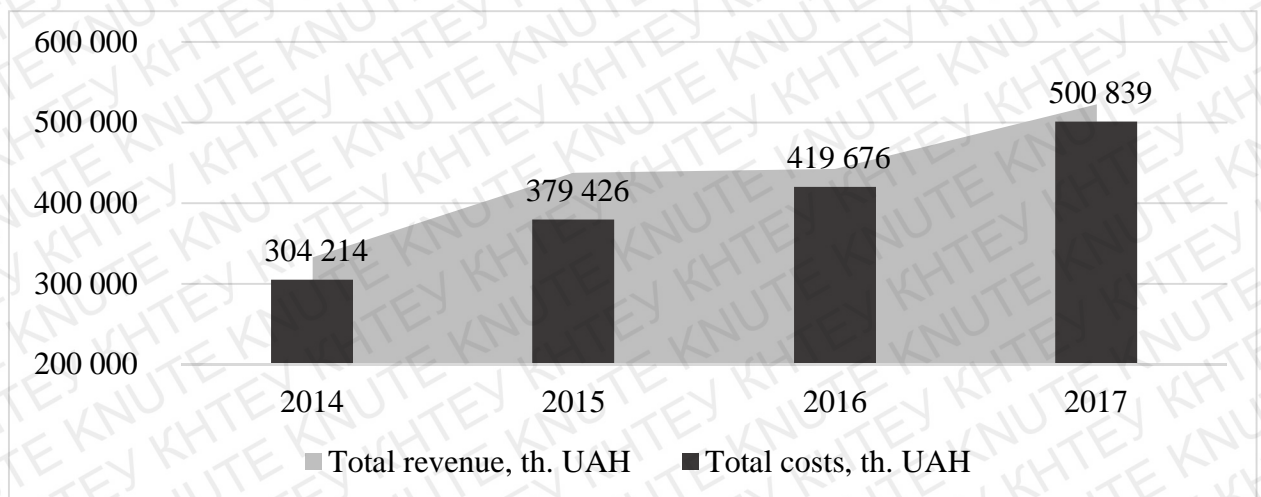


Figure 2.3. Dynamic of UCCI's total revenue and costs, th. UAH, 2014-2017

Source: made by author, based on [40-42]

Based on it, the annual net profit of the CCI is as follows: 2014: 28 163 th. UAH; 2015: 58 286 th. UAH; 2016: 22 532 th. UAH; 2017: 21 947 th. UAH.

Ratio of total revenue and costs in Figure 2.4 below. The decrease of UCCI's ROI based on suspended CIS agreement between Russia and Ukraine from 01/01/2016 [32]. The calculation of the indicators carried out according to the Formula (1.1).

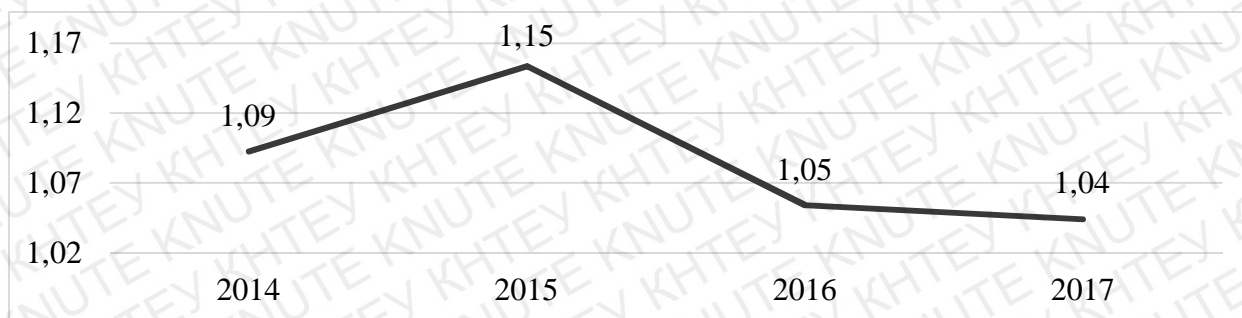


Figure 2.4. Dynamic of UCCI's ratio of revenue and costs, 2014-2017

Source: made by author, based on [40-42]

All indicators are positive (> 1), but the dynamics of growth is negative. UCCI has to find new way of attracting the membership fee and income sources.

The available data of income, expenses and profits of the Chamber of Commerce and Industry in all areas of activity presented in Table 2.7.

Table 2.7

The dynamic of UCCI's main financial indicators, 2014-2017

Year	Total revenue, th. UAH	Total costs, th. UAH	Total net income, th. UAH	Revenue from the exhibition activity, th. UAH	Share of revenue from EA, %
2014	332 377	304 214	28 163	8 477	2,55
2015	437 712	379 426	58 286	10 588	2,42
2016	442 208	419 676	22 532	10 168	2,30
2017	522 786	500 839	21 947	14 836	2,84

Source: made by author, based on [40-42]

The general trends for total revenue, costs and revenue from exhibition activity, which are observed, based on the specified data:

1. Growth rate of UCCI's total revenue has a positive dynamic and is 31% comparing 2015 and 2014 years, 1% — 2016 to 2015, and 18% comparing 2017 to 2016, that means the UCCI' restoration of the revenue is progressing well, it found new resources of income.

2. The growth of total revenue (2017 to 2014) is 57,3% — 190 409 th. UAH.

3. In spite of the stable growth of exhibition activity indicators, it is worth noting that part of the revenue from exhibition activities is up to 3 percent of the total revenue of the Chamber of Commerce and Industry.

4. The dynamic of net income goes down: in 2016 it grew to more than 200%, but in 2016 and 2017 net income has upward trend: 38% and 97% completed comparing to 2015.

5. Even with the growth of revenue, the costs of the UCCI increases and its dynamics is positive, which negatively affects the growth of net profit.

The physical expression of revenue looks quite steadily growing; the dynamic of growth rates presented in Table 2.8.

Table 2.8

The dynamic of UCCI's total revenue analysis, 2014-2017

Year	Total net income, th. UAH	Growth rate, times	Growth rate, %	Increase rate, times	Absolute deviation, th. UAH
2014	332 377	-	-	-	-
2015	437 712	1,32	31,69	1,32	105 335
2016	442 208	1,33	1,03	1,01	4 496
2017	522 786	1,57	18,22	1,18	80 578

Source: made by author, based on [40-42]

6. Indeed, in 2016, there was a big failure in revenue growth, but in 2017, there are noticeable improvements: 18% of increase in 2017 comparing to 2016.

7. Total costs have increased due to increased operating and non-operating costs.

In Figure 2.5, cumulative data are material costs, salary expenses, social events organization, amortization costs and expenses on the income tax.

The independent line of other operational and non-operating expenses is shown to determine its level of significance and growth.

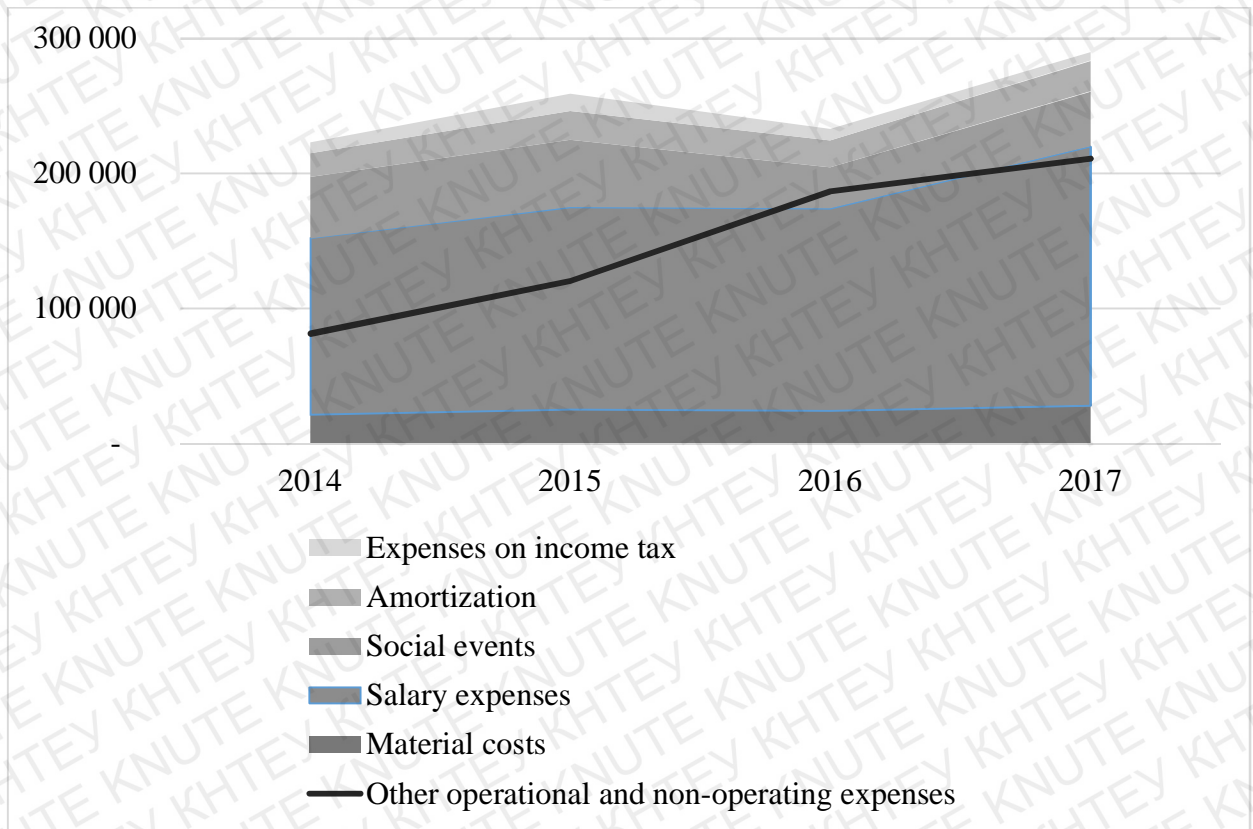


Figure 2.5. The dynamic of UCCI's main costs, th. UAH, 2014-2017

Source: made by author, based on [40-42]

8. The CCI should clearly define its expenditures for internal accounting and budget optimization: other operational and non-operating expenses cover almost two items of expenditure – salary expenses and material costs.

9. Salary expenses is the largest share of total costs, not including other operational and non-operating expenses.

10. The best results of profit were in 2015 — 58 286 th. UAH due to a sharp increase in profit.

11. The share of labor costs declines, as other operational and non-operating expenses go up. The dynamic of share of each expenditure in total costs represented in Table 2.9.

Table 2.9

The dynamic of UCCI's share of each expenditure in total costs, %, 2014-2017

	Material costs	Salary expenses	Social events	Amor- tization	Other operational and non-operating expenses	Expenses on income tax
2014	6,920	43,074	14,847	5,772	26,716	2,672
2015	6,558	39,608	13,097	5,566	31,787	3,370
2016	5,736	35,694	7,292	4,707	44,484	2,087
2017	5,544	38,364	8,168	4,520	42,139	1,265

Source: made by author, based on [40-42]

12. Growth share of UCCI's total net income decreased sharply in 2016. The reason for the decline is demand reduction on service of certification of origin, belonging to own production.

Mentioned suspended CIS agreement between Russia and Ukraine [32] caused decrease in demand for the mentioned services.

13. Only salary costs, social events increased in dynamic. Nevertheless, in cash, all costs (excluding income tax) increased for 81 163 th. UAH

The dynamic of growth share of UCCI's costs, revenue and net income presented in Figure 2.6.

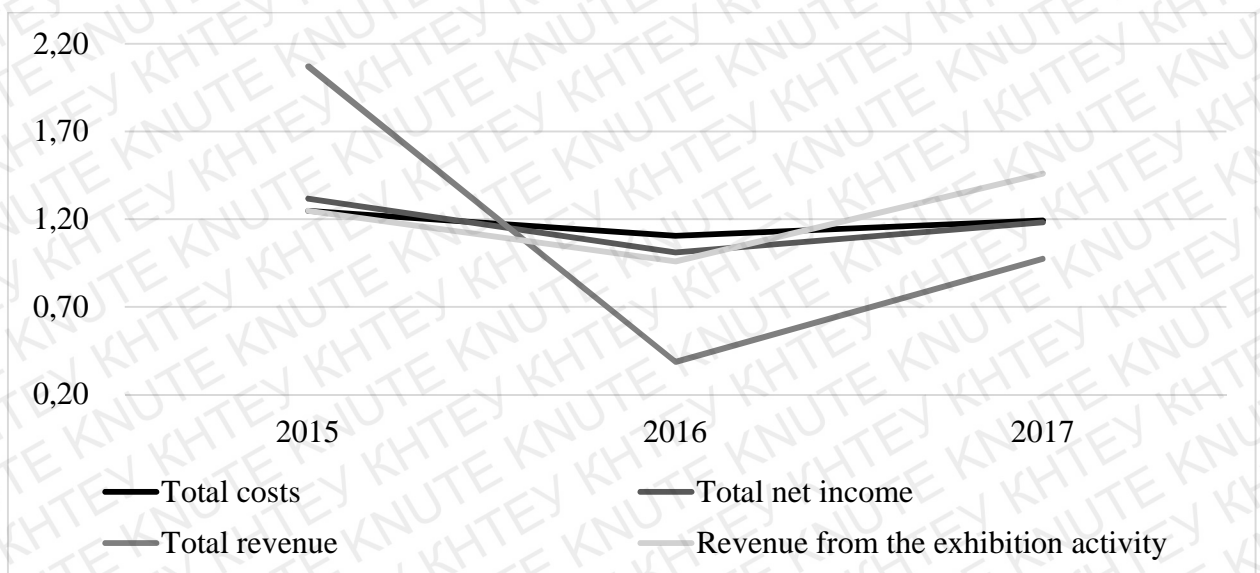


Figure 2.6. The dynamic of growth share of UCCI's main financial indicators, %, 2015-2017

Source: made by author, based on [40-42]

14. As seen, the Chamber of Commerce and Industry is one of the instances that provides services in exports of small and medium-sized enterprises. Since Russia was one of the largest markets for foreign economic operations, the cancellation of the CIS agreement between Russia and Ukraine affected all areas of the Chamber of Commerce and Industry, especially the total revenue of UCCI.

15. For exhibition activity: there is a positive dynamics in growth of not only revenue, but also the number of events organized — data presented in Table 2.10.

Table 2.10

The dynamic of UCCI's exhibition activity financial indicators, 2015-2017

	Revenue from the exhibition activity, th. UAH	Share of revenue from exhibitions, %	Growth rate, times	Growth rate, %	Increase rate, times	Absolute deviation, th. UAH
2014	8 477	2,550	-	-	-	-
2015	10 588	2,419	1,249	24,903	1,249	2 111
2016	10 168	2,299	1,199	-3,967	0,960	-420
2017	14 836	2,838	1,750	45,909	1,459	4 668

Source: made by author, based on [40-42]

Revenue has grown to 14 836 th. UAH in 2017, comparing to 2014 — for 6 359 th. UAH. The average (2014-2017) share of exhibition activity in total revenue is only 2,74%.

Exhibition department has 3 employees: head of department, contract-manager and internal organizer, the full functions are represented in Table 3.3. Logically to calculate the revenue from exhibition activity per employee, since this is a direct sale of rental space to third parties.

The average income for person was 2 826 th. UAH per 2014 year and 4 945 th. UAH per 2017 — visualization of dynamic of use efficiency of UCCI's exhibition areas presented in Figure 2.7.

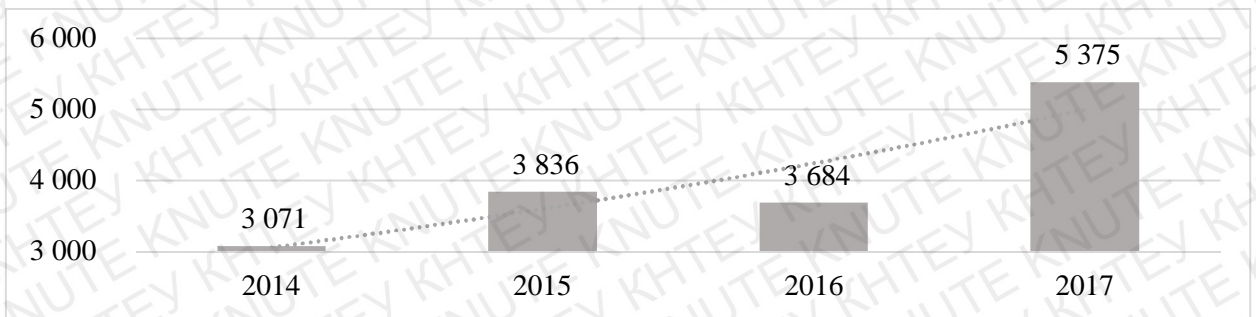


Figure 2.7. Dynamic of use efficiency of UCCI's exhibition areas, UAH per sq.m., 2014-2017

Source: made by author, based on [40-42]

Efficiency of use of exhibition areas growth from 3 071 UAH to 5 375 UAH — the sum of revenue every square meter of space brings.

Nevertheless, in terms of revenue per one held event, the Chamber of Commerce and Industry receives the following indicators:

- In 2015, the revenue per event was 30 868 UAH;
- In 2016 - 43 639 UAH;
- In 2017 – 62 075 UAH.

Consequently:

- 1) The cost of renting space and organizing the event has decreased, which is a positive thing for small and medium businesses;
- 2) The number of events held outside the Chamber of Commerce and Industry risen, but 50 of total number of events per area is performed. Thus, only 13% of the time of the total number of days in a year is used for each of the areas.
- 3) Such a good revenue from one event is undoubtedly a positive element in the work of the UCCI; but also doubtful, since the CUCCI is positioned as a conductor between small and medium-sized businesses and the state, which in itself implies a reduction in the cost, as well as the cost of leasing the areas indicated on the resources [75, 77].

The system of CCI in Ukraine actively participated in international exhibitions and events, the number of international events attended by participants of CCI of Ukraine in 2017 increased 37 times and amounted to 887 events.

Considering the effectiveness of the CCI in international activities, it is worth to consider one of the best practice cases of the activities of the CCI.

Supported by Ministry of Economic Development and Trade of Ukraine (MEDT) and State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE) Ukraine participated in EXPO 2017 "Future Energy" in Astana, Kazakhstan. Authorities prepared and ensured the participation of Ukraine in Expo 2017.

The Chief Manager of event was Ukrainian Chamber of Commerce and Industry, based on resolution of the Cabinet of Ministers of Ukraine dated November 16, 2016 No. 917-p "On Participation of Ukraine in the International Specialized Exhibition EXPO 2017".

EXPO 2017 hold in SILK WAY PLAZA pavilion, which were visited by approximately 874 000 of guests (6 000 - 13 000 guests per day) for Ukrainian companies. Total visitors 3 977 545 of guests or 874 000 per day. The period of EXPO was 92 days. The exhibition area is 47 160 sq.m..

Within the Ukraine National Day on EXPO 2017 there took place Ukrainian-Kazakhstan business forum, which 150 leading companies from Ukraine and Kazakhstan took part. There were signed four commercial cooperation agreements totaling \$ 200 000 000.

To take note of the fact that the manager of the preparation and provision of Ukraine's participation in the Exhibition is determined by the Chamber of Commerce and Industry, and the costs of events related to the participation of Ukraine in the Exhibition, are covered at the expense of the organizer of the Exhibition and the manager of the preparation and provision of Ukraine's participation in the Exhibition [3].

Total cost for EXPO 2017 for Kazakhstan was 2,1 billions of dollars, where 125 millions of euro was sponsored.

Ukraine has presented more than 100 developments and projects in the sphere of alternative energy at the EXPO-2017. Among them are the projects of wind and solar energy, projects of energy production from biomass, projects of macro and micro HPS.

The great business-interest to the Ukrainian development and projects, particularly in the sphere of wind energy, paid by the Kazakhstan and the World community, encourages further development of successful cooperation.

“Perspectives for further trade turnover between Kazakhstan and Ukraine are certain for future. Firstly, it is connected with restoration of trade turnover, and secondly, with appearance of new niches for cooperation in the sphere of alternative energy. Participation of Ukraine at the EXPO-2017 is a catalyst for strengthening of activity of business. I am sure, that in the next year, we will submit it with growing numbers of turnover. The first step is done. The Ministry of energy of Kazakhstan has already chosen the four Ukrainian developments for further use in the country. These are the projects as wind generators, with the total capacity of 2 and 2,5 Megawatts belonging to the company “Fuhrlaender Windtechnology”, an automated modular home belonging to the company “Passive Dom”, photoelectric curtains “Solar Geps” and a collector based on the concentrator of solar energy “Sineko”, Acting Commissioner of the Ukrainian Pavilion at the EXPO-2017 said [26].

Based on the data above, traffic density of EXPO 2017 was 0,92, comparing with the traffic density traffic density of AGROEXPO-2017 held by UCCI in Ukraine 0,057 – which means the visit load per meter of exhibition space per day.

Of course, given the exhibition formats and their scale, the traffic density of AGROEXPO-2017 is within the normal range of efficiency.

In order for the UCCI’s effectively performance of function of exhibition activities, it is necessary to track new ways to improve its activities through alignment with the best.

Optimization of the organization of events on the territory of Ukraine will allow it to reach a new qualitative level. Such optimization techniques can be visiting foreign events and creating a new database of contacts.

CONCLUSION TO THE CHAPTER 2

Summarizing the results of the study, the Ukrainian Chamber of Commerce and Industry is a non-governmental, non-profit, self-governing organization, which unites legal entities and citizens of Ukraine, registered as entrepreneurs, and their associations, on a voluntary basis. UCCI was established by law and performs three main functions in the field of entrepreneurship development: representation and protection of business interests, business environment development and business contacts and business support during their business activity.

The UCCI has representatives in 23 countries, has signed 91 international agreements of cooperation with foreign partnership organizations. The UCCI is the founder and coordinator of 34 bilateral business councils.

Goal of UCCI – developed and competitive Ukrainian business on world markets.

The Chamber of Commerce and Industry of Ukraine relates to the promotion of entrepreneurship, but does not have administrative levers of influence on the process of entrepreneurship development, its decisions are of a purely advisory nature, and are implemented through the provision of a number of services that improve the situation in a comprehensive manner.

One of such functions is the exhibition activity, which combines the functions of promotion of businesses, as well as the mission of mediation of the state and entrepreneurs.

Exhibitions within the CCI's activities is not a priority vector, but nonetheless an important element. Part of the revenue from exhibition activities is gradually increasing and in 2017 it was 2.84% of the total revenue.

Revenue reduction in 2016 was a consequence of suspended CIS agreement between Russia and Ukraine, which negatively affected not only income, but also the number of exhibitions held.

In 2017, the Chamber of Commerce and Industry still has not reached the previous level of revenue and the number of exhibitions, but still growing and reorients to the external markets of Europe.

In order to prepare the Chamber of Commerce and Industry for a new qualitative level, it is necessary to develop its methodological bases and technical characteristics of conducting events, which will become a new key to cooperation between states and entrepreneurs at the interstate level.

3. SUGGESTIONS AND RECOMMENDATIONS FOR IMPROVING THE EXHIBITION ACTIVITY OF UCCI

3.1. Justifications for strengthening UCCI's competitive position within exhibition industry

Exhibition activity in modern conditions implements the functions of the generator and a key link in the processes of exchange in the regions and cities. This is ensured by a combined manifestation of the specific features of the exhibition activity, in particular it is:

- ability to inform about the state and trends of market development;
- relatively cheap way of promotion for small and medium businesses;
- the level of competition and the peculiarities of the application of competitive, innovative, logistic and pricing strategies;
- allows the access to learn about new developments and technologies in this industry, about competitors' new products;
- creating opportunities for direct dialogue between producers and consumers;
- holding professional conferences and discussions within exhibitions;
- establishing promising business contacts;
- and eventually — a significant multiplicative effect of exhibition activity and the creation of a definite positive image of a city or region.

For successful fulfillment of these functions, UCCI have to be competitive in a field of providing exposition services not only at local or regional level, but also on interstate level.

In order to summarize the competitive position of CCI system and based on the analysis of the second chapter of study, SWOT-analysis was elaborated and presented in Table 3.1 and 3.2.

Table 3.1

Strengths and weaknesses of UCCI as exposition organizer
within SWOT-analysis

Strengths	Weaknesses
<p>Long-running image as non-governmental, non-profit, self-organization;</p> <p>National system of regional complexes throughout Ukraine, which means close cooperation with the CCI, as they are part of one system;</p> <p>Run as a system of CCIs and Ukrainian entrepreneurs, that means wide member base;</p> <p>The activity of the CCI in the exhibition activity differs from the exhibition centers in that activity and is indicated by a separate legislative act;</p> <p>Wide range of provided services.</p>	<p>Small own exposition area;</p> <p>Underdeveloped loyal membership fee system;</p> <p>The unattractive membership conditions and thus the small number of CCI members compared to the number of enterprises in the region;</p> <p>Lack of promotion to attract new members of the Chamber;</p> <p>A wide range of services slows down some departments of the Chamber;</p> <p>Uneven distribution of labor in the Chamber;</p> <p>Outdated operational methods of work;</p> <p>Lack of financial resources for quality improvement of the services provided;</p> <p>Lack of access to new technologies.</p>

Source: made by author, based on [75, 77]

Performing SWOT-analysis, it was seen that in internal environment UCCI have equal strengths and weaknesses. For example, UCCI have own exposition areas (1 000 M2), which is certainly positive, but amount of these area is not sufficient for global international events, that is why UCCI's leadership must use external sources for these needs.

The strength of the Chamber is its reputation in the export services and relates. Close cooperation with the entire system of chambers throughout Ukraine is its great advantage. An incredible base of contacts composed of small and medium businesses, investors, business relations with chambers from around the world, working with consulates and representative offices of friend countries and large companies — this ensures the Chamber will not only be supported in the current

period, but also in its future activities. State support is also its indisputable advantage over other exhibition centers.

The activity of UCCI and Chamber Plaza is influenced by competition among expo-centers, but UCCI's performance as a system is modified under the influence of law and main responsibilities as expertise and export services (like ATA carnet issuing). The UCCI helps in the very process of the organization: attracting government officials, embassies and representatives of foreign CCIs, professional associations, investors and potential counterparts. With the flow of time, the exhibition activity has already gain new features and expanded toolkit with the help of new technologies.

The wide range of services provided is a rather controversial side in the activities of the UCCI. The full cycle of services, which are concentrated in one organization, are required for small businesses, but the uneven overheads on the departments of the UCCI creates problems in the management and complexity of performance monitoring.

Also, if we take into account the share of revenue from exhibition activities in the UCCI (2,8% in 2017), then we can assume that this function is imposed only by law — that is, it is used only formally for internal events, as well as external, but still related in order to support the image of the CCI.

In any case, the Ukrainian Chamber of Commerce and Industry can use its area not even in profitable services, thereby enhancing not only the image of the Chamber of Commerce and Industry at the level of Ukraine, but in the international arena.

The Chamber has its own exhibition space for events, the size of which does not require more than 1 000 square meters; at the same time, its main resources have conference rooms that are used for smaller events and meetings.

For large events, the Chamber attracts additional resources — the aforementioned Kiev exhibition centers or regional centers, which is inconvenient on the part of the organization and other working conditions.

Having its own space at the same time: is a plus in organizing local meetings and attracting new partners to a narrow target audience, but also creates a host of other problems: maintenance, work with advertising for leasing space, depreciation, constant technical improvement.

Outdated communication methods and databases interfere the productivity of cooperation between the CCI and businesses: old bases for sending invitations or old methods of working with databases — all this not only slows down contact with target users, but also worsens the reputation of the CCI as an organization that keeps these data under control.

Especially this problem concerns the exhibition department: the lack of not only electronic database but also physic archive of documents, the non-tracking of changes in contacts of partners, non-use or abandonment of new technologies that could improve the organization of the event, the lack of activity in social networks — as the main advertising engine for Chamber Plaza.

Fortunately, the exhibition activity in Ukraine is quite in demand; every year new events and technologies appear — they are represented by enterprises of various types and sizes.

In the context of globalization, one should not forget the international cooperation of companies and Chambers from all over the world — the international missions of the Chamber at foreign exhibitions and conferences have become an integral part of its activities, which already allows to expand the possibilities of partnership between companies, states etc.

Missions to China marked the beginning of a new frontier of cooperation and partnership, the Chamber should increase its focus on these areas, as the Asian economies are already impressive with the results — their new developments and working methods will be able to optimize the internal activities of the departments of the Chamber, but also expand their influence beyond Ukraine.

Table 3.2

Opportunities and threats of UCCI as exposition organizer within SWOT-analysis

Opportunities	Threats
Development of exposition activity in Ukraine; Growth in demand for exposition services for Ukrainian entrepreneurs; Asian and European integration: CCI and states; Growing demand for entrepreneurship; The emergence of new and cheap technologies; Advertising technologies development.	Military conflict; Economic instability; Slow economic growth; Low investment activity; The emergence of a new type of corporate competitors; Significant amount of competitors in the region.

Source: made by author, based on [75, 77]

On the other hand, in external environment there are more opportunities than threats. Some of threats are expenditure increase of exposition services and availability of strong competitors. As UCCI is non-profitable organization, it is hard to compete with other exposition organizers, which are oriented on profit and have significantly more resources (such as exposition areas of a large scale or open-air rental areas). By having such a limitation in options of selecting UCCI's Chamber Plaza services, potential clients will not be interested from the start if they already have a set plan of big event organization in mind.

Undoubtedly, the direction of UCCI's activities aims at helping small and medium-sized businesses to grow and expand, thereby refusing to cooperate with large companies that means more resource and less feedback. The narrow specialization of Chamber Plaza and UCCI activities reduces the set of tools that they could use to promote their services.

Since the exhibition activity is essentially advertising business, we should not forget about its promotion as a concept itself. With the advent of available ways of disseminating information like social media, it is worth more actively using them and expanding their capabilities — this will allow the Chamber to expand its

functionality as an organization supporting small and medium-sized businesses in their future development.

Considering the activities of UCCI, it is obvious that the exhibitions organized by the UCCI is seen as one of the tool for companies, state, institutions and representatives of the business segment for development and popularization of ideas, products and services. The UCCI have to meet the requirements of companies in organizing the working and exhibition space.

The Chamber worth reviewing the whole range of tasks performs it in order to determine which should be focused on, which should be outsourced (if possible) or degraded to other state infrastructure objects or private enterprises.

An external environment of UCCI's area of activity should be considered as 114 enterprises of exhibition activity functioned on the Ukrainian market of exhibitions and trade fairs, including 96 exhibition organizers and 18 exhibition centers. 1,7 thousand full-time employees provided the work of the exhibitions organizers and exhibition centers, among which 1,2 thousand had higher education. 1 010 exhibition events were held in 2016 by exhibition organizations of Ukraine, including 480 exhibitions and 530 fairs, which is 9,5% less than in the previous year. The dynamics of growth in number of exhibiting enterprises for the 2013-2016 period characterizes by fluctuations and tends to decrease.

This situation is associated with the entry of new companies into the market and the emergence of small and non-professional exhibitors who have not fought hard competition. The number of exhibition centers in 2016 decreased by 5,26%, and their total exhibition area - by 0,5%, due to non-compliance with the requirements for modern exhibition centers and the deprivation of some of them with the corresponding status. Only 9 of the 18 exhibition centers meet international standards, five of which are in Kyiv.

Analyzing the state of exposition environment in Ukraine, A.F. Pavlenko among the main causes of its inhibition highlights [5]:

1. the lack of an effective mechanism of implementation of state policy on support of expositions;

2. low rates and "distortions" in property reform;
3. lack of proper legal and regulatory support; limited and / or complete lack of material and financial resources; imperfection of the accounting system and statistical reporting of small business;
4. limited information and consulting support; imperfection of the system of training and retraining of personnel;
5. Inflation, cyclical fluctuations, changes in market conditions, delays in payments.

Specialized exhibition centers operate only in selected regions, especially in such cities as Kiev, Odessa, Kharkiv, L'viv, Nikolaev, Chernihiv, Sumy and Zaporizhzhia. In other cities, most exhibitions are held in non-adapted rooms (in sports and concert halls, theaters, circuses, etc.), which leads to a decrease in the quality and efficiency of exhibitions.

That is why the state of development of exposition activities in Ukraine is unsatisfactory. Entrepreneurs and most researchers explain this in an unfavorable macroeconomic climate, flawed tax policies, tax pressures, lack of financial resources, inflationary processes, administrative barriers, and other external circumstances.

The main problem of chambers of commerce in Ukraine is a lack of real experience in carrying out such procedures and insufficient representation of chambers of commerce and industry in the authorities. Today lobbying interests are ensured by providing the results of the meeting of committees for consideration The Verkhovna Rada of Ukraine without the possibility of further promotion initiatives.

According to the results of the most developed functions, which support the competitiveness of chambers of commerce and industry, is issuance certificates of origin of goods, examination of goods for their export and import and holding exhibitions and fairs. Consolidation services have significant potential the voice of the business community, information services and the attraction of investments into business environment. The services of the arbitration and the arbitral tribunal are of particular value, as well also providing services that accompany international trade.

As stated above, according to the Charter of the CCI membership is not there a prerequisite for receiving a business entity of its services. It can be assume that the volume of the membership base and the dynamics of the volume of services rendered are not having a close connection and practically do not affect each other.

3.2. Development of measures required for efficiency enhancement of the UCCI's exhibition activity

The main aim of further improving the activities of the CCI of Ukraine and the regional chambers is to create effective supporting mechanisms for chambers of national commodity producers and exporters by expanding their capabilities and improving existing and introducing new services, enhancing the role of the chambers in businesses' activities.

Five strategic directions of development the UCCI's activity described in the "Development strategy of the system of chambers in Ukraine 2020", which include the ways of their implementing. As part of the first direction, the system of chambers aims to become the first on the rating of influence by the Institute of Business Environment. The second and third directions embody the move toward improving services for business. The fourth direction is the creation of a powerful information and communication field. The fifth direction focuses on internal changes in the system of chambers of commerce and industry, their structuring and organizational development.

There are proposals that relate to the deepening of business relations in the legal field between the CCI system in Ukraine and government structures.

1. Creation of a mechanism for participation of Ukrainian Chamber of Commerce in preparation and development bills, other normative legal acts on issues related to the development of economy, entrepreneurship and foreign trade, taxation, customs control, etc.;

2. Increase of efficiency of activity of sectoral committees of entrepreneurs, business councils, other advisory structures at the Chamber of Commerce and Industry of Ukraine for the purpose of protection legitimate business interests and preparation of proposals for the consideration of structures government and management in relation to the improvement of regulatory policy;

3. Involvement of representatives of the UCCI to participate in committee meetings The Verkhovna Rada of Ukraine when considering draft laws entrepreneurial activity;

4. Deepening cooperation and inclusivity between Ukrainian Chamber of Commerce and Industry and the Ministry of Foreign Affairs, Ministry of Economic Development, Ministry of Industrial Policy, Ministry of Agrarian Policy, Ministry of Internal Affairs and Assembly in order to solve developmental problems entrepreneurship, international and interregional economic cooperation. Participation of representatives of the above-mentioned ministries in meetings sectoral committees of the Ukrainian Chamber of Commerce and Industry in considering issues that belong to them competencies;

5. Inclusion of representatives of the Ukrainian Chamber of Commerce and Industry in the Council of Regions, Committee on Economic Reforms, Coordinating Council for Development Civil Society under the President of Ukraine, Colleges of the Central executive structures, and representatives of the regional CCI - to the colleges relevant local administrations;

6. Expansion of cooperation with the Ukrainian Union of Industrialists and Entrepreneurs, a Union of entrepreneurs of small, medium and privatized enterprises Ukraine, the Association of employers, industry associations, public organizations and industry associations;

7. UCCI with the relevant Committee of the Verkhovna Rada of Ukraine and others business support organizations of “Parliament of Ukraine” should participate in an ongoing basis every two years indoors The Verkhovna Rada of Ukraine on meetings of the All-Ukrainian Conference of Enterprises. They would be attended by representatives of government and administration for introduction of an

open dialogue "power-business" and solving issues related to improving the efficiency of the national economy, the competitiveness of domestic products and services, their promotion on external markets, etc.

In the external sphere of work of the chamber, it is worth paying attention to the following points:

1. Establishment of the system of CCI in Ukraine by the Coordinating Council on regulatory issues Policy and Center for Public-Private Partnership Development for participation of leading representatives of business circles of foreign countries and Ukraine;

2. System work in cooperation with state authorities, public organizations on the formation of a positive image of Ukraine abroad, attractive investment climate in Ukraine;

3. Interaction with Ukrainian embassies abroad, network expansion foreign representations of the Chamber of Commerce of Ukraine, especially in leading countries trade partners, in order to promote Ukrainian products commodity producers to foreign markets, search of business partners;

4. Formation of the database of domestic exporters (indicating nomenclature and assortment of goods / services) for use in work embassies and representations of the Chamber of Commerce and Industry of Ukraine abroad;

5. Providing the Ukrainian embassies timely information about Ukrainian business entities, their tenders for works, services, supplies of equipment, carried out in foreign countries;

6. UCCI's involvement in the preliminary analysis of conflicts situations in the direction of "business - power" (in case of occurrence) and preparation proposals for their solution;

7. Facilitating the transfer of functions of certain state structures in the Chamber of Commerce and Industry of Ukraine;

8. Conducting conferences on foreign economic issues with attracting domestic business on a national scale on a regular basis, meetings with

employees of the embassies of Ukraine abroad and embassies of foreign countries in Ukraine;

9. Dissemination and promotion of adaptation in Ukraine of methodological recommendations International Chamber of Commerce, Association of Chambers of Commerce and Industry Europe;

10. Inclusion of UCCI in the list of organizations that have the right to provide visa support to representatives of foreign business circles to travel to Ukraine;

11. The implementation, monitoring and management of the effectiveness of the proposed CCI system development strategy is the responsibility of the UCCI management and the regional chambers.

The factors described above relate to the general strategy of functioning and positioning in the market of the entire CCI of Ukraine.

As for the separate department and exhibition space of the Chamber Plaza. They should develop a distinctive strategy for the development of its own popularity among all business circles as a multifunctional set based on the UCCI.

It is worth paying special attention to the staff of the department, since the lion's share of requests for events and rental of exhibition space is confirmed or rejected by the UCCI's exhibition department.

Its work affects the annual performance indicators: the amount of work (number of exhibitions) and revenue from hold events, which entails an increase in image, business appeal and reputation.

Considering the activities of the current composition of the exhibition department and organization structure of UCCI, the following assumptions have been made. Today, the existing area is used simultaneously for internal events and for incoming rental requests.

The exhibition department that consists of three employees manages the organization of all events presented in Table 3.3.

Table 3.3

UCCI's exhibition department staff and their responsibilities

The head of the department	Exhibition project-manager	Contract-manager / SMM-manager
Processes incoming requests; Deals with the control of requests of the organizers (printed materials, advertising, catering, additional services); Directly involved in the organization of the exhibition; Operates a project's budgets.	Directly involved in the organization of exhibitions on the spot, whether internal or external requests; Supervises the work of workers on the spot (the exhibition itself).	Deals with the maintenance of the department with contracts, invoices, acts, their coordination, signing and transfer to the appropriate persons); Maintains the official Chamber Plaza website, Facebook and Instagram accounts.

Source: made by author, based on [75, 77]

Considering the turnover of personnel, the effectiveness of the department and exhibition space is unstable. However, this scheme of the exhibition department is not effective enough, even despite the growth of indicators in 2017.

Inappropriate allocation of responsibilities expressed in:

- Uncertain obligation to monitor incoming requests and their subsequent processing;
- The same responsibilities of the head of the department and the project manager — control of the each event personally;
- The functions of contract- and the SMM-manager cannot be combine because of opposite functional duties;
- The contract manager is also an account manager, as it controls the execution of work by outsourcing employees who are responsible for maintaining the site.

The third external party submits an application to the exhibition department. For a fee, the CCI provides space and related services to a third party, attracting outsourcing companies and departments of the CCI.

Therefore, the chain of management, control and profit looks like Figure 3.1.

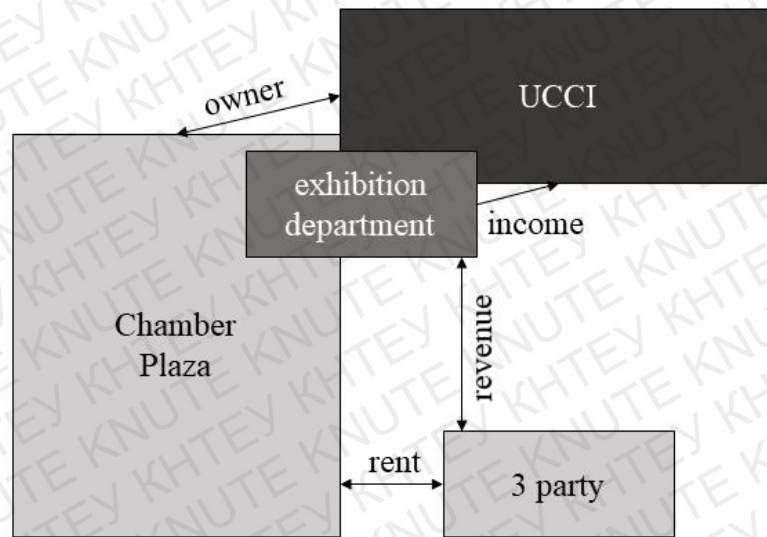


Figure 3.1. The current scheme of the internal interactions within exhibition department of the UCCI

Source: made by author, based on [75, 77]

To improve the activities of the department and optimize the budget there are several options. The transformation process should not be fast and risky, on the contrary, agile but gradual and stable, effective.

Of course, such changes will take more time, but ultimately will give a more stable result. There are several common ways to expand the market, as well as services, which can be used in the activities and development of the CCI.

Considering Table 3.3, in this case the product is square meters owned: common approaches to the growth strategy of UCCI's exhibition department.

Table 3.4

Propositions as for development strategy for exhibition activity of UCCI

		Market	
		1	2
Product / Service		New	Old
	New	Diversification: Innovative or completely modified service on unknown, risky market	Product development: Change or modification the product / service, but old strategy in the same markets

Continuation of the Table 3.4

1		2	
		New	Old
Product / Service	Old	Market development: The use of proper areas with a new approach	Market penetration: Intensification of marketing efforts with existing product / market.

Source: made by author, based on [75, 77]

A new market and product are too risky, still changes in the strategy of the UCCI are not acceptable and effective. Although the system of CCI are not state organizations, they are vested with special powers, which means the direct influence and involvement of the state in the activities of the CCI. In Ukraine, the process of transformation of state structures and involved organization is a painful point; radical measures will not be effective and generally accepted.

In product development strategy, a company tries to create new products and services targeted at its existing markets to achieve growth. This involves extending the product range available to the firm's existing markets. In the case of the CCI, the product or service is rental space. Building an additional complex and collecting investments in an unstable external position is too risky a decision. For UCCI, this is an additional large financial burden. Its effect will be doubtful, since the net income from exhibition activity is only 2% of the total.

Market penetration strategy means intensification of marketing efforts with existing product / market. This strategy involves the creation of new work places and the deepening of existing services. Now, the Chamber of Commerce and Industry partially uses this strategy, which is expressed in focus on the quantitative growth of following indicators: the number of exhibitions and revenue from events. That does not imply the development of the image component and the expansion of external relations.

The strategy of market development will be the most effective way for UCCE. First, it is worth reviewing the structure of the department for managing internal and external applications.

There are two options here: expanding the current department or attracting an outsourcing company. In the first case (department expansion), the Chamber of Commerce and Industry will cost less effort and finances, but will place more responsibilities and workload on the existing department.

When engaging in the chain of management of an outsourcing company, it is worthwhile to designate an increase in the efficiency of the areas, but also a decrease in the share of profits of the CCI from the exhibition activities. The changing scheme of work with outsourced agency presented in Figure 3.2.

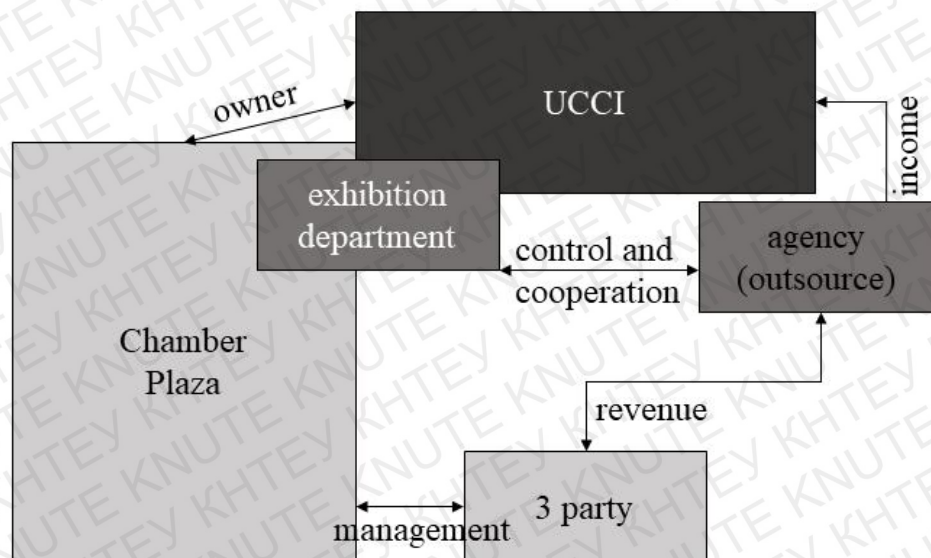


Figure 3.2. Proposition for improvement the exhibition department transformation in UCCE

Source: made by author, based on [75, 77]

Despite such a seemingly easy way of working with an outsourcing contractor, companies need large budgets, which is considered by the CCI as an inexpedient use.

The best development option would be to attract two new employees to expand the functionality of the exhibition department, as well as improve the efficiency of the use of exhibition space.

Thus, the department as a functional unit should consist of five people:

- The head of the department: controls the work of the department and connects in critical situations, keeps control of the budget and counterparties, expands external relations in business circles, personally involved in events;
- Internal organizer — directly involved in the organization of internal exhibitions on the spot, personally involved in events;
- External organizer — directly involved in the organization of external exhibitions on the spot, accepts incoming requests and regulates the work of involved services; personally involved in events;
- Contract-manager / archivist (deals with the maintenance of the department with contracts, invoices, acts, their coordination, signing and transfer to the appropriate persons), not involved into events;
- SMM-manager — is promoting a brand using social networks, personally involved in events.

Such a base structure will allow not only to distribute the load throughout the department, but also to increase efficiency due to the specific functionality of each employee.

The expanded functional structure should also be based on additional managers who will be oriented to the external market and attract partners, such as embassies, missions of foreign delegations, foreign investors, and so on.

The most priority regions for Ukraine are Europe and Asia / Pacific. Considering that they have already established access to them and several exhibitions have been completed with their participation and direct involvement.

Europe is important as an economic region because Ukraine is developing its priorities in the direction of European integration. The Asian region is one of the priority directions of development in the context of politics and trade, as well as the development of technology, given their growth rates in all sectors.

Since the UCCI mainly conducts friendly missions within the CIS and neighboring European countries, such as Croatia, Belarus, Poland, Hungary, Turkey, Lithuania, it is worth noting that the development of European destinations will not only improve its competitive position on the world stage, but also expand new management tools.

Returning to the common growth strategies, the range of markets occupied by the CCI is worth expanding.

The following proposals for development can be divided into sectors: operational activities, functional activities, including external activities.

Operational activities' effectiveness proposals (one-time and continuous):

- Create contract templates and develop software to create the patterns of documents for internal and external use, which will shorten the time of processing the primary documentation;
- To develop a strategy for promoting Chamber Plaza services on social networking platforms, to discuss cooperation and options for mutual sharing of information on the web-resources of the contacting parties;
- To work out the basic and additional functionality for carrying out of the events, the organization of which is entrusted to Chamber Plaza or UCCI;
- Supplement the web-resources of Chamber Plaza and UCCI with translation of basic information to the languages of partners cooperation is being conducted with;
- Actualize ways of providing information about upcoming events, in order to avoid misinformation of participants and potential partners;
- Constant monitoring of companies, associations, embassies, foreign missions, maintaining their base, updating it and working with it;
- Creation, update and distribution of commercial offers for databases;
- Make a database to maintain unified information about past events, as well as make an additional report on the activities of the exhibition department, including statistical data and feedback of participants;

- Establish a system for creating individual and centralized sites to confirm the registration of visitors and participants, for quick access and exact tracking of information on the preparation for the event.

Functional activities that can be implemented in the activities of the UCCI and its exhibition department:

- Development and implementation of a loyalty program for member companies in the field of the use of available space;
- The development and conduct of training lectures, master classes and courses that relate to business management;
- Inviting business coaches, ambassadors and government officials to conduct these events, as well as open conferences and classes;
- Participation in the organization of business missions of state persons and private entrepreneurs abroad.

Functional actions involve the expansion of the number of companies that are conducted based on the Chamber Plaza, as well as the quality involvement of the enterprises-members of the CCI.

Thus, the main tasks for UCCI are:

- To complete monitoring of implementation of established strategic goals and take necessary measures for correction of the strategy and ensure compliance of events which are held during implementation of the strategy to strategic directions and effectiveness;
- To report on the implementation of set goals;
- To generalize and share gained experience.

3.3. Forecast of the economic impact on the efficiency indexes following suggested measures' implementation

Since UCCI has own idling leasing areas, one should change the approach to their management and performance control, thereby increasing their profitability.

The first changes is:

1. To change the organization of the department;
2. Intensification of rent of premises by increasing the number of clients;
3. Diversifying services in new market segment.

The intensification of rental space means expanding the database of third parties who are potential tenants of these areas.

Diversifying services will appear in the creation of a new communication and educational platform within the chamber:

- Third parties will have the opportunity to arrange their own master classes based on the CCI platform — a specific “co-working” center;
- Conducting commercially profitable lectures for small and medium-sized businesses with the involvement of not only internal speakers, but also external coaches.
- With the help of internal resources, lecturers from foreign countries will be attracted in the fields of economics, politics, accounting, IT, agro-sector, as well as representatives of embassies, investors etc.
- The platform will include courses, seminars, workshops, conferences, round tables for members of the Chamber.

Creation of an educational platform that will help small and medium businesses to reach the international level.

When approaching the reorganization of management of internal areas, three options should be considered for the performance of such measures implementation. Analysis of current profitability is given in Tables 2.4-2.10 and Figures 2.2-2.6.

Following such indicators as: number of CCI halls, GLA (Global Leasing Area); the prices of renting space; room capacity; workload and use of each area within the UCCI — Chamber Plaza; proportion of internal and external events.

It was possible to calculate three options for profitability - optimistic, realistic and pessimistic scenarios when implementing these platforms if the implementation of these measures occurred immediately.

Additional indicators and statements were used in calculations:

- The ratio of the space use for internal and external events (30/70);

- Space occupancy in days (80%);
- 20% of the remained time will be accounted free events focused on improving the image and strengthening business relations between the partners of the CCI.
- - External events are held on a commercial basis.

For the optimistic scenario, the indicator was a workload of days is 80%, that is, 292 days out of 365 are occupied by commercial events. The calculation for optimistic performance presented in Table 3.5.

Table 3.5

Calculation of the optimistic scenario for
the second proposed measure for UCCI's exhibition department, 2019

Leasing areas	Spaciousness, persons	Occupancy rate by visitors	Occupancy, persons	Revenue per event ⁴ , UAH	Occupancy rate of spaces	Events, number	Revenue per year, UAH
Hall 1	200	1,0	200	26 740	0,9	184	4 919 090
Hall 2	45	1,0	45	8 000	0,9	184	1 471 680
Hall 3	45	1,0	45	9 000	0,9	184	1 655 640
Hall 4	1 000	0,8	800	56 340	0,8	163	9 212 717
Fair Hall	400 ⁵	0,9	360	40 000	0,6	123	4 905 600
Total	1 690	-	1 450	-	-	-	22 164 727

Source: made by author, based on [40-42, 71]

In the case of the optimistic scenario, we have an income for UAH 22,164,727 during 2019.

Of course, the best option possible would be to fill not only the areas (participants), but also the regularity of events.

To calculate a realistic scenario, the occupancy factor was defined as 70% of the use of rental time. That is, 143 days each of the areas can be used for external commercial events.

Based on the following provisions the full calculations for realistic scenario represented in Table 3.6.

⁴ Based on the calculation of the cost of the event specified by [71].

⁵ Hereinafter, based on the calculation that the area holds 200 exhibits, two representatives for each stand.

Table 3.6

Calculation of the realistic scenario for
the second proposed measure for UCCI's exhibition department, 2019

Leasing areas	Spaciousness, persons	Occupancy rate by visitors, %	Occupancy, persons	Revenue per event, UAH	Occupancy rate of spaces, %	Events, number	Revenue per year, UAH
Hall 1	200	0,75	150	26 740	0,75	107	2 869 469
Hall 2	45	0,80	36	8 000	0,70	100	801 248
Hall 3	45	0,80	36	9 000	0,70	100	901 404
Hall 4	1 000	0,70	700	56 340	0,60	86	4 836 676
Fair Hall	400	0,80	320	40 000	0,40	57	2 289 280
Total	1 690	-	1242	-	-	-	11 698 078

Source: made by author, based on [40-42, 71]

Occupancy rate by visitors varies - at best, their use will be planned and will reach 100%, in a realistic version, and their profitability will be 70-80%. As a result, it has 11 698 078 UAH revenue from the use of its own space for external commercial projects. For the pessimistic scenario, the following indicator was used — 60% of the halls are loaded by the day, which means 123 days out of 365 each of the halls will be occupied. Detailed calculations of indicators for pessimistic scenario are presented in the Table 3.7.

Table 3.7

Calculation of the pessimistic scenario for
the second proposed measure for UCCI's exhibition department, 2019

	Spaciousness, persons	Occupancy rate by visitors, %	Occupancy, persons	Revenue per event, UAH	Occupancy rate of spaces, %	Events, number	Revenue per year, UAH
Hall 1	200	0,60	120	26 740	0,60	73,584	1 967 636
Hall 2	45	0,70	31	8 000	0,50	61,32	490 560
Hall 3	45	0,70	31	9 000	0,50	61,32	551 880
Hall 4	1 000	0,55	550	56 340	0,40	49,056	2 763 815
Fair Hall	400	0,60	240	40 000	0,20	24,528	981 120
Total	1 690	-	973	-	-	-	6 755 011

Source: made by author, based on [40-42, 71]

In the case of pessimistic performance indicators for external events, the amount of revenue will be equal to 6 755 011 UAH.

To calculate the three scenarios for development (optimistic, realistic and pessimistic) of the income of internal events, the following statements were used:

1. 30% of all events are internal;
2. All prices for outsourcing services are taken on average in the market;
3. The cost of attracting outsourcing services and the cost of attracting speakers have been deducted from income;
4. The cost of tickets for such events is complemented by the additional cost of 15% of the amount of the base price of the ticket.

Detailed calculations of the optimistic scenario are presented in the Table 3.8.

Table 3.8

Calculation of the optimistic scenario for the third proposed measure
for UCCI's exhibition department, 2019

	Hall 1	Hall 2	Hall 3	Hall 4	Fair Hall
Spaciousness, persons	200	45	45	800	360
Occupancy rate by visitors, %	0,9	0,9	0,9	0,8	0,6
Events per year, number	79	79	79	70	53
Catering frequency, %	0,8	0,7	0,7	0,8	0,8
Total costs for catering	1 404 929	276 595	276 595	4 440 269	1 123 943
Coach invitation frequency	0,8	0,8	0,8	0,8	0,8
Share of paid events, %	0,5	0,5	0,5	0,5	0,5
AVG coach cost per event, UAH	15 000	15 000	15 000	15 000	15 000
Total coach costs, UAH	473 040	473 040	473 040	420 480	315 360
AVG price for ticket per event, UAH	132,33	234,77	234,77	108,38	126,78
+15% value added	152,18	269,99	269,99	124,63	145,79
Revenue per year, UAH	2 159 664,1	862 080,6	862 080,6	5 589 861,1	1 655 198,5

Source: made by author, based on [40-42, 71]

Consider the income from events in the optimistic scenario: due to the high frequency of such events, the amount of tickets is reduced; at the best option of attracting external speakers, the amount of their fees will be low; 20% of lecturers and coaches will be from the internal resources of the chamber. Under the optimistic scenario, income from domestic events will be 11 128 885 UAH in 2019. Considered calculation of the realistic scenario for internal events for 2019 are in Table 3.9.

Table 3.9

Calculation of the realistic scenario for the third proposed measure
for UCCI's exhibition department, 2019

	Hall 1	Hall 2	Hall 3	Hall 4	Fair Hall
Spaciousness, persons	200	45	45	800	360
Occupancy rate by visitors, %	0,75	0,7	0,7	0,6	0,4
Events per year, number	66	61	61	53	35
Catering frequency, %	0,8	0,7	0,7	0,8	0,8
Total costs for catering	975 645	167 323	167 323	2 497 651	499 530
Coach invitation frequency	0,9	0,9	0,9	0,9	0,9
Share of paid events, %	0,8	0,8	0,8	0,8	0,8
AVG coach cost per event, UAH	20 000	17 000	17 000	15 000	40 000
Total coach costs, UAH	946 080	750 556,8	750 556,8	567 648	1 009 152
AVG price for ticket per event, UAH	195,0	475,2	475,2	121,5	299
+15% value added	224	546	546	140	344
Revenue per year, UAH	2 209 984	1 055 562	1 055 562	3 525 094	1 734 985

Source: made by author, based on [40-42, 71]

The total revenue for a realistic scenario will be 9 581 186 UAH per first year of measures implementation.

This variant of events is optimal, as the cost of tickets for external visitors within the average cost of tickets for events of this business type is optimal.

When developing a pessimistic scenario for internal events, the following should be noted: paying for speakers for different halls increases so does the value of each attracting. Calculation of the pessimistic scenario for internal events for 2019 are considered in Table 3.10.

Table 3.10

Calculation of the pessimistic scenario for the third proposed measure
for UCCI's exhibition department, 2019

	Hall 1	Hall 2	Hall 3	Hall 4	Fair Hall
Spaciousness, persons	200	45	45	800	360
Occupancy rate by visitors, %	0,6	0,5	0,5	0,4	0,2
Events per year, number	523	44	44	35	17
Catering frequency, %	0,8	0,7	0,7	0,8	0,8
Total costs for catering	624 413	85 369	85 369	1 110 067	124 882
Coach invitation frequency	0,95	0,95	0,95	0,95	0,95
Share of paid events, %	0,9	0,9	0,9	0,9	0,9
AVG coach cost per event, UAH	30 000	20 000	20 000	30 000	40 000
Total coach costs, UAH	1 348 164	748 980	748 980	898 776	599184
AVG price for ticket per event, UAH	312,75	846,625	846,625	179,15625	574
+15% value added	359,66	973,62	973,62	206,03	660,10
Revenue per year, UAH	2 268 463	959 501	959 501	2 310 169	832 676

Source: made by author, based on [40-42, 71]

In the pessimistic scenario, the cost of tickets due to the attraction of external speakers grows and is irrelevant and too high for small and medium businesses, which can only mean the outflow of tickets.

Thus, the total income from domestic events will be 7 330 312 UAH. If take into account that the cost of tickets will be inflated, the total revenue may fall to 6 121 007,86 UAH, which in monetary terms means a loss of 1 209 304.24 UAH.

Summing up all the scenarios for external and internal events there are summing calculations presented in Table 3.11.

Forecast for real revenue from the exhibition activity based on the data presented in Table 2.7 and made in Table 3.11.

The assumptions for data growth in different scenarios are based on:

- Expected growth in real income from the exhibition activity in UAH since 2018 is 15 681 500 UAH;

- Ministry of Finance of Ukraine inflation rate for 2019-2021;
- Optimal increase in the growth of income from exhibition activities.

Table 3.11

Dynamic forecast for revenue indicators for UCCI's exhibition department with proposed measures, 2019-2020, UAH

Year	Real revenue from the exhibition activity	Optimistic scenarios of revenue from the exhibition activity	Realistic scenarios revenue from the exhibition activity	Pessimistic scenarios revenue from the exhibition activity	AVG scenarios revenue from the exhibition activity
2019	17 547 200	33 293 612,2	21 279 263,9	12 225 506,8	22 266 127,6
2020	19 412 900	35 957 101,2	22 981 605,1	13 203 547,4	24 047 417,9
2021	21 278 600	37 754 956,3	24 130 685,3	13 863 724,8	25 249 788,8

Source: made by author, based on [40-42, 71]

Predicted data indicate an increase in the profitability of the exhibition department of the Chamber of Commerce and Industry in the implementation of these measures.

Analyzing the department's profitability indicators and its effectiveness in the framework of the income of the UCCI as a whole, the following statements were made: these measures are effective in terms of instant profit; when implementing these measures, it is worthwhile to monitor their effectiveness on a monthly basis and adjust the strategy for the development of GLA.

These statements are supported by the prediction and analysis of income indicators in the implementation of measures in the total amount of income of the exhibition department presented in Table 3.12.

Table 3.12

The forecast and comparison for revenue indicators for UCCI's exhibition department with proposed measures, UAH

Parameter / Year	2018	2019	2020	2021
1	2	3	4	5
Total revenue	558 903	589 142	625 638	667 315

Continuation of the Table 3.11

1	2	3	4	5
Revenue from the exhibition activity	15 681 500	17 547 200	19 412 900	21 278 600
AVG scenario revenue from the exhibition activity	-	22 266 128	24 047 418	25 249 789
Absolute deviation (AD) of revenue from exhibition activity	-	4 718 928	4 634 518	3 971 189
Total revenue added AD	-	593 861 404	630 272 083	671 285 713
Share of real revenue in total revenue	2,806	2,978	3,103	3,189
Share of AVG scenario in total revenue added AB	-	3,749	3,815	3,761

Source: made by author, based on [40-42, 71]

Thus, the part of the income of the exhibition activities will increase in the context of the total income of the Chamber of Commerce and Industry, the difference in shares are for 2019 — 0,77, for 2020 — 0,71.

Considering the exhibition department works as an intermediary between external requests and its GLA, that is, to provide rental services, then the main item of expenditure of the exhibition department is salary costs, so all involved services are carried out by outsourcing companies that do not affect the resources of the CCI, but only a third party. Thus, the deduction from the total revenue of the department's salary costs makes it possible to judge the effectiveness of the space use.

The counting results are displayed in Table 3.12.

Table 3.12

Forecast for dynamic revenue and salary costs within exhibition department, UAH

Year	Revenue from the exhibition activity, UAH	Salary costs, UAH	Revenue excluding salary costs, UAH	AVG revenue scenario, UAH	Assumed salary costs, UAH	AVG revenue scenario excluding assumed salary costs, UAH	6/4, %
1	2	3	4	5	6	7	8
2018	15 681 500	513 600	15 167 900	-	-	-	
2019	17 547 200	554 688	16 992 512	22 266 128	984 000	21 282 128	125,2

Continuation of the Table 3.12

1	2	3	4	5	6	7	8
2020	19 412 900	582 422	18 830 478	24 047 418	1 033 200	23 014 218	122,2
2021	21 278 600	611 543	20 667 056	25 249 789	1 084 860	24 164 929	116,9

Source: made by author.

Thus, the percentage of excess of the predicted growth of total revenue will be 16-25% per three years after the implementation the improvement measures.

Analyzing all the data obtained one can describe the following conclusions:

- The development of these areas will not only change the format of cooperation with third parties, but also improve the image of the CCI and raise the level of small and medium business in Ukraine that is the part of strategy if development the system of CCI in Ukraine;
- As a platform for communication between business and government, the Chamber of Commerce and Industry is an effective intermediary platform that should be constantly being improved;
- Optimization of operational processes will enable the department to work more efficiently and faster;
- The introduction of new products and new strategies for the use of space require additional attention of the head of the department;
- In terms of the share of exhibition department in the total revenue of the Chamber of Commerce and Industry, exhibition activity, although it occupies an insignificant percentage, is still one of the branches of services provided by the profitable Chamber of Commerce and Industry.

CONCLUSION TO THE CHAPTER 3

Exhibition activity in modern conditions implements the functions of the generator and a key link in the processes of exchange in the regions and cities.

Exhibition activities serve as a powerful marketing and promotion tool for businesses of any size, as exhibitions allow evaluating competitors, analyzing the market, finding useful contacts, concluding effective contracts, and as a result improving one's image and position in market niche.

Despite the unstable situation in the country and political and economic transformations, as well as military conflicts, the Ukrainian Chamber of Commerce and Industry manages to increase efficiency and develop in different directions.

Exhibition activity in the Chamber of Commerce and Industry does not play the largest role in monetary terms, but very powerful in image.

To strengthen its position as an authoritative institution, it is proposed to introduce the following measures:

- Delve into the existing market of services and expand the base of contacts for cooperation;
- Independently create new services as part of a diversification strategy;
- Further, to increase the speed of processing operational actions.

In summary, optimal administration and careful control of the implementation process of the proposed measures will help in enhancing the image of the CCI as an intermediary between small, medium-sized businesses and the state, as well as in the international arena.

SUMMARY AND PROPOSITIONS

The main result of the work is a theoretical generalization and solution of the scientific and practical task - the development of practical recommendations for strengthening the role of CCI in the field of exhibition activities.

The main result of the work is a theoretical generalization and solution of the scientific and practical task - the development of practical recommendations for strengthening the role of CCI in the field of exhibition activities.

The obtained scientific-theoretical and practical results show following conclusions.

1. According to the results of generalizations of scientific approaches, taking into account the specifics of the work of the Chamber of Commerce, the interpretation of term “exhibition activity” was offered. Analyzing the dynamics and structure of statistical and rating indicators of the UCCI’s activity, the role of the Chamber in exposition activity on the territory of Ukraine and abroad was determined. As well defined tendencies for improvement of general conditions for conducting exposition activity.

2. Based on the analysis of the Ukrainian laws and world experience in determining the functions of the Chambers of Commerce and Industries, the classification of the functions and their influence are as follows:

- Representation and protection of the entrepreneurs' interests (connection of influent spheres: entrepreneurship — the state), aimed at ensuring dialogue between the state and entrepreneurship level, the participation of the business community in the formation of an effective business development policy;

- Business environment and business contacts development (connection of influent spheres: entrepreneurship — the state), aimed at establishing business contacts between representatives of entrepreneurship at the national and international levels and increasing the volume of entrepreneurial activity;

- Support and conducting of exposition activities and other business services aimed at developing the organizational availability of economic entities and providing services in the course of exhibitions.

3. Based on the development factors' structure of exhibition activities by different types and classifications, it was noticed that the greatest connection of chambers of commerce and industry with the economic environment of the state. Analyzing the laws of Ukraine, there is a direct connection between the goal and directions of the state policy of exhibition activities' development and the relevant aspects of the UCCL.

4. According to the research made of modern methods of determination of efficiency indicators, were discovered approaches to the efficiency estimation of the Ukrainian Chamber of Commerce.

5. Basing on the obtained and generalized results, the research has been formed possible scenarios for the development of CCI in Ukraine as subjects of exhibition activity. The conclusion was made basing on the possibility of increasing the efficiency of the exhibition activity of the CCI.

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APPENDICES

Appendix A

Exhibitions theme classifier.

- (1) A.1. Capital and consumer goods fairs.
- (2) A.2. Capital goods fairs.
- (3) A.3. Consumer goods fairs.
- (4) B1. Agriculture, forestry and park economy, viniculture, horticulture and their equipments.
- (5) B2. Food industry. Beverages and tobacco. Hotel, restaurant, gastronomy, catering and their equipments.
- (6) B3. Textiles, clothing, shoes, leather; jewelry and their equipments.
- (7) B4. Construction, reconstruction, finishing, their materials and equipments.
- (8) B5. Furniture, household equipment and home appliances, their equipments.
- (9) B6. Healthcare, hygiene. Work safety, environment, safety and their equipments.
- (10) B7. Transports, traffic and their equipments.
- (11) B8. Information, communication, office, special literature and equipment.
- (12) B9. Sport, tourism, leisure, games and their equipment.
- (13) B10. Culture; art, antique goods, collecting; music, photo, movies, TV, books, library.
- (14) B11. Education, studying equipment, postgraduate education.
- (15) B12. Industry, trade, science and technology, service and their equipments.
- (16) B12.1. Metallurgy, welding. Mining Industry.
- (17) B12.2. Navigation and shipbuilding; marine and off-shore industries.
- (18) B12.3. New technical solutions. Innovational projects. Scientific discoveries.
- (19) B12.4. Plastics and rubber.
- (20) B12.5. Chemistry. New technology for chemical industry.
- (21) B12.6. Mechanical engineering. Machine tools, equipment, devices, technology of different industries.
- (22) B12.7. Woodwork.
- (23) B12.8. Electronics and electrical engineering. Measuring devices, equipment and components.
- (24) B12.10. Packaging. Warehouse. Label.
- (25) B12.11. Oil and gas. Technology and equipment for oil and gas industries.
- (26) B12.12. Publishing. Printing. Advertising. Stationary. Materials and paper.
- (27) B12.13. Trading, refrigerating equipment. Exhibition equipment. Sales.
- (28) B12.14. Power industry and power saving.
- (29) B12.16. Home services.
- (30) B12.17. Glass. Ceramics.
- (31) B13. Economy. Business. Finance. Banking. Insurance.

Performance standards and suggested metrics of exhibition activity

Area of performance	Suggested metrics	
1. Sales		
1.1. Generating sales leads	No. of A, B, C leads, etc.	
1.2. Direct sales	Orders taken/Revenue	
1.3. Building contact database	No. of new contacts	
2. Customer Relationships		
2.1. Building relationships with current customers	No. of customers met & recorded	
2.2. Educating customers	No. of 'update' sessions held	
2.3. Upselling/Cross-selling customers	No./value of sales to customers	
2.4. Generating customer testimonials	No./quality of quotes won	
2.5. Customers communication recovery	No./value of lapsed customers met	
3. Market Research		
3.1. Test marketing a new product or service	No./quality of feedback sessions	
3.2. Test marketing campaign		
3.3. Researching brand awareness/perception		
4. Brand Building		
4.1. Building brand awareness	No. of gross ⁶ impressions at, during, after show	No./quality of seminar/demonstration attendees
4.2. Positioning/re-positioning brand	Gross impressions of specified message delivery	
4.3. Demonstrating benefits		
4.4. Boosting financial analyst investor perceptions	Editorial coverage in financial press	
4.5. Developing new markets	No./quality of contacts from new market	
5. Channel Building		
5.1. Finding new distributors partners	No./quality of partners met or signed up	
5.2. Supporting current sales channel	No. of dealers/partners met	
5.3. Building your reputation as a partner	No./quality of prospective partners met	
6. Public Relations		
6.1. Generating editorial coverage	Column inches /broadcast minutes gained	
6.2. Building relationships with editors/journalists	No. of editors /journalists met	

Source: [28]

⁶ Gross impressions is the total opportunities to see. I.e. total attendance of show plus readership of media in which coverage was achieved.