

Chapter 6: Trade Shows/Trade Fairs: Special Terminology

Dialog II

There are several international trade shows held twice a year in Thailand. Big + BIH (Bangkok International Gift Fair and Bangkok International Houseware Fair) are normally held once in April and the other in October. These famous trade exhibitions organized by the DITP are internationally recognized. Every year there are a large number of foreign visitors coming for trade transactions.

Tim Dean, American Import Manager, is talking to Pranee, Managing Director for Great Gifts.

Pranee : Good morning. Please come in!

Tim : Hello ! What material is this?

Pranee : It is pewter.

Tim : What is pewter?

Pranee : It is a metal from a mixture of tin, copper and antimony.

Tim : Is it safe for food, and can we use it in the microwave oven?

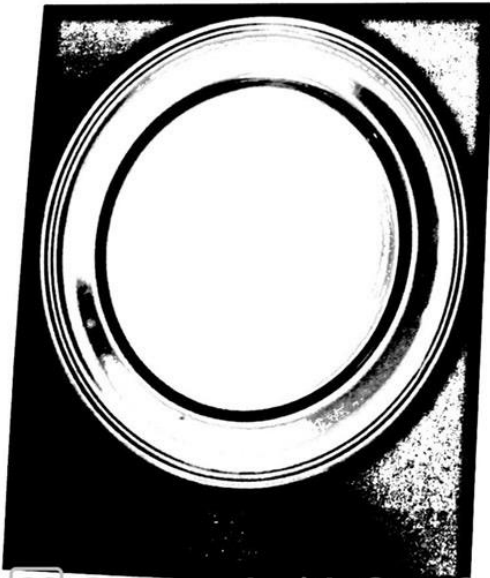
Pranee : It is food safe but not for microwaves. This is because pewter has a low melting temperature. The high heat can misshape the products.

Tim : What is the price of this charger?

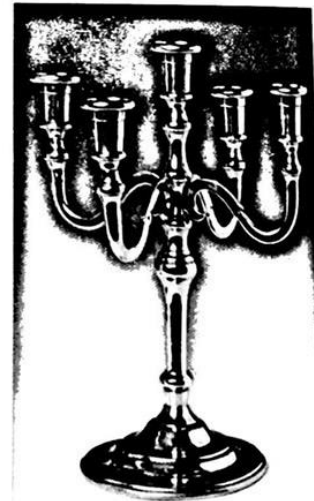
Pranee : It's US \$ 18 a piece, FOB Bangkok.

Tim : 18 dollars! Why so expensive?

- Pranee* : Tin is almost as expensive as silver. Like silver, pewter is sold by weight.
- Tim* : Can you produce something that we design ourselves?
- Pranee* : Yes, of course. We have been producing hundreds of customers' designs. Some are licensed products, and others are exclusive items.
- Tim* : What is your minimum order?
- Pranee* : 120 pieces for small items and 60 pieces for the large ones.
- Tim* : That's not bad. What are your terms and conditions?
- Pranee* : For your first order, we need an L/C or T/T to start the production. The value of the order has to be US \$ 5,000 at least. If less, you will have to pay a handling charge which is \$ 150 per shipment.
- Tim* : What is a handling charge?
- Pranee* : It is an expense that we pay for shipment documentation, customs procedure, forwarding agent and so on to handle your shipment.
- Tim* : I see. So, if I order more than \$ 5,000 worth, I won't have to pay for the handling charge.
- Pranee* : That's right.
- Tim* : Do you accept other payment terms like C & F, or D/P?
- Pranee* : No, sir. Because now the price of gas is fluctuating, it is hard to quote you the exact freight cost.
- Tim* : What's your lead time for production?
- Pranee* : Normally 45 days. But, if we are busy, it might take us to 60 days.
- Tim* : Any discount at all?



CS Scanned with CamScanner
Figure 5-23 Charger



CH001
5-ARMS CANDLE HOLDER
DIA. 17 x 24 CM, HIGH 36 CM

Figure 5-24 Candle Holder

- Pranee* : Yes, for a big volume order or a container load order, you'll get 10% off.
- Tim* : That's great! One more question, what's your standard packing?
- Pranee* : Since our products are quite fragile and expensive, we pack one piece in one individual box or an inner box, and then twelve boxes in an export carton.
- Tim* : Can you do special packaging like gift boxes?
- Pranee* : Yes, absolutely.
- Tim* : By the way, can I have your catalog and price list?
- Pranee* : Here they are.
- Tim* : Well, thanks a lot of for all the information. We will contact you later. Good bye!



Figure 5-25 Trade Negotiation



Figure 5-26 Trade Negotiation

Discussion

To meet potential buyers, the small to large scale export companies often rely on trade fairs as their alternative technique of promotion.

In groups:

1. Discuss possible benefits and costs of participating in a trade fair.
2. A trade show is one kind of export marketing promotion activities. The other examples are samples, catalogs and so on. Do you agree or disagree that promotion activities can be appropriate in one foreign market and can also be appropriate in other foreign countries?

Special Terminology

Bangkok International Gifts Fair / BIG

- : a trade show organized by the DITP, for gifts, decorative items and household products. It is held twice a year in April and October
- There are about 2,000 trade exhibitors in the BIG Fair.
- BIG last April was one of the most successful fairs in Bangkok.

booth

- : a small enclosed structure where products are displayed at a fair
- The standard size of a booth is 3 x 3 meters.
- This cost of a booth in a foreign trade fair can be very expensive.



- charger** : a very large plate on which a dinner plate or a soup bowl are served
- Normally, the diameter of a charger is about 31 centimeters long.
 - A charger can be made of ceramic, pewter or glass.
- contractor** : a person or company who works under an agreement to provide goods in large quantity to another company
- Large scale companies may hire some contractors to do parts of their production.
 - The contractors need to sign an agreement for the job.
- export carton** : a very strong and sturdy outer box
- We need strong export cartons to ship the merchandise.
 - Five-ply corrugated paper is recommended for export cartons.
- exclusive item** : a product granted to only one person or company within an area and normally within a period of time
- Volume buyers and department stores often request the items they are buying as exclusive.
 - The exporter can't sell exclusive items to other customers within the same territory.
- free on board (FOB)** : trade term indicating that goods are free on board by ship or train at some agreed points
- All charges and expenses incurred from FOB Bangkok are additional.
 - FOB term is the most popular export payment.



Figure 5-27 Carton

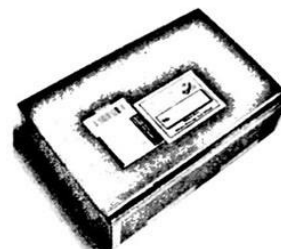
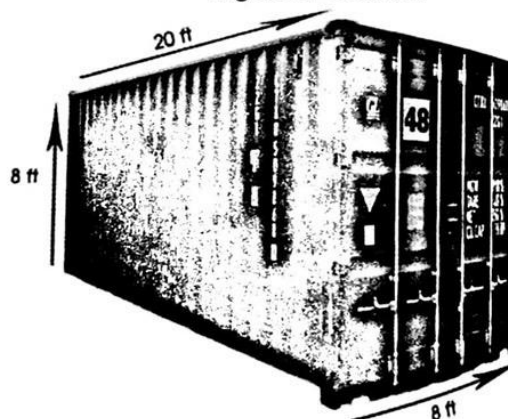


Figure 5-28 Carton

full container load order

- : there are two sizes for containers that the goods are stuffed into: 20-foot and 40-foot containers
- An FCL order refers to when the volume of the order almost fills up the space of a container.
 - To ship goods by FCL is less expensive than to ship by LCL. (Less container load)

**handling charge**

- : an extra charge added to the value of the goods when a customer purchases less than the required minimum
- If you buy less than \$ 500, you will have to pay for a handling charge.

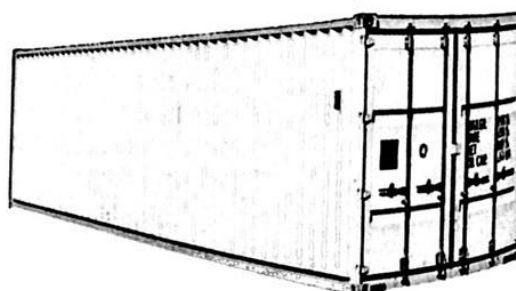


Figure 5-29 Container

- *For rush orders, the supplier may sometimes request a special handling charge.*
- customs procedure**
- : a process of investigating all shipping documents along with the goods by the Customs Department
 - *Every importing and exporting shipment must be investigated by the Customs Department.*
 - *The customs procedure can sometimes be delayed due to incomplete shipping papers.*
- exhibitor**
- : someone who is showing products in a public place so people can see and learn about them
 - *There were over 10,000 exhibitors at the show last year.*
 - *Foreign exhibitors need to apply for booths 6 months in advance.*
- expense**
- : the amount of money spent on something
 - *Today's living expense is quite high.*
 - *To attend a trade show abroad can be a great expense.*
- export documentation**
- : official shipping documents : invoice, packing list, etc.
 - *The importers are required to take the export documentation to the customs officers.*
 - *Make sure that all the details of the export documentation are correct.*
- lead time**
- : the time it takes the manufacturer to prepare, make, and deliver the goods to the importer
 - *The lead time for production is normally 45 days.*
 - *What is your lead time to produce an order of one 20' container?*
- licensed product**
- : officially approved merchandise
 - *Disney's items are licensed products.*
 - *To produce licensed products, the supplier needs to sign a contract with the owner of the goods.*
- organizer**
- : someone who makes necessary arrangements for trade shows
 - *This year, the Chamber of Commerce has been appointed as the organizer for the trade forum.*
 - *DITP is the show organizer for major Thai trade shows.*
- packaging**
- : a special container for retail sale
 - *Attractive packaging can add special value to the merchandise.*
 - *Department stores usually require their own packaging.*
- production department**
- : department that makes things to be sold as products
 - *The production department is responsible for all the samples to be exhibited at the show.*
 - *Normally, the production department produces the goods according to the sales order.*
- sales promotion**
- : sales activities that supplement and strengthen personal selling
 - *Most companies have a new sales promotion for every quarter.*
 - *Catalogs, brochures and samples are good examples of sales promotions.*

- volume order** : a large order
- *We can get a better price for a volume order.*
 - Wholesalers usually place volume orders.

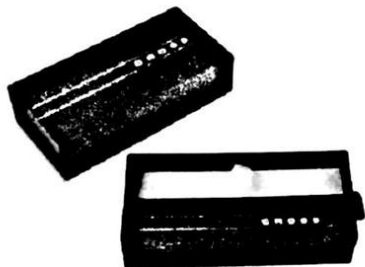


Figure 5-30 Special Packaging



Figure 5-31 Special Packaging

Vocabulary Practice

Fill in the blanks with the correct word or phrase from the list.

BIG	lead time
charger	packaging
FCL	volume order
FOB	customs procedure
exclusive item	handling charge

1., an international trade show in Thailand, is organized by the Department of International Trade Promotion.
2. Beautiful and attractive can add value to the product.
3. We prefer terms; we'll pay for freight by ourselves.
4. How long is your to produce 12,000 units of bowls?
5. In a formal dinner, we put a dinner plate on the
6. When a buyer purchases less than the minimum requirement, he may have to pay a
10. can be complicated if we do not know how to manage it.

Dialog I

Exhibition arrangements must be prepared a few months before the trade show begins. Major responsibility for the show arrangements is shared by the marketing department, the sales department and the production department. However, nearly every department in the company is involved in some way or other.

The marketing and sales department prepare themselves with all kinds of sales promotion and activities. Catalogs and brochures must be correct and adequate. The production department produces and prepares a complete range of company's products to be exhibited at the company's stand in the fair ground.

At the show, it is essential to create a good impression, so the look and the operation of the stand must be attractive and perfect. Some companies hire professionals to set up the booth because they need to attract and impress both old and new customers.

Somporn, a new Sales Manager, is having a meeting with Prem, Marketing Manager and Sutee, Production Manager

- Somporn* : When and where will the next exhibition be?
- Prem* : Around mid-October. It is the Bangkok International Gift Fair & Bangkok International Houseware Fair or BIG & BIH at Impact Arena, Muang Thong Thani. It is the largest international show for gifts and household products in Thailand.
- Somporn* : It's quite handy, isn't it? Impact Arena is not too far from our company.
- Sutee* : That's right. This will save us some money and expense from the daily traveling and transporting our exhibits.
- Somporn* : Who are the exhibition organizers?
- Sutee* : The Department of International Trade Promotion, Ministry of Commerce under the Royal Thai Government
- Somporn* : Do we have a good location at the fair?
- Prem* : Of course. We are right at the main entrance in Hall 1. Our stand number is A1. Everybody will see us when they enter the hall.
- Somporn* : Do we have foreign exhibitors at the fair?
- Prem* : Yes, but not too many. They are from our neighboring countries.
- Somporn* : Do the organizers build the stands for us?
- Sutee* : Depends. For some exhibitors, they may need only standard modules which consist of basic equipment like a table, two chairs, a few shelves, for example. For others, the exhibitors design and build their own stands, and we'll be building our own.
- Somporn* : Do we construct our own stand, or do we hire someone to do this?
- Sutee* : We hire a professional contractor who specializes in this kind of work. We will let them know what our stand looks like, and what we need to facilitate our work. The stand is supposed to be like a showroom with a sales department in there.
- Prem* : As a matter of fact, we'll have a meeting with the contractor this afternoon. We will also let them know the layout of the stand: how to display the range of our products and the amenities to be available during the fair period. And later, they will come back with an estimate of the booth construction.

Somporn : What sort of amenities?

Prem : Some working space for business discussion. A refreshment corner for ourselves and customers. We will also need to set up a few computers to do all kinds of paper work. By the way, Sutee, please make sure the samples to be displayed will be complete a week before the show starts.

Sutee : Of course. Don't worry. All the new samples are almost finished.

Somporn : That's great. For me, I need to make sure that the sales team is ready for this special event. I really don't realize how much work it really takes.

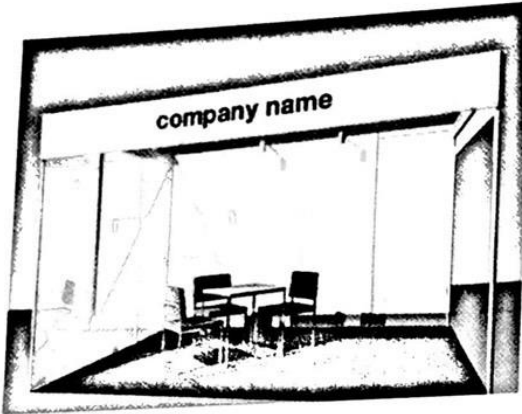


Figure 5-19 The Basic Stand

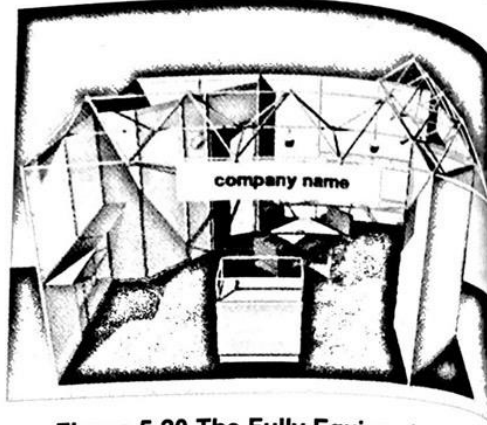


Figure 5-20 The Fully Equipped Stand

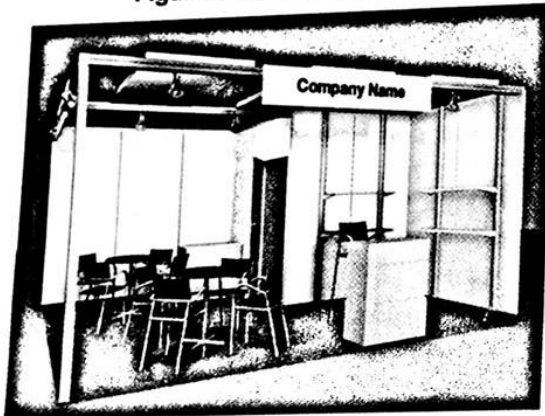


Figure 5-21 The Concept Stand

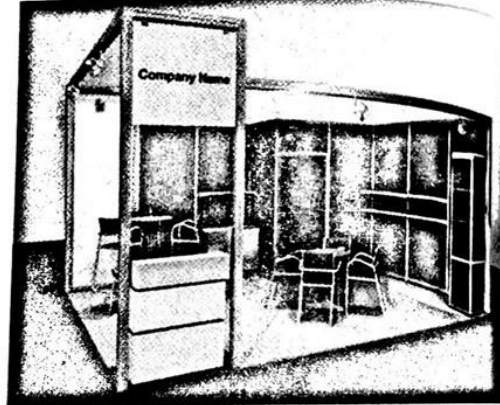


Figure 5-22 The Exclusive Stand

Questions

1. Who is mainly responsible for the arrangements for the trade show?

.....

.....

2. What are the main responsibilities of the Sales and Marketing Departments?

.....

.....

3. What is the Production Department chiefly responsible for?

.....
.....

4. Why must the image of the company's stand at the show be perfect?

.....
.....

5. Who builds the stands for the show exhibitors?

.....
.....

6. What amenities does Great Gifts Company need at the stand?

.....
.....

7. Why do the exhibitors need to prepare themselves a few months in advance before the show?

.....
.....