

**Business communications
and peculiarities of exhibition activity
in the market of telecommunications and broadcasting**

Research conducted by «TECHEXPO»Ltd –
the organizer of EEBC - Eastern Europe
exhibition and conference
in telecommunications and broadcasting

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INTRODUCTION

The research of the business communications and peculiarities of exhibition activity in the market of telecommunications and broadcasting – general issues

The aim of this research is to analyze the forms, means and channels of business communication, as well as the exhibition activity performed by the companies – participants of the telecommunications and broadcasting market, their mutual interests and interactivity.

The research was carried out on the business companies, industry unions and associations operating in the market of telecommunications and broadcasting as well as in the related markets.

Totally the research covered 116 companies, primarily manufacturers and vendors of the telecommunications and broadcasting equipment, software and content providers, companies operating in telecommunication services, cable, satellite and terrestrial TV, Internet services, network design and construction, system integration as well as teleradiocompanies and providers of teleinformation services.

Questionnaires and telemarketing were conducted among senior managers of the companies, head of the departments and divisions related to business communications of the abovementioned companies and industry associations.

The subject of the research – business communications and peculiarities of the exhibition activity of the companies involved.

Targets of the research

1. To analyze the role of business communications for B2B markets, define the peculiarities of such business communication and exhibition activity in the market of telecommunications and broadcasting.
2. In the course of the research done, to determine the most efficient and powerful business communication media and channels in the market of telecommunications and broadcasting; to define the potential and development trends of the specific business communications in the market.

The research applied the methods of the theoretical analysis, questionnaire design and telemarketing; expert evaluation, correlation analysis and statistics data processing.

CHAPTER 1. BUSINESS COMMUNICATIONS IN B2B MARKETS

Business communications: functions and typology.

Nowadays, with the critical growth of the role of information for the development of the society in general and in economic sphere in particular, the significance of the effective management in business communications, that is transferring the information from the source to the recipient avoiding the losses of the information, is increasing. One of the most important indicators of changes of the main principles in running business is deployment of the new information communication technologies. The changes in understanding the role of the information, extended opportunities of receiving and using the information to increase company competitiveness, to create and strengthen its positive image, increasing the efficiency of business processes are quite obvious today.

In relation thereto, in the majority of the markets the important role is given to working out the new principles, methods and models of handling the business communications.

Business communications is the interaction between the subjects of information system while solving the tasks of business. In this case, the interaction means communication based on information exchange.

Business communications are crucial for any home market. They play the role of action force, stimulating demand and supply in the market. Besides, business communications improve the quality of products and services, encourage the competition in the market which is based not only on the better prices but also on the improved quality of the consumer goods and services.

Business communications mean the connection links between the structure components inside the company and vertical and horizontal connections outside the company in the business environment (relations with the customers, partners, competitors, state and regulatory bodies, public, etc.). Therefore, business communications allow winning and keeping good customers, expanding sales markets, seizing the new market opportunities and niches, watching the market trend as well as tuning out the competitors, consolidating while lobbying the solutions to the certain industry tasks and solving a lot of marketing and image tasks.

Business communications are closely connected with the **Public relations**. It is strongly believed that the stable success in business depends on the people and business relation which these people set up, support and improve. Business communications enable companies to interact efficiently with the outside business environment by means of sharing the information. The process of business communications involves people from various spheres of business. Business communications include all the variety of forms of business relations which have lately transferred into the special technology of doing business.

Today business communications is the separate managerial function which can be successfully fulfilled only by the professionals.

The effective model of business communications combines all the advantages of the technology of working with the target groups: marketing, advertising, PR.

Depending on the aim of affecting the target group the following are distinguished: marketing communications, media relations and various forms of public relations.

As the key marketing communications (called system of motivation) we mean advertising, sales motivation, personal sales and propaganda aiming on sharing important commercial information. These components are focused promotion the goods to the consumers, expanding sales network and market management.

Among the forms of media relations press releases is the most popular form of providing the information about the company activities. Also important are the press conferences, press lunches, press kits, company myths, interviews etc.

The instruments of Public relations in business are open days, exhibitions, shows, saloons, charity and sponsorship, public speeches, official announcements, various actions, etc. The above are aimed at creation the positive image of the company, increasing customers' creditability.

There are also the synergetic forms of business communications which allow solving several marketing and image tasks simultaneously. Among these universal forms the most important role is played by the industry exhibitions.

We may define other types of classification of business communications. In terms of target group, we distinguish mass (releases in mass media) and personified (direct mails).

In terms of type of the information compilation and the channel of its transmission business communications are split into print media (direct mail, posters, business cards, telephone directories, brochures, all types of business documentation) and electronic media (radio, television, e-mailing, Internet).

In terms of influencing the target group we define the direct and indirect forms of business communications. First are the negotiations, business meetings, business lunches, presentations etc. The second are those types using mass media and Internet as the information transmission channel.

Therefore, there are a lot of forms of business communications; each of them is unique in terms of influencing the target group.

B2B-markets – peculiarities of communications

Obviously, for various markets especially when it comes to B2B (business-to-business) markets the most efficient are so called specific forms of business communications. Due to the limited number of target customers this market brightly proves the principle of Pareto: 80% of the goods produced are bought by 20% of the customers. Besides, the customers in this market possess the deep knowledge and expertise in the industry and therefore have more critical information comprehension. This leads to the low level of credibility to the direct advertising and limits the choice of promotion instruments in general and the advertising media in particular.

Television commercials, full scale outdoors advertising campaigns, various mass actions and mass media do not match the requirement of B2B markets. What fits are the ways allowing to deliver the information directly to the target customers: direct sales, special (industry) press and media, special exhibitions and Internet.

The important requirement for the business communications in B2B markets is their ability to address the special group, to identify the value and importance of the notice, knowledge of professional terminology, and reasonability of applications. The priority here is given to the direct channels of communications. The important components are systematical and long-term communication programs.

Among the PR instruments in B2B communications the leading positions are kept by the special business events, such as presentations, seminars, conferences, symposia. Participation in these events give the opportunity to receive the addressed information, share it among the interested companies and customers, to attract the industry press and potential business partners as well as other interested parties operating in this market. Not least attention is paid to the special events and action at the exhibitions, open days, road shows, various forms of sponsorship and event marketing.

In terms of working with the press and media, the primary role in this market is given to the special industry publications, including the Internet resources and publications, less to business press and information agencies.

Among the forms of the business communications aimed at the marketing targets, advertising in the industry press is stated to be the most important. However, not of the less importance are technical and business documentation, special scientific industry literature, technical presentations at the conferences and other similar events.

Direct mailing (both post and electronic) is believed to be effective mean of business communications because it makes the information addressed and personified.

Exhibitions as an instrument of business communication in B2B markets

The unique means of the business communication in B2B markets is the exhibitions which allow gathering “right here and right now” the customers, sellers and competitors. They are qualified as the second most important instrument after direct sales having left behind such important instruments as direct mail and advertising in the industry press.

The exhibitions are normally focused on the number of goals, including:

- Gathering the target group definitely interested in the specific market and the goods exhibited.
- Raising the awareness of the customers and establishing relations with the potential clients.
- Improving relations with the existing customers.
- Live demonstration of the abilities of the exhibited products.
- Identifying and matching the needs of the customers.
- Gathering information about the competitors, keeping track of the market trends.
- Introducing the new products to the customers.
- Finding new partners, distributors and dealers, contacting the local representative offices.
- Improving the company image.
- Solving the problems of service support as well as other questions which the customers worry about.
- Making the deals and signing the contracts.

None of the other promotion methods are able to put together advertising, propaganda, sales promotion, demonstration of the products features, sales staff, senior management, current and potential clients getting them to participate in the one “live” show which gives the companies the unique understanding of how their products are comprehended by the key customers.

Specialized exhibition is the main B2B platform in all the industries and markets. Such exhibitions are the concentration of all the marketing and communication instruments, producing the effect of synergy. German Committee of the Exhibitions and Trade Fairs (AUMA) has developed the chart of the effective marketing and communications means where the exhibition takes the central position allowing it to accumulate the wide range of marketing instruments (see chart 1)

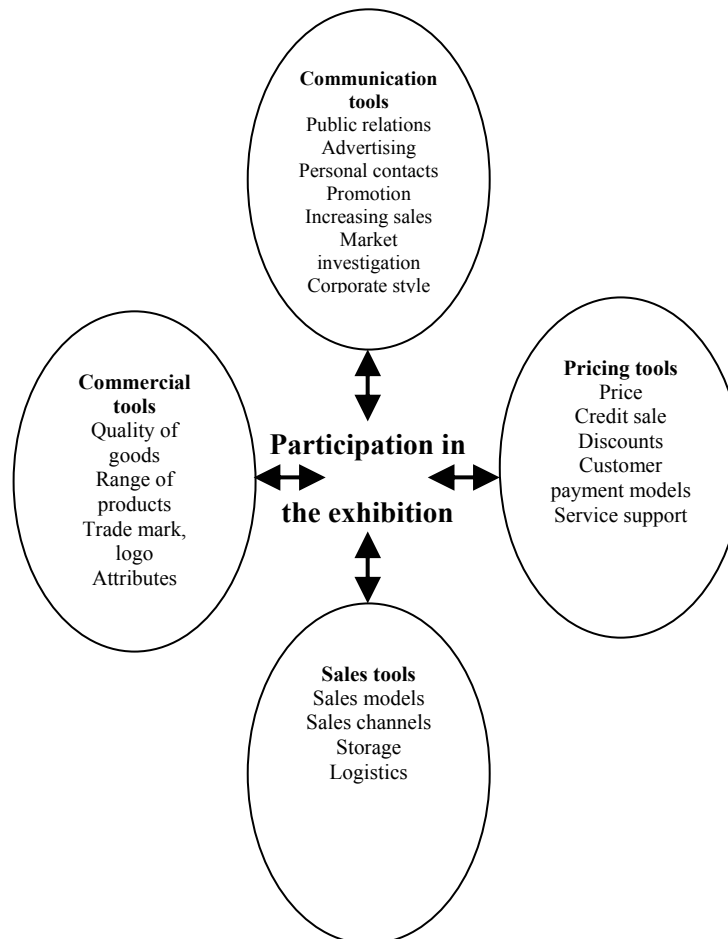


Chart 1. Communications function of the exhibition

Exhibition is an ideal place to establish personal trust relationship which is undoubtedly of the highest value in the modern business life.

The effect of such contacts is strengthening by the customer's opportunity to watch the products/service working on a booth.

The research shows that the "exhibited products" influence the customer's purchase decision 6 times as strong as any other means of sales promotion and they are kept in memory much longer than advertisements.

Visual effect of the exhibited products could last for up to 14 weeks (comparing 1 week for the print advertisement in the magazine). In addition, visual effect from the exhibited sample products influences the purchase decision of over 60% of the visitors.

Exhibitions are the brilliant instrument of market investigation. The competitors often demonstrate the similar products to their target customers. As the result the customer having gathered the "competitive information" within short time can compare. 94% of the visitors use the exhibitions as the place to compare the similar products.

In terms of communications, the exhibition is an excellent platform to give out and receive information, to launch and approve the innovations.

Statistic shows that 50% of the visitors attend the exhibitions with the purpose to see the new products and technologies. 81% uses the exhibition to gather the current information about the latest achievements and the markets trends. Thus in the US 70% of the contacts that come from the exhibitions are applied for making business.

Exhibitions unite the organizers and the exhibitors with the state and regulatory bodies and industry associations and unions. This affects directly the industrial policy enabling the development of the companies as well as the whole markets.

Specialized exhibitions are the powerful and efficient levers of the economic policy and the development of the markets on both macro and micro levels. Exhibitions push forward the manufacturing technologies, encourage sales markets expansion, promote and attract investments, stir up foreign economic activity and motivate the improvement of professional skills of the industry specialists. Exhibitions are considered as the means of integration and horizontal ties between the companies in the market.

Worldwide, the exhibition activity is the second most important direction of marketing investments together with the investments into the advertising in the industry periodicals and directories.

For the companies of different marketing orientation the exhibitions cover different sphere of interest. For the B2C companies (oriented on the end-user) the exhibition is the platform for “talking” to their customers. It allows organizing the promotional actions, shows and presentation which will attract the customers. The main reason for such companies to participate in the exhibition is its popularity and attendance.

For the manufacturers whose target groups are the distributors and resellers, the main aim of participation in the exhibition is attracting the new partners and support and training of the existing ones. These companies concentrate on the specialized exhibitions where the visitors are limited to the target group (not open for public) and the cost of participation is much lower.

For this group of participant the exhibition is an excellent place to meet the new and to see the existing partners, including those who arrive from other cities, regions or countries especially to attend the exhibition. It's a great opportunity for face-to-face communication, as well as for holding the seminars, conferences and presentations. Another important thought less critical for this group aspect is the solution of the marketing and PR tasks during the exhibition.

For the companies which are operating in the corporate market and offering small and medium solutions to their customers, the exhibition is a good opportunity to search for the new clients. For those who sell large end-to-end solutions it's the primarily the question of image.

Due to quite the limited number of target customers and to the fact the orders are complicated and time consuming, the communication with the customers in this segment is very individual. Therefore in terms of events, B2B exhibitions of the specialized professional format which is considered high level meeting place appear to be the most efficient instrument.

In all the cases, in B2B market the exhibitions play the role of mirror reflecting the current situation in the market, displaying the development stages, stating the points of growth and progress trends. According to the resolution of UFI at the world summit of exhibitions it is the time of global exhibition corporate culture, integrated with media-technologies and flexible competitive service-oriented policy.

As we can see, the niche markets use various forms of business communications. And what makes them most efficacious is the comprehensive approach and long term relations with the target groups. It becomes feasible to turn the assortment of marketing events, promo and PR actions into the efficient strategic policy incorporating all communication tools and instruments which will guarantee the stable position in the market and favorable prerequisites for the future success.

CHAPTER 2: TELECOMMUNICATIONS AND BROADCASTING MARKET: A BRIEF OVERVIEW

Industry Statistics

Telecommunications and broadcasting are currently among the most dynamic and active markets in Ukraine. Here we present some statistics which will reflect the current situation and the development trends in this market.

According to the official statistics (data provided by the National Television and Broadcasting Council of Ukraine as of beginning of 2006), there are 1 268 TV and radio broadcasting companies operating in Ukraine, including 97 TRC (teleradiocompanies), 647 TV companies and 524 radio stations.

848 of all TV and radio broadcasting agencies are privately owned commercial enterprises. 383 companies belong to local communities and 37 companies are state-owned.

Ukraine has 14 functioning nationwide and 3 regional television networks, 12 nationwide and 11 regional radio networks. Besides that, several dozens of production studios and enterprises are in movie and video production and approximately 15 content distribution companies are engaged in television broadcasting sphere.

As of the beginning of 2006 the National Television and Broadcasting Council of Ukraine has granted licenses to 360 TV and radio satellite broadcasting agencies. The number of individual end-users (subscribers) of satellite TV systems in Ukraine amounts to 110 000 – 130 000 people. Over 200 companies engaged in installation and service support rendering for subscribers operate in this market sector.

76 television networks providing multichannel terrestrial and CATV broadcasts of types MITRIS, MMDS, Teleselo as well as 727 cable TV operators (50 of them are larger cable networks providing the services for more than 20 000 subscribers) are currently registered in Ukraine. According to estimations of the Cable TV Union of Ukraine, the number of really functioning and relatively developed cable networks is significantly lower than the official figure (around 400 companies).

According to several sources , 2.6 million subscribers (data provided by the State Committee for Statistics) or up to 4.7 million subscribers (data provided by the report issued by the National Television and Broadcasting Council of Ukraine) use cable TV access, which corresponds to 7.5 – 14.1 million viewers. According to Cable TV Union’s data, only 10% of the mentioned subscribers enjoy access to modern broadband networks and not more than 5% are among the subscribers to the full-service broadband networks (i.e. with cable Internet access, digital TV and video on demand).

The number of Internet subscribers throughout the country is rapidly growing. According to the data provided by Ministry of Transport and Telecommunications, as of the beginning of 2006 8.5 people use Internet (about 18% of the population). 500 companies operate in Ukrainian ISP market.

The market of mobile communications shows even faster growth. According to the State Statistics Committee by March 2006 over 33 mln people (over 60% of population) are the users of mobile communications. To compare, there are about 12 mln subscribers use the fixed line connection.

In Ukraine 5 operators provide mobile cellular communications: “UMC” (GSM 900/1800 and NMT-450i), “KyivStar GSM” (GSM-900/1800), “Golden Telecom GSM” (GSM-1800), WELCOM (Beeline™ - GSM-900) and Astelit (Life :)™ - GSM-1800).

Totally, according to the Ministry of Transport and Telecommunications 100 operators provide telecommunications services. 250 thousand people are employed in this sphere.

According to the Ministry report, Ukrainian telecommunications market is represented by 100 manufacturers and 50 suppliers of telecommunications equipment, over 30 large companies manufacturers and suppliers of broadcasting equipment and several dozens large manufacturers of cable and satellite TV equipment.

20 large industry Unions and Associations unite the operators in the market.

There are 10 higher educational establishments in the country which annually graduate over 30 thousand specialists in the sphere of telecommunications.

The industry accounts for 10 scientific and research institutes.

Following are the statistical and analytical data characterizing the development trends in the market of telecommunications and broadcasting which is resulted from the expert examination.

Markets trends and outlook: expert evaluation

According to the expert evaluation, the most dynamic growth and positive outlook is shown by the broadband technologies, mobile communications, modern cable networks and Internet services. In video production, the fastest development segments are post production and digital video production. See Figure 1.

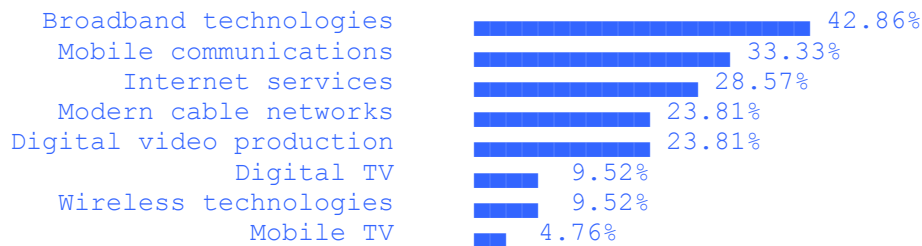


Fig.1. the fastest growing market sectors

Talking about the prospective market niches (Fig.2) for the next couple of years, the experts report the fastest growth in digital broadcasting technologies and video production as well broadband services. Market relies on wireless technologies and personified services. Mobile communications and various mobile services are stated to remain among the perspective niches in the market.

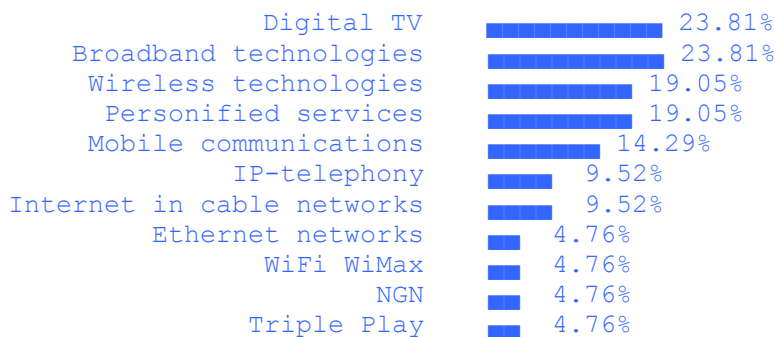


Fig.2. Fastest growing market niches

Among the prospective niches the experts state IP-telephony, VOD, Internet in cable networks, Ethernet networks, Triple Play, NGN and convergent networks, WiFi and WiMax, system administration and services of different kinds.

The evaluation of the fastest growing market niches is shown at Figure 2.

The largest market participants tend to evaluate digital TV and digital video production technologies as the leading directions of their activity.

The interest of foreign companies to Ukrainian broadcast and broadband market has increased for the last years. Experts determine Ukrainian market as investment appealing, favorable for sales market expansion, and high potential market. (see Figure 3)



Рис.3. The attractive features of Ukrainian market for the foreign companies

For the majority of the experts asked, one issue remains open: in which spheres of production Ukrainian manufacturers could compete with the foreign companies. Over 23% of respondents found difficulty in giving an answer to this question. 19% were definite by saying that today they do not see any perspectives to compete the foreign manufacturers.

The rest of the respondents stated that Ukrainian producers are able to compete in content production, software design, manufacturing of transmitting equipment, equipment for HFC-networks, low price broadcasting equipment as well as in manufacturing of antennas, amplifiers, land stations for the satellite systems and others (see fig.4)

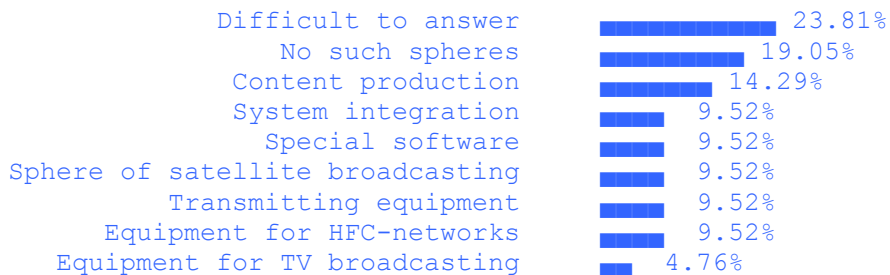


Рис.4. Competitive market segments of Ukrainian manufacturing in the sphere of TV and broadband technologies

The only Ukrainian competitive manufacturer called by the experts was the company “Filmotekhnik” which produce cranes and stabilizing devices for the movie and TV production.

It was noticed by the experts that the most important factors for the growth of telecommunications and broadcasting markets are the development of the new technologies (over 38% of respondents) and convergence of the technologies. The major driving forces are: growing demand for the various services (over 33% of respondents), increasing competence and growing professionalism, growth of population income (19%) and implementation of new successful business models.

The special attention was paid to the processes caused by the changes in political vector of the country – liberalization of the economy, improvements in legislation, trends to globalization, market openness

as well as moving towards the information society including people awareness of innovative technologies, personification of the services, PR and promotion of new technologies in open communication space. Driving forces of market development are shown below (see Fig.5)

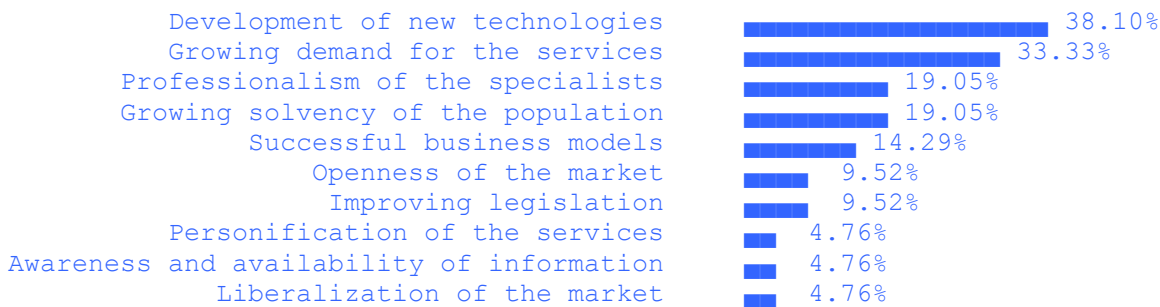


Fig.5. Driving forces of the industry

These evaluations fully correlate with expert opinion about the deterrents in the telecommunications and broadcasting market. The least developed market sector stated by the experts is CATV (over 33% of respondents). The major reason for the lag is obsolescence of the networks and lack of investments into their modernization. The same reasons were given to explain the gap in terrestrial TV and wired technologies of telecommunications.

The current development of the innovative technologies looks different though here as well there are a lot of problems.(see Fig.6)

Among the least developed sectors the expert noted mobile TV, IP-telephony, interactive TV, HDTV, wireless technologies, etc.

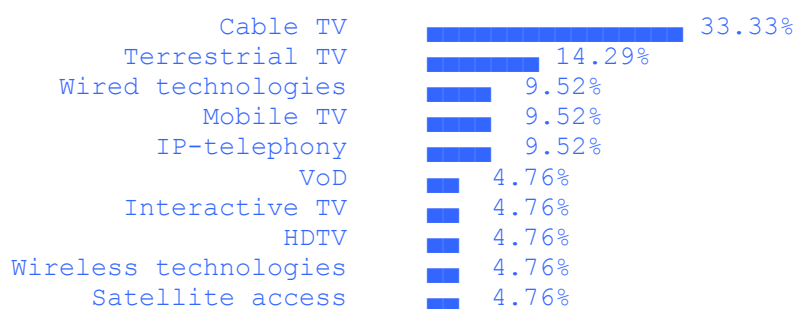


Fig.6. the least developed market sectors

The major cause of the gap is rather seen in the external factors – poor legislation, lagging in the development of related markets, low population solvency, low demand for the services. For instance, while talking about WiFi the main deterrent given is difficulty in frequency regulation and licensing. For IP-telephony it's low competition. The biggest problem for all the market sectors remains the lack of high-skilled professional. (The basic reasons for the gap in the market sectors, see Fig.7)

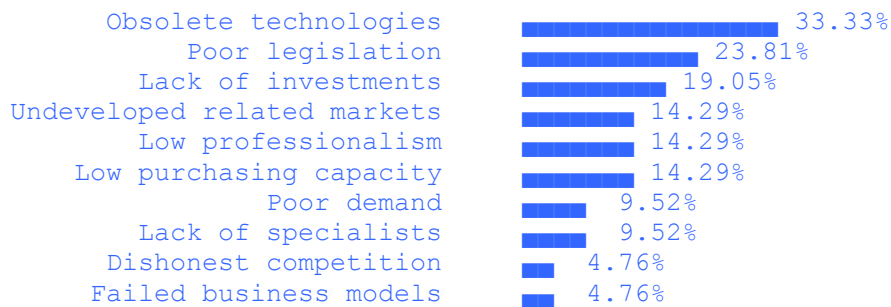


Fig.7. Causes of the market gap

Remarkably, the experts definitely stated that quite a lot of problem of Ukrainian market of telecommunications and broadcasting could be solved by the development of business communications in the industry. First of all it's about elimination of the deficit or uneven access to the special information which is distributed inside the industry environment as well as through the external channels (market – user, market – state bodies).

The major role in consolidation of the whole market could be played by the developed business communications as well: effective lobbying of the common interests, working out general strategy of mutual development and overcoming confrontation in the industry.

The development of business communications could encourage the professional growth of the people employed in the industry, share of experience, save time while solving the tasks and problems typical for the whole industry. (see Fig.8)



Fig.8. the industry problems, which could be solved by means of business communications

Taking into account the importance of the specialized forms of business communications for the industry market, we will make the detailed analysis of their features, peculiarities and prospective.

CHAPTER 3. BUSINESS COMMUNICATIONS IN THE MARKET OF TELECOMMUNICATIONS AND BROADCASTING

Industry communications: development and peculiarities

Modern telecommunications and broadcast market is characterized by uneven growth of different business communications forms. Some marketing media (direct and indirect) are very popular among the industry; the others are not used much. The research shows the current situation as well as the trends of use of the special marketing media by the participants of the industry.

The experts qualify electronic media, (in particular Internet) and specialized exhibitions (over 62% and 67% respectively) as the most demanded forms of business communications in the market of telecommunications and broadcasting. The second most effective set of instruments is industry press, various events for specialists, and personal contacts. Less importance is given to e-mailing and e-distribution. (see Fig. 9.1).

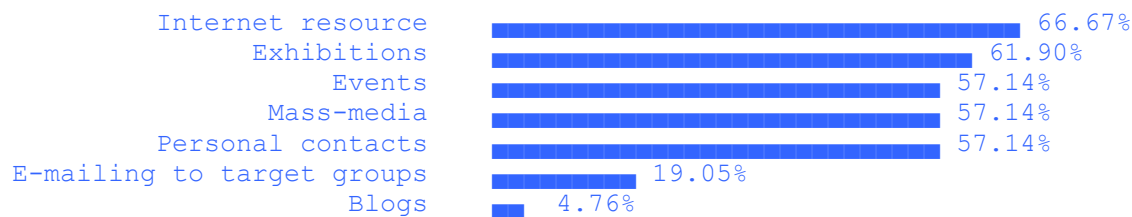


Fig. 9.1. The most efficient forms of business communications (expert evaluation)

The expert opinion fully coincide with that of teleradiocompanies (broadcasters) concerning the value of the various forms of communication for their targets (see Fig. 9.2)

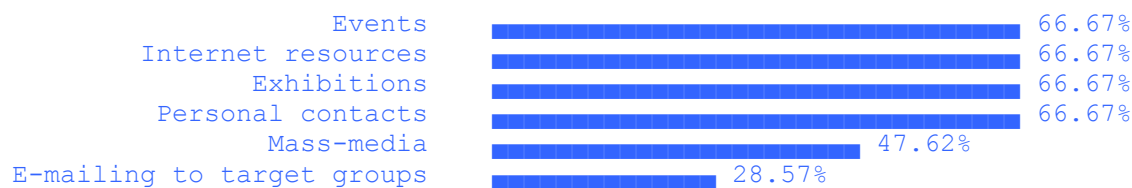


Fig.9.2. The most efficient forms of business communications (broadcasters' evaluation)

But at the same time the most demanded and effective means of business communications as specified by the experts are in the biggest deficit in the market. Both experts and specialists admit the lack of the special events (seminars, trainings, conferences, etc.). The part of the experts noted the lack of industry press, Internet resources, and personal contacts. A number of experts mentioned the lack of some professional clubs, informal unions for industry specialists where they could share experience, make common decisions, discuss and define the strategy of market development, etc.

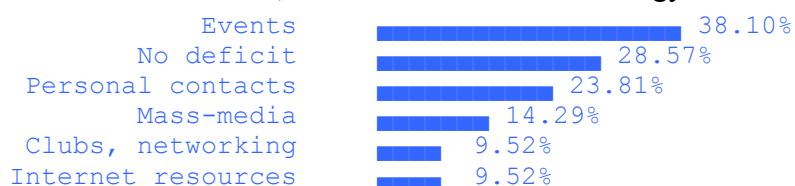


Fig. 10.1. Forms of business communications which are defined as deficit (expert evaluation)

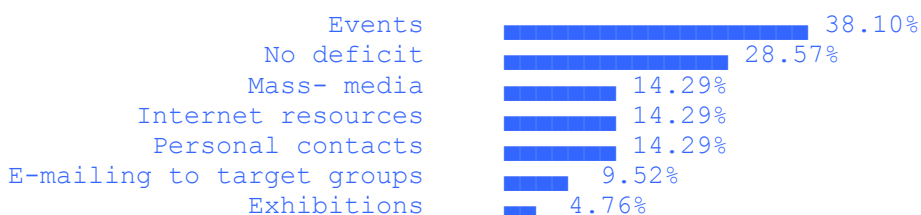


Fig. 10.2. Forms of business communications which are defined as deficit (broadcasters' evaluation)

About 29% of the respondents don't think that there is any lack of the business communications means.

Let us take a detailed look into the attitude of the industry market specialists to the existing instruments and channels of business communications.

Talking about special events the respondents note the need in attending special seminars (about 67% of respondents). Industry conferences, round table discussions and trainings are also of the great interest for the market participants (over 54% of respondents). See Fig.11.1

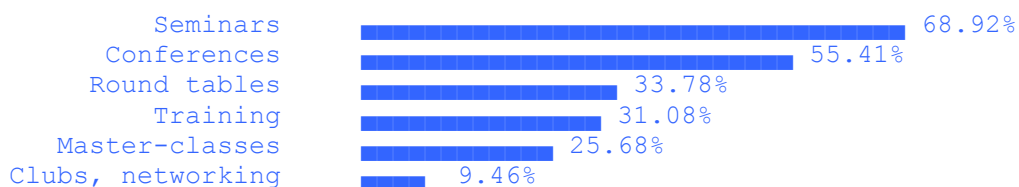


Fig. 11.1. The most attended events (general evaluation)

Broadcasters would choose master-classes as an effective instrument of communications (over 42% of respondents). See fig.11.2



Рис. 11.2. The most attended events (broadcasters' evaluation)

The expert evaluation fully correlates with the above two groups of preferences. (see Fig. 11.3)

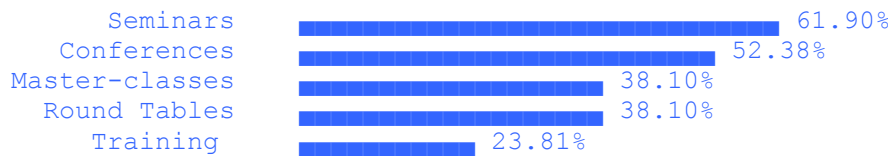


Fig.11.3. The most attended events (expert evaluation)

According to the respondents the most successful events are organized by exhibition organizers, companies and industry press, much less – social organizations and independent centers. (see Fig.12.1)



Fig. 12.1. The most professional organizers of the marketing events (general evaluation).

At the same time, the broadcasters are mainly interested in seminars organized by the manufactures, vendors, and large companies (over 80% of respondents). See Fig. 12.2

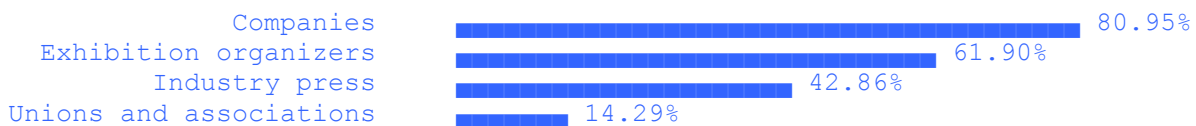


Рис. 12.2. The most professional organizers of the marketing events (broadcasters' evaluation).

Among the most useful Internet resources the industry specialists note the websites fully dedicated to the industry issues, websites of large manufacturers and vendors, on-line versions of industry press, official websites of state and regulatory bodies, as well as various forums and blogs. The most popular are: www.telekritika.kiev.ua; www.itc.ua; www.itware.com.ua; www.tv.net.ua; www.mforum.ru; www.cnews.ru; www.cableman.ru; www.sat.net.ua; www.expert.com.ua; www.telcogroup.ru; www.telemultimedia.ru; www.medirama.ru; www.telesputnik.ru; www.tt.ru

It should be noticed that Ukrainian specialists widely use Russian Internet resources as well as Russian industry press – half of the most popular listed are Russian publications. (see Fig 13.1)

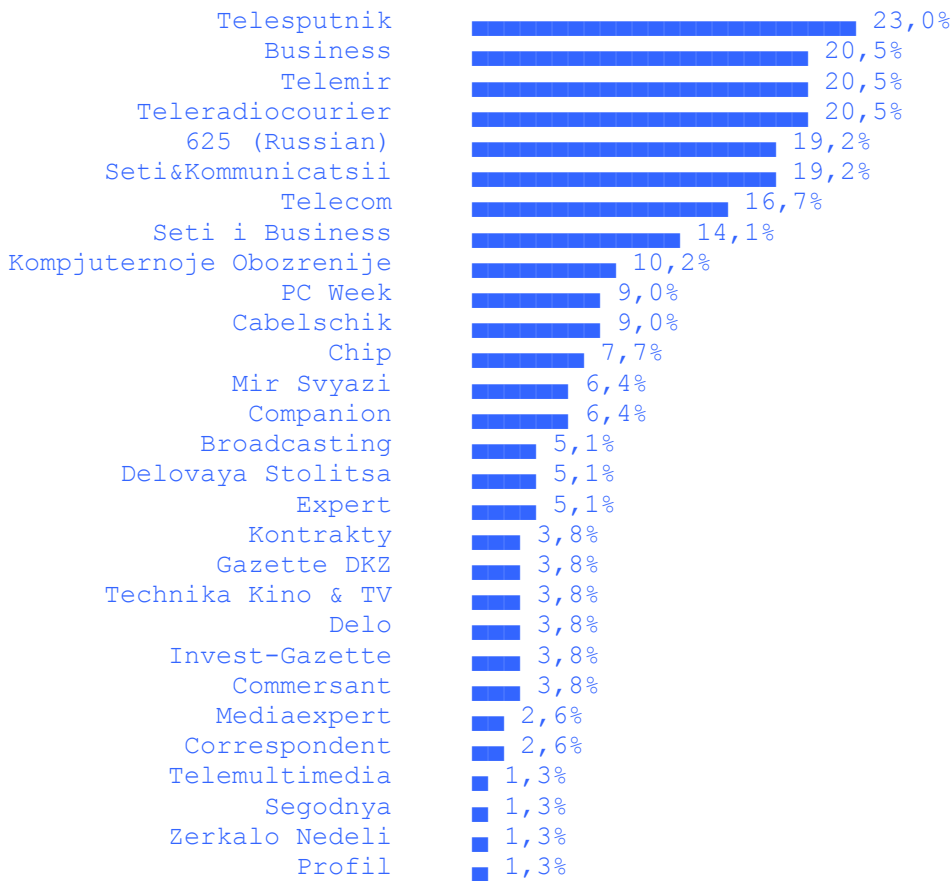


Fig. 13.1. Mass-media top list (general evaluation).

It is worth mentioning that the role of industry press tends to decrease while the role of Internet is increasing sharply; Internet is now qualifies as the main source of special industry and business information: 32% of the respondents prefer Internet or other ways of getting information to the industry press.

Those who still actively use mass media in their work nominate as the most significant special industry magazines (“Telesputnik”, “Telemir”, “Teleradiocourier”, “625”, “Sety i communicatsii”(Networks and Communications), “Telecom”, and “Sety i business”(Networks and Business)), and also business publications such as “Business”, “Companion”, “Delovaya Stolitsa”, “Expert”, and others.

Broadcasters put on the first positions “Telesputnik”, “625”, “Telemir”, “Technika Kino i Televidenia”, “Teleradiocourier” (see Fig.13.2)

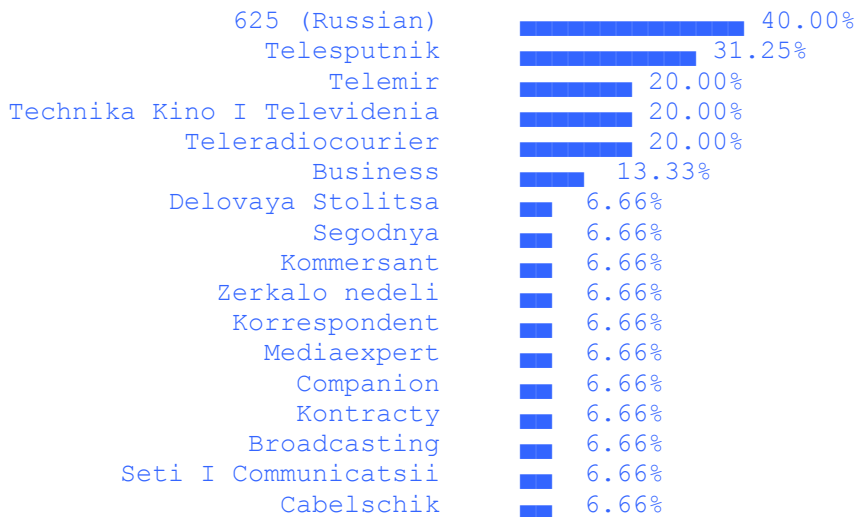


Fig. 13.2. Mass-media top list (broadcasters' evaluation)

The specialists whose activity is directly related to telecommunications give priority to “Telecom”, “Seti i Business”, “Seti i kommunikatsii” (see Fig. 13.3.)

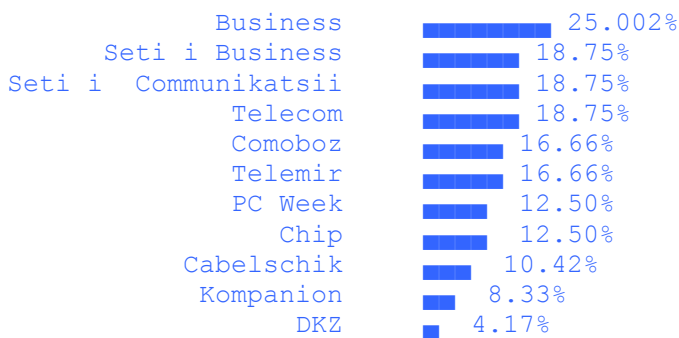


Fig. 13.3. Mass-media top list (telecoms' evaluation)

The expert rating of mass media is as shown at fig. 13.4.

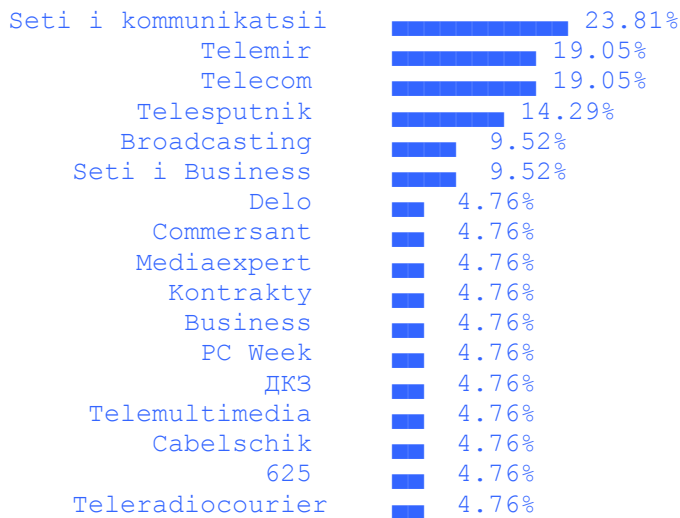


Fig. 13.4. Mass-media top list (expert evaluation)

Companies use various instruments of releasing the information for the external audience. In particular, they use own websites and other Internet resources, direct advertising, articles, news and publications, e-mailing to the target group, participation in the exhibitions, etc.

At the same time the manufacturers and vendors comparing to the operators and broadcasters use the outgoing information channels in a different ways.

The firsts mainly use company websites, various forms of advertising and PR, industry exhibitions and customer-oriented marketing events (presentations, seminars, training). See fig.14.1.

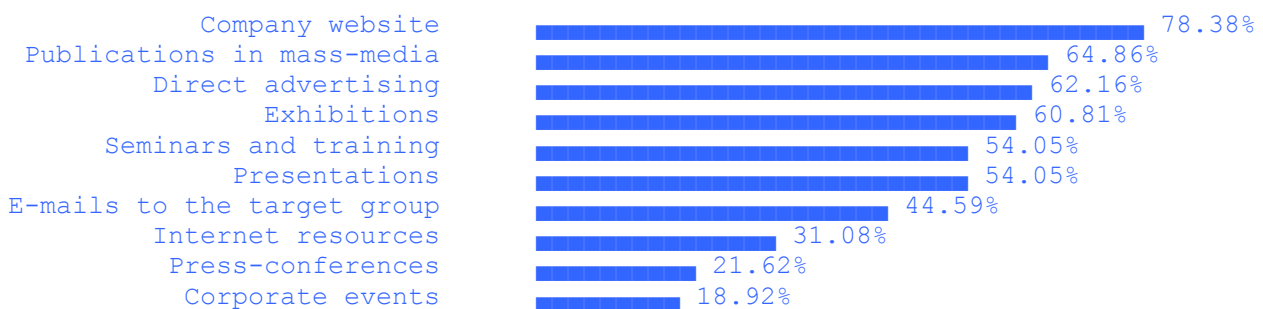


Fig.14.1. Forms and channels of distribution of the information about the companies' activity (manufacturers' and vendors' evaluations).

Broadcasters and operators distribute their companies' information mostly through the websites as well as direct advertising, articles and news in mass-media. However almost do not use exhibitions, presentations and corporate events for this purpose (see Fig.14.2)

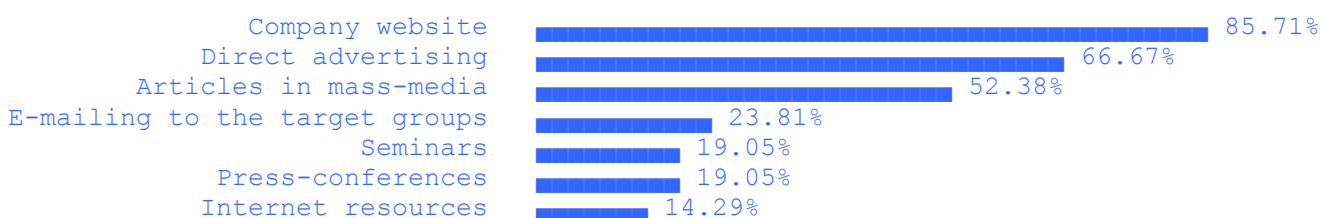


Рис.14.2. Forms and channels of distribution of the information about the companies' activity (broadcasters' and operators' evaluations).

The special attention should be paid to the exhibition activity of the companies.

Exhibitions as the instrument of business communications in the market of telecommunications and broadcasting

The experts evaluate the level of the exhibitions which are held in this market as sufficient (47.6%) and even high (23.8%). 28.6% of respondents evaluate the level of exhibitions as insufficient.

The experts unanimously state that the major advantage of the exhibitions is the communicative potential – an opportunity to meet and communicate with a lot of colleagues, to share the experience and information. Among other benefits of the exhibitions are diversity of the topics, wide geography and attendance, networking events (see Fig. 15)

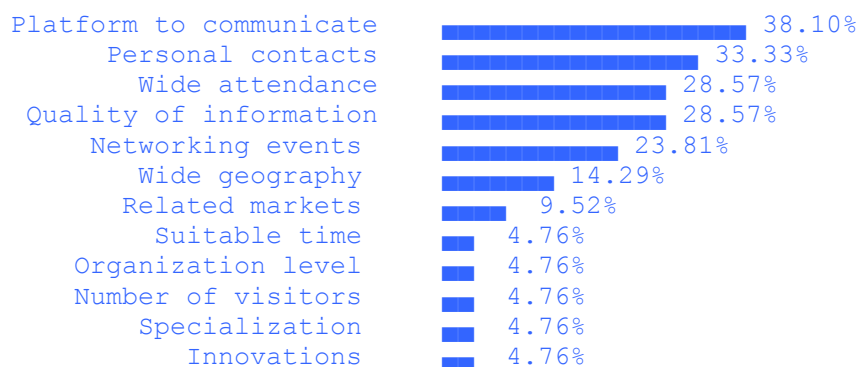


Fig.15. Major advantages of the industry exhibitions

However, the experts define a few serious drawbacks of the existing exhibitions, the main of which is the lack of comprehension for the industry specialists; insufficient number of end-to-end solutions for the operators presented by the manufacturers, including the foreign companies. Often the image exhibition is spoiled by the poor organization. Exhibitors' neglect to the preparation to the exhibitions

(passiveness during the work on a booth, use of the same instruments) also has bad effect on the image of the exhibitions. Experts enumerate the drawbacks of the exhibitions. (see Fig.16)

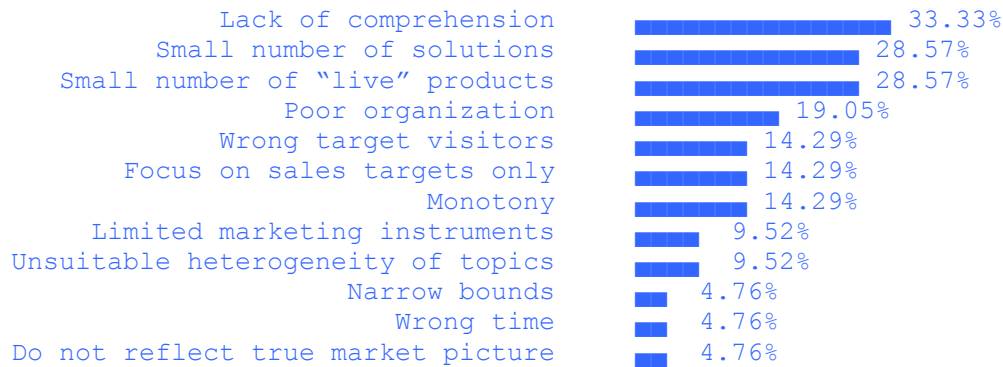


Fig. 16. Main drawbacks of the industry exhibitions.

According to the experts, the most successful exhibitions are those meant for the industry specialists, presenting deep market coverage and wide geography of participants and at the same time oriented on Ukrainian market. B2C exhibitions oriented on the public and presenting mixed topics are valued much less by the experts. (see Fig. 17.)

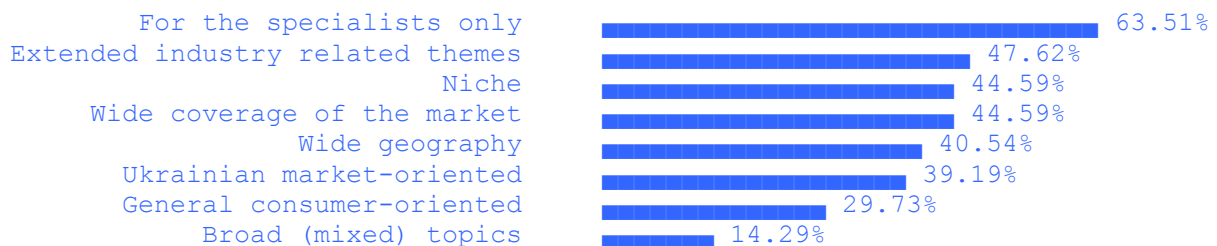


Fig. 17. Prospective types of exhibitions

Dedicated or niche exhibitions are important for all participants of the market. In the telecommunications and broadcasting market the experts define the group of companies for which the participation in the industry exhibitions is of the highest importance. Among them all companies involved in the innovative activity, manufacturers and vendors, integrators and distributors, corporate clients oriented companies. (see Fig.18)

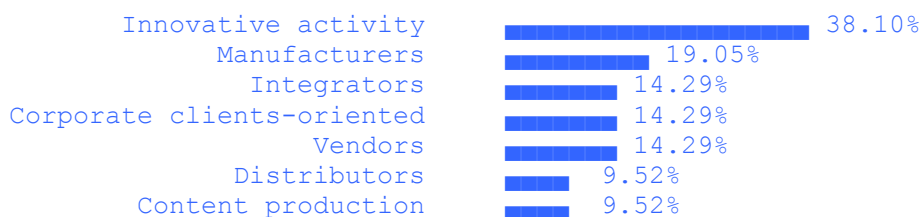


Fig. 18. Types of companies for which the participation in the industry dedicated exhibitions is of the highest importance.

Among the features which should define the most successful exhibitions the experts state (see Fig. 19.1).

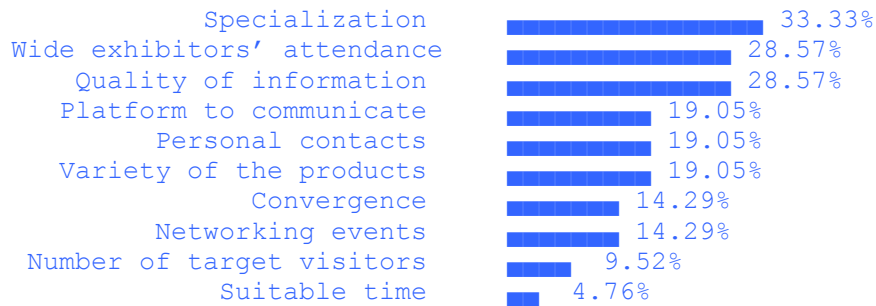


Fig. 19.1. The main features of the successful exhibitions (expert evaluation).

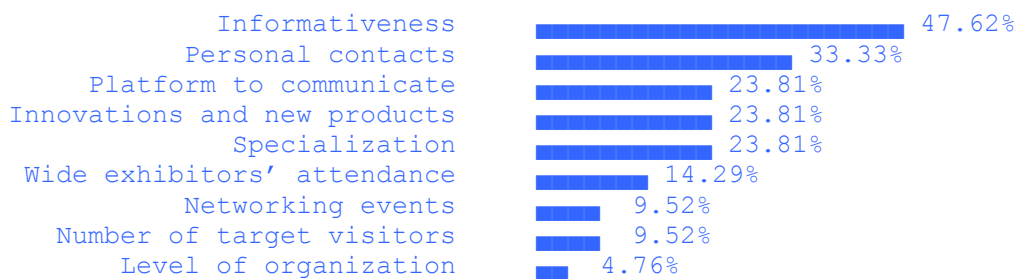


Fig. 19.2. The main features of the successful exhibitions (manufacturers' and vendors' evaluation).

Taking the decision about participation in the exhibition, the companies consider the exhibition rating, quality and quantity of the target visitors and the exhibitors' attendance (presence of the partners, competitors and potential customers). See Fig. 20.

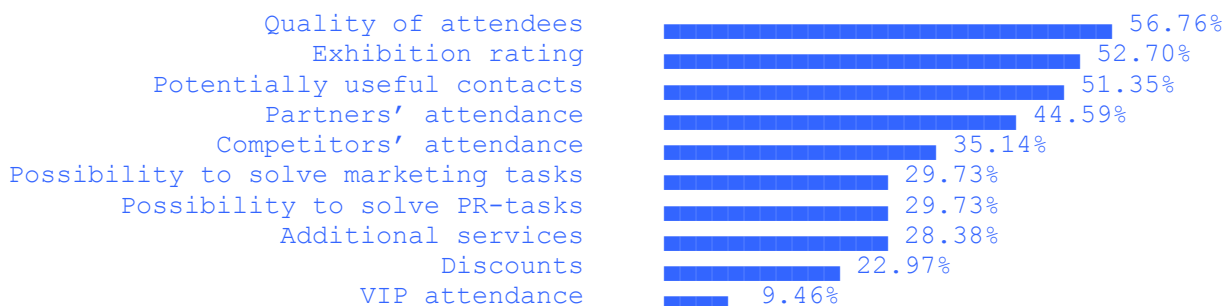


Fig. 20. Main arguments which influence participation decision (manufacturers' and vendors' evaluation)

The majority of respondents state that the forcible argument to take positive decision about participation could be availability of the additional services and instruments helpful to solve the

companies' marketing and PR tasks which are offered by the exhibition organizers. In particular the companies would like to receive from organizers:

- annual directory (industry yellow pages) which would contain maximum information about the market (the respondents would like to receive such directory and/or place their own data in it);
- participation of the company in the marketing and networking events and competitions during the exhibition days;
- the information about the company published in the industry press within the context of the articles about the exhibition or in the special editorial publications;
- annual catalog of the telecommunications and broadcasting products and services (the respondents would like to receive such catalog and/or place their own data in it);
- information about all the industry exhibitions, seminars and conferences which take place abroad, assistance in attending such events;
- the list of the telecommunications and broadcasting companies (projects) attractive for the investments, other investor-related information (receiving such list and/or being enlisted in it).

Additional opportunities provided by the exhibition organizers according to their value for the market participants (see Fig.21).



Fig. 21. Additional services (manufacturers' and vendors' evaluation).

Basically, the respondents state that the decision to participate in the exhibition is made by the senior management (directors, presidents, CEOs, etc.) in the most cases. Less often, by the heads of the respective departments or CTOs (see Fig.22)

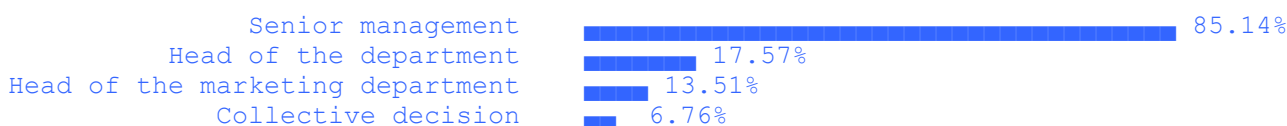


Fig. 22. Decision-markers with respect to participation in the exhibitions (manufacturers' and vendors' evaluation)

Telecommunications and broadcasting companies set the following aims to reach when participating in the exhibition: searching for new business partners, increasing sales, introducing the new products, expanding the sales market, business communication, investigating the market potential, etc. (see Fig. 23).

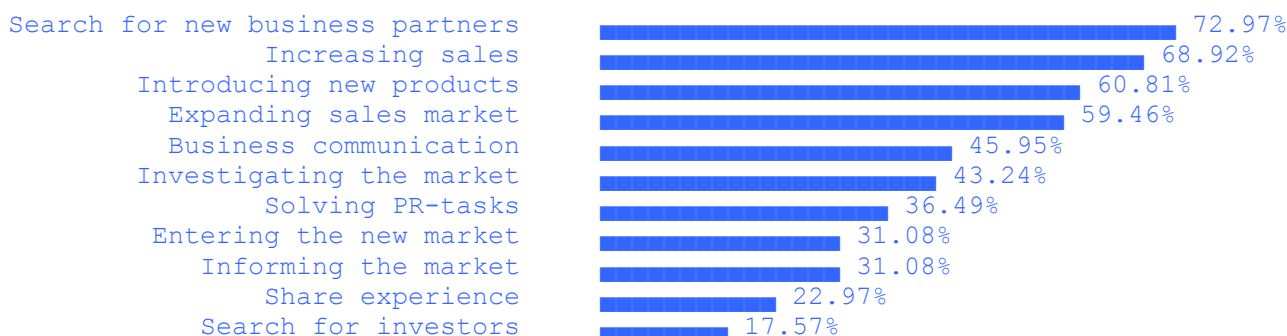


Fig. 23. Goals set for participation in the exhibition (manufacturers' and vendors' evaluation)

Telecommunications and broadcasting manufacturing and trade companies-exhibitors define their end customers (in B2O market – operators and broadcasters) as the most important target visitors. Other very important target groups are: technical specialists of the large enterprises, potential dealers and resellers, suppliers and integrators and other potential business partners. The preferred target visitors as defined by the manufacturers. See Fig 24.

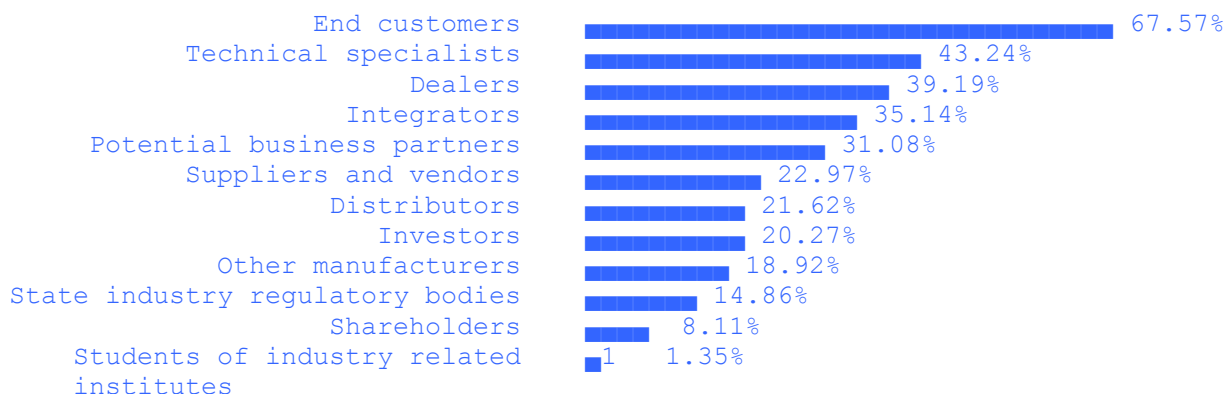


Fig. 24. Target visitor for the manufacturers.

The broadcasters in terms of attendance of the industry exhibitions mainly aim at investigating the market, new market trends, searching for the new products as well as communication tasks: meeting colleagues, potential and existing business partners, share experience, PR-tasks (see Fig 25).

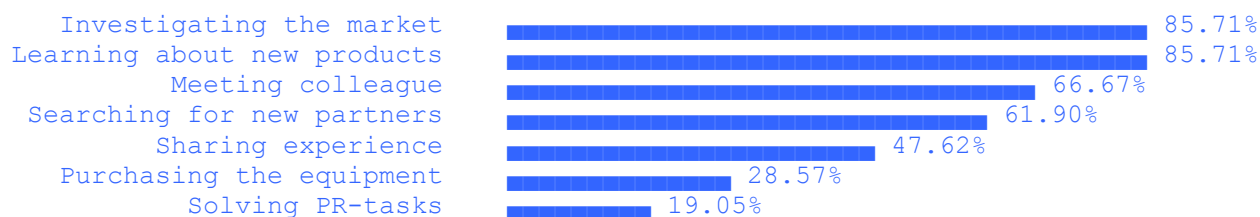


Fig. 25. Aims of attending the exhibition (set by the broadcasters)

100% of the broadcasters state the importance of attending the special marketing events during the exhibition (seminars, training, master-classes, etc.). The importance of holding such events during the exhibitions was also stated by 86% of the manufacturers and vendors.

* * *

Basically, the market of telecommunications and broadcasting is quite saturated with various channels and tools of business communications, where each of them serves as the unique instrument to solve special marketing and PR tasks.