Research and Suggestions on Wenzhou Exhibition Industry Under the Background of Normal Epidemic Prevention and Control

Lin Chen¹, Ruoqi Wang¹*, Yitong Pan², Zhuoli Zhou

¹School of digital economy & trade, Wenzhou Polytechnic, Wenzhou, CO325000, China
²Longwan district bureau of commerce, Wenzhou, CO325000, China
³School of digital economy & trade, Wenzhou Polytechnic, Wenzhou, CO325000, China
*Corresponding author: Wang Ruoqi (Email:314976743@qq.com)

Abstract: The report of the 13th Party Congress of Wenzhou pointed out that: adhere to the integrated development of the city, to create a modern Yongjiang coastal garden city, to cultivate building economy, headquarters economy, exhibition economy, to build a new international convention and exhibition center. Under the epidemic, all walks of life have been affected to varying degrees, but the exhibition industry is particularly in a special situation, which has suffered an unprecedented impact and even reached a critical moment. It is in urgent need of attention and attention from the municipal government and relevant departments.

Keywords: Digital exhibition, COVID-19 pandemic, Industrial upgrading.

1. Introduction

In terms of venues, the number of exhibitions held in Wenzhou International Convention and Exhibition Center has plummeted in the past two years, from 33 in 2020 to 18 in 2021, among which there are only 3 professional market-oriented exhibitions (industrial expo, hardware lock exhibition, machinery exhibition), down nearly 70% compared with that in 2019[1]. In terms of exhibition enterprises, the largest exhibition enterprise in Wenzhou, Dena, only successfully held Wenzhou International Eyewear Exhibition in the five major exhibitions in 2021, and experienced two delays. Other leather exhibition, pump valve exhibition, intelligent electrical exhibition, printing and packaging exhibition were not held as scheduled. At present, due to the emergency needs of epidemic prevention and control, our city will build a makeshift hospital with more than 2,000 beds in the International Convention and Exhibition Center. As a result, the originally limited exhibition space resources are more scarce, and the exhibition function of the international Convention and Exhibition Center has been pressed the "pause button". In terms of the scale of the exhibition, the epidemic has reduced the demand in the buyer's market, and overseas buyers have been unable to enter the exhibition, and enterprises have little enthusiasm to participate in the exhibition[2]. According to the Wenzhou Convention and Exhibition Industry Association, more than 90% of the exhibitions held from 2020 to 2021 will shrink in scale to some extent. The delay of the exhibition is likely to cause the withdrawal of exhibitors. For example, the exhibition scale of the Eyeglasses Exhibition and the Industry Expo held in 2021 will shrink by 30% and 50% respectively[3].

2. Analysis of Current Situation and Problems

Generally speaking, the exhibition needs 8-12 months of preparation. At present, exhibition delay or cancellation has become the norm, for exhibition enterprises a huge loss, the cost of organizing the exhibition continues to increase.

2.1. The cost of holding exhibitions has soared

Affected by the epidemic, exhibition postponement or cancellation has become a regular occurrence, which means that exhibition organizing enterprises need to push a lot of material, human and financial resources invested in the early stage, and the cost of organizing the exhibition keeps rising, which is even worse if the exhibition cannot be held in the end. Take the "International Pump and Valve Exhibition", which is a combination of government sponsorship and marketization, as an example. The exhibition originally scheduled to be held in April 2020 cannot be held after the second delay in that year, and cannot be held after the third delay in 2021. Over the past two years, the exhibition has continuously invested millions of yuan in project operation, publicity and promotion, invitation of domestic and foreign merchants, and event organization. At present, almost all exhibition organizing enterprises and downstream construction and other supporting enterprises in Wenzhou have been faced with large financial difficulties. Some enterprises have to take extraordinary measures such as salary reduction and layoffs, but still cannot survive, and have been forced to change industries or disband. Therefore, from the perspective of exhibition operation, the delay of the current exhibition will lead to the withdrawal of some exhibitors at home and abroad due to the conflict of the new schedule or the consideration of the epidemic. At the same time, the reduction of exhibitors, especially overseas customers, will lead to the reduction of the exhibition scale, influence and company revenue, thus affecting the sustainable development of the exhibition[4]. From the perspective of exhibition venues, on the one hand, they are facing a serious situation of vacancy, and with the extension of the exhibition, the scheduling contradiction and the concentration of exhibitions with the same theme become prominent, and the adjustment of exhibition halls and the pressure of operating costs are relatively large[5].
2.2. Lack of approval mechanism

Against the background of normal epidemic situation, the number of Wenzhou International Convention and Exhibition Center held in the first quarter was zero, and the exhibition in April was suspended due to the epidemic prevention and control policy. The convention and exhibition authorities adopt a “one-size-fits-all” policy of not approving both domestic and international exhibitions[6]. They have not established a targeted convention and exhibition examination and approval mechanism, nor have they improved the approval process. The specific requirements for the resumption of exhibitions have not been specifically explained[8].

2.3. Government subsidies are inadequate

In the current critical period of economic transformation and the transformation of old and new driving forces, more and more cities will take the exhibition industry as a pillar industry, and strive to become a "new driving force" of economic development[9]. As we all know, the strong development of China's convention and exhibition industry is closely related to the strong supporting policies of local governments. Especially during the epidemic period, the exhibition industry has seen a new wave of supportive policies. Taking Qingdao City as an example, "The current Law on the Management of Special Funds to Support the Development of the Convention and Exhibition Industry is not enough to meet the changing new situation and new needs. In order to further promote the development of the convention and exhibition industry and urban economy, the Measures are revised." This is the place in the current "Measures" issued 18 months after the revision, enough to prove that the current government support for the exhibition industry is constantly adjusting and deepening. Our city has not yet issued a special award and subsidy policy for the exhibition industry, although other relevant documents have been issued to support enterprises, but the substantive effect on the exhibition industry is small. The survey found that some policies set a high threshold, exhibition enterprises can not meet the requirements for declaration[10].

3. Suggestions

3.1. Introduce policies to rebuild confidence

Shenzhen and Fuzhou have introduced measures to benefit enterprises in the exhibition industry during the COVID-19 prevention and control period in 2020. As a popular economy, the exhibition industry should issue special documents as soon as possible to provide industry guidance, clarify the decision-making and deployment of epidemic prevention and control and exhibition resumption work, and support exhibition enterprises to overcome difficulties together. We will coordinate and formulate measures to benefit enterprises in the convention and exhibition industry, build confidence for enterprises in difficulties, and take effective measures to promote the comprehensive recovery of the convention and exhibition economy[11].

3.2. Establish the examination and approval mechanism, precision boost the resumption of the exhibition

According to statistics, Shenzhen, Xi ’an, Jinan and other places have introduced the examination and approval procedures for exhibition activities during the epidemic and resumed the application for exhibition activities. It is suggested that the municipal government should take the lead of the responsible leaders to organize the departments of health, public security, fire protection and commerce to hold a joint meeting of exhibition approval regularly every month, and put forward the precise approval process and resumption requirements of "one exhibition and one case" according to different exhibition types, scales and duration. The number of visitors can be limited by referring to the standard of one person for one square meter of exhibition area, and strict requirements should be imposed in the aspects of filing, prevention and control management, and implementation of prevention and control responsibilities, and real-time adjustment should be made according to the epidemic situation[12].

3.3. Reduce the burden on enterprises

In August 2021, Guangzhou Municipal Bureau of Commerce issued the Notice on Application Guidelines for Enterprises to Relieve the Burden of the COVID-19 Epidemic (Increase Support for the Exhibition Industry), effectively reducing the impact of the COVID-19 epidemic on the exhibition industry in the form of room rent reduction. For the exhibition held in the exhibition center and other city-owned venues of our city, it is suggested that the venue rent should be reduced by 30%, and the maximum is not more than 300,000 yuan. If the exhibition type is "cloud exhibition" which integrates digital technology and links online and offline, the full amount will be reduced, and the maximum is not more than 600,000 yuan. If the exhibition area is reduced or cancelled due to the epidemic, it shall not be deemed as a breach of contract; If the exhibition is postponed due to the epidemic, the deposit paid by the organizers will be adjusted to half of the original standard[13].

3.4. Reduce the burden on enterprises

At present, Ningbo, Chengdu, Qingdao, Guangzhou and other cities have introduced supporting policies for the exhibition industry during the epidemic. For example, Ningbo adopts the following measures: to cancel the market-oriented exhibition held in the International Convention and Exhibition Center due to the impact of the epidemic, 50% of the first subsidy amount of the newly organized exhibition will be given as subsidy; The affected exhibition will be encouraged to postpone, and the postponed exhibition will be given a subsidy of 30% of the first subsidy amount of the newly established exhibition on the basis of enjoying the original policy. Suggestion: For the exhibition postponed for more than one year due to epidemic prevention and control in our city, the scale of more than 10,000 square meters, the subsidy has been 20% of the publicity expenses, the maximum is not more than 300,000 yuan; For exhibitions postponed and reorganized due to the epidemic, 40% of the publicity expenses incurred will be subsidized, with a maximum of RMB 500,000; For innovative exhibitions that apply cloud computing, big data, block chain, 5G and other technologies in the exhibition project, a one-time subsidy will be given according to no more than 50% of the project input cost, with the maximum subsidy amount not exceeding 600,000 yuan.
3.5. To guide industry transformation and expand digital channels

During the epidemic period, "Shanghai International Advertising Exhibition" and "Shanghai International LED Exhibition" have widely used the O2O2O exhibition mode, that is, Online to Offline to Online, which guides customers to offline experience stores (offline) through online promotion. Then through the electronic mall online consumption. The business model relies on the Internet, big data, VR and other technologies, with closed-loop consumption as the core, to achieve accurate matching and docking among exhibitors, consumers and operation service organizations. Exhibition enterprises in Wenzhou should consider the use of O2O2O exhibition mode, actively embrace digital exhibition, build digital exhibition halls and sell online booths, realize 365 days of online exhibition, make up for the impact of the offline exhibition caused by the epidemic, construct the online and offline flow matrix, promote the realization of the flow, and minimize the impact of the epidemic[14].

3.6. Reasonable layout of the pavilion to achieve multiple functions

Taking the China Optics Valley Science and Exhibition Center in Wuhan as an example, the makeshift hospital was renovated in a very short time, and the goal of "zero return of patients, zero death from disease and zero infection of medical staff" was achieved. In the future, the layout planning of exhibition venues, especially the construction of the new exhibition center, should give full consideration to the dual functions of exhibition and epidemic prevention. In planning, we should not only consider the different functional areas of the exhibition, but also consider the division of different wards. Increase the buffer zone, washing area, treatment room and other supporting facilities; in the design, on the basis of the original exhibition channel, add special channels for medical staff, patients and so on. In terms of equipment system, large exhibition screen can be used to monitor the dynamics of the ward in real time when necessary. The 5G remote video system can make the internal and external communication convenient and smooth. The water and electrical sewer system, logistics system, fire fighting system, monitoring system and so on can be quickly converted to other uses. The layout of each functional area is clear, relatively independent and closely coordinated, forming a complete and comprehensive integrated efficient service space, truly realizing the seamless switch between exhibition and epidemic prevention.

References