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Cyclical Clusters in Global Circuits: overlapping spaces in furniture trade fairs

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Cyclical Clusters in Global Circuits: overlapping spaces in furniture industry trade fairs

Abstract

This article attempts to contribute to understanding temporary or event based economic phenomena in economic and industrial geography. The article draws upon research conducted on the furniture and interior design industry. It is argued that trade fairs should be seen as central, though temporary, spaces for knowledge and market processes. Trade fairs should not be seen simply as temporary industry gatherings but as central business places: which represent microcosms of the industry they represent, and function as effective marketplaces. It is suggested that these temporary events should not be viewed as isolated from one another, but rather as arranged together in an almost continual global circuit. In this sense trade fairs are less 'temporary clusters' than they are 'cyclical clusters': they are complexes of overlapping spaces that are timed and arranged in such a way that spaces can be reproduced, reenacted and renewed over time. Although actual fairs are short-lived events their presence in the business cycle has lasting consequences for the organization of markets and industries, and the firms that make up these in the furniture industry.

Key words: economic geography; cyclical clusters; global circuits; overlapping spaces; trade fairs and exhibitions; furniture industry.

“Cyclical Clusters in Global Circuits: overlapping spaces in furniture industry trade fairs”

“It is a particular attraction of world fairs that they form a momentary centre of world civilization, assembling the products of the entire world in a confined space as if in a single picture. Put the other way around, a single city has broadened into totality of cultural production. A single city to which the whole world sends its products and where all important styles are put on display.”

Georg Simmel, ([1896]1991) *The Berlin Trade Exhibition, Theory, Culture & Society*, vol. 8 no. 8, pp. 119-123

Introduction

[p. 424] Economic and industrial geography have long tended to marginalize temporary or event based economic phenomena. This article stems from observations during empirical work that left us split between the preoccupations of our theoretical backgrounds and those of the firms we met. Many of these firms seemed far less preoccupied with their day-to-day surroundings and local milieus than existing theory had lead us to expect. Here we attempt to draw attention to the importance firms seem to attach to certain temporary events: trade fairs. We suggest that understanding the role of temporary events in complex globalized geographies of commodities and value can contribute to and complement existing economic geography approaches.

This paper builds upon research aimed at investigating the type of practices and spaces that characterize trade fairs in the furniture industry. We were interested in the idea that trade events may be ‘temporary clusters’ (Maskell et al. 2006). Instead, we found that trade fairs can be understood as consisting of multiple ‘overlapping spaces’ and that actors construct, negotiate and participant in these spaces according to their motivations and business imperatives. In particular, these spaces reflect key overlapping business foci: sales and contracts; network capital; symbolic capital; knowledge diffusion; and recruitment.

Our research suggests to us that each of these spaces relies upon repetition and other events in order to be useful. We suggest that these spaces not only overlap with each other at the fair but crucially with other events in a cyclical calendar. In this sense trade fairs are less ‘temporary clusters’ than they are ‘*cyclical clusters*’: they are complexes of overlapping spaces that are timed and arranged in such a way that markets and innovations can be reproduced and continuously renewed over time. Thus rather than viewing trade fairs as outliers to localized economic development models or freak extra-local happenings, this article argues that they should be seen as interlinked [p. 425] micro-phenomena which aggregate to form vital planks in global value constructions: that they are interlinked events arranged in global circuits. Thus the effects of these temporary events reach beyond the single event and have long-lasting effects on the furniture industry.

The paper is based upon an empirical project that aimed to analyze why firms in the furniture industry consider trade fairs important complements to other forms of aggregated outcomes (such as localized industrial structures). Empirical evidence is presented about (i) the spatialities apparent *during* international furniture trade fairs, and (ii) how firms structure

the rest of their year in preparation and follow-up to these temporary events. The central argument is that trade fairs, in the case of the furniture industry, must not be seen as isolated instances but rather as cyclical clusters within global circuits.

Theoretical background

This article takes its theoretical starting points from two main areas: literature on practices and strategies in events; literature on the circuits and scales through which link together different industrial concentrations.

Overlapping spaces at the fair

Trade fairs remain relatively under researched and theorized by academics, despite their growing numbers and a long history (Ferguson 1967; Caron and Berthet 1984; Bonnell 2001; Fisher 2004). Of the academic research concerned with economic aspects of modern trade fairs, the bulk of this work is interested in understanding what happens at trade fairs in terms of selling or promotion. There is a large body of work that details different strategies firms can take to maximize their use of trade fairs as spaces for sales and marketing (Rosson and Seringhaus 1995; Seringhaus and Rosson 1998; Association of Exhibitions Organisations 1999; Seringhaus and Rosson 2000; Seringhaus and Rosson 2001; Hansen 2004; Peponis et al. 2004; Smith et al. 2004; Rinallo and Golfetto 2006). Generally this work takes as its starting point the idea that trade fair participation is a business necessity. Given the overwhelming focus in economic and industrial research on creation, production and manufacture it is perhaps not surprising that market and sales oriented phenomena such as trade fairs are usually relegated by researchers to the status of interesting asides.

Trade fairs are spaces, albeit for a short time, where different actors come together in one place. They are spaces where visitors and exhibitors alike view their presence as crucial strategic investments for which they expect a return. However, though fairs occupy one ground they consist of many related but also separable spaces. According to your motivations you can engage in certain spaces whilst ignoring others. At large events there are likely to many such spaces that overlap with each other.

As Rosson and Seringhaus (1995) suggest, trade fairs are a concentration of business spaces which represent microcosms of an ever changing industry and function as effective marketplaces for a variety of competing products and interests. We approached trade fairs as events which were likely to reflect the various (perhaps conflicting) motivations of organizers and attendees: reflected in multiple *overlapping spaces*. As geographers we were interested in the types of motivations and space-producing practices that various actors would bring to these events; and in how space-producing practices at these events may “through iteration *over time*... generate unexpected, unpredictable and chaotic outcomes. Often the opposite of what human agents may be seeking to realise” (Urry, 2000b, 4; cited in (Hudson 2004). Thus we started our research with an interest in the idea that various types of actor negotiated ‘spaces’ (physical, social, symbolic, etc. spaces) [p. 426] might overlap or exist side-by-side during trade fairs; each focused on tangible business processes, and the result of formal and informal organization and iteration.

Cyclical clusters within global circuits

Economic geography has long drawn attention to the need to systematically link explanations of localized systems with understandings of the connections between local concentrations

(Gereffi and Korzeniewicz 1994; Dicken et al. 2001; Bathelt et al. 2004; Malmberg and Power 2005). Underlying the rest of this article is the idea a ‘relational approach’ (Dicken et al. 2001; Dicken and Malmberg 2001; Bathelt and Gluckler 2003; Boggs and Rantisi 2003; Yeung 2005) that stresses connections through networks (be these networks of actors, commodities, or production chains) is necessary for how we explain and understand activities’ spaces.

“It becomes meaningless to talk of local versus global processes as in much of the global-local literature; instead we should think in terms of networks of agents (such as individuals, institutions or objects) acting across various distances and through diverse intermediaries” (Dicken et al. 2001):95)

Thus we must direct our efforts to understanding the complexities inherent in manifestations of space-producing practices: practices which are seldom clearly local, global or extra-local.

As the globalization of commodity and value chain relations continues apace, understanding complementarities between short-term events/concentrations and long-term phenomena is important. In the context of this article one questions kept being asked: How are fairs/events connected to clusters, if at all? The findings presented below both contradict and complement explanations of cultural industries’ success centered on dynamic creative milieus: that it is largely due to the competitive, sometimes even artistic, qualities of the things produced in certain places that secure market success. Indeed a growing literature on the complexities and inequalities inherent in global commodity chains points out that, no matter how good a product may be, the conditions of access to markets and products’ reception that are crucial in deciding products’ success (Gereffi 1994; Gereffi and Korzeniewicz 1994; Negus 1999; Power and Hallencreutz 2007).

Maskell et al. liken trade fairs to temporary ‘clusters’ “because they are characterized by knowledge-exchanging mechanisms similar to those found in permanent clusters, albeit in a short-lived and intensified form” (Maskell et al. 2005): 2). Their work makes a convincing argument for the role of trade fairs as knowledge exchange and creation points for industries where global links are important. Furthermore they argue that fairs play important complementary roles even in industries where strong localized clusters dominate knowledge dynamics and production.

However, trade fairs need not be viewed as singular events and in many industries are arranged together in an almost continual global circuit. As Sassen (Sassen 2002): 1) notes “there is a proliferation of specialized global circuits for economic activities which both contribute to and constitute these new scales (Veltz 1996; Storper 1997; Brenner 1998; Gravesteijn et al. 1998; Jessop 1999; Sum 1999; Scott 2000)”. As such global fair circuits are central components in the architecture within which different industrial and market relations are mediated and connected. In this way they are less ‘temporary clusters’ than they are ‘*cyclical clusters*’: they are spaces that are timed and arranged in such a way that the markets and innovations can be reproduced and continuously renewed over time.

Many fairs exist and participants rarely only attend one event. Exhibitors and professional visitors organize their year around preparing for, travelling to, and following-up [p. 427] on their stops along these industry (and segment) specific circuits. However, the efforts involved in preparing for and following-up on these events are far from sidelines to the ‘real’ business of being embedded in an industrial milieu where products are developed, produced and shipped from. Rather in many industries firms’ time and organize their research and development process, production runs, and sales, marketing and customer-relations systems in relation to the cyclical sets of deadlines and demands associated with attending various stops in the circuit. Timing production, etc. to coincide with individual trade fairs does not however make these events cyclical. Rather the argument that these events are cyclical

refers to the connectedness of different trade fairs as a continuous cycle of events. It is argued that firms can only fully access, and benefit from, the functional spaces fairs offer if they continuously, over time and at multiple events, engage in the trade fair cycle.

Methodological considerations

Data collection

This article stems from a series of interlinked projects that were concerned with the issue of how design and culture intensive products produced in small open economies reach global markets. We were especially interested in how Swedish furniture firms successfully accessed markets that were located far from the small rural clusters most were located in. We collected data both from Swedish furniture firms in their local settings, and from two international furniture trade fairs. We were motivated by a growing literature that, “in contrast to causal explanations centred on dynamic creative milieus,... points out that no matter how good a product may be, the conditions of access to markets are crucial in deciding a product’s success” (Power and Hallencreutz 2007):378).

Data collection during the trade fairs involved several researchers – (see also (Högberg 2006)) - and repeated visits during 2004-2006 to international trade fairs: the Milan International Furniture Fair/Milan Design Weeks, and Stockholm International Furniture Fair. The two fairs were chosen since Milan is recognized as the world’s largest. Stockholm was chosen because of the research’s interest in the Nordic furniture industries.

Fieldwork at the events was informed by the ethnographic tradition (Miller 1987; Agar 1996; Herbert 2000) and focused on participant observation, direct observation, analysis of documents produced within the industry and at the fair (e.g. fair guides, press releases, catalogues), self-analysis, and conversations with visitors, exhibitors and organizers with different levels of formality (this involved everything from over 40 longer interviews to informal interviews, collective discussions, and small talk). Meetings with Swedish and Nordic fair participants were pre-arranged; those selected were suggested to us by catalogues, industry associations and Swedish firms. Other interviewees were selected on a purely chance and ad hoc basis: we talked to everybody who would talk to us. For confidentiality reasons interviews were not voice-recorded. This meant that we took extensive notes during and after interviews/conversations and used field diaries for our own impressions, etc. Fieldwork did not only focus on what happened in the exhibition halls but also included off-site events and spaces: such as off-site exhibitions, parties and happenings.

The primary focus of our attention/questions was participants’ preparations for fairs, their experiences of fairs, their motivations for being there, and the results they expected or had gained. Data from arranged interviews, opportunistic data collection, and non-interview observations and materials was coded and analyzed on an ongoing basis. This approach helped us be flexible and take up emerging themes and unexpected [p. 428] opportunities: since trade fairs are limited in time modifiability was important to us. Many of the questions we started out with quickly disappeared as new concepts, categories and propositions emerged, as well as new areas, invitations and data sources opened up (or closed down).

As we discuss later, the life of a trade fair and the spaces it occupies are far from limited to a few days in a set of exhibition halls. Since industry actors spend much of their year preparing and following up on trade fairs we conducted research with actors in their local settings (principally in Sweden). This involved close dialogue (Schoenberger 1991; Clark 1998) with over 50 designers and furniture industry actors in the Nordic countries. Conducting interviews after or before fairs also helped overcome access problems at events.

Dialogue and fieldwork were complemented with analysis of the wider literature and narratives that top trade fairs produce: trade journals; design and interiors media and magazines; websites and blogs specialized in reporting from furniture and design trade fairs; trade association materials; companies and design schools own documentation.

Generalization

Although the size of the furniture industry makes it an important topic in its own right – in 2003 the furniture industry in the EU15 sold product worth €80.7 billion and employed 866,075 people (UEA European Furniture Manufacturers Federation 2004) – the issue of generalization is an important methodological issue.

The results of a study of how trade fairs function in the European furniture industry may contribute to understanding other mature industries where smaller firm sizes dominate and economies of speed and issues of market access dominate. Traditionally European furniture manufacture has been dominated by mature SME clusters “based on locational economies benefiting flexible relations” (Maskell and Lorenzen 2004): 1001).

Secondly, the furniture industry shares much in common with a range of other industries where firm strategy is most often based less on technological advantage than on product and firm differentiation. The furniture industry has been deeply affected by buyers obsession with consumerism and life-style capitalism (McKendrick et al. 1982; Cohen 2003; Breen 2004) and resulting stress on products’ intangible aspects. For firms producing “artifacts whose psychic gratification to the consumer is high relative to utilitarian purpose” (Scott 1997):323) there are very thin and blurred lines between innovative performance, fashion and styling, and market dynamics. Positionality becomes central to products whose value is highly symbolic or aestheticized (McRobbie 1998). The negotiated meanings, status, symbolism and appreciation attached to products by consumers, critics, media, commentators and users are central to products’ constitution and success.

Competing in such markets involves continual innovation. Such innovation is: a) often more about products’ immaterial and experience aspects and positioning than their technical or utilitarian aspects (Nelson 1970; Kotler and Rath 1984; Lash and Urry 1994; Baudrillard 1998; Pine and Gilmore 1999; Olins 2003); b) a negotiated process of knowledge creation involving multiple actors many of whom are not commercially involved (Bourdieu 1984; Molotch 2003); c) often demand-driven, bottom-up, upstream or user-driven (von Hippel 2001; von Hippel 2005).

Such conditions will have a direct effect on how firms organize themselves and their innovation processes. If producers/suppliers strategically pursue the development of firm-specific characteristics there is a tendency towards a set of distinctive [p. 429] market distortions akin to monopolistic competition (Chamberlin 1933; Power and Scott 2004). Under this form of competition, whilst firms may all produce the same class of product (e.g. chairs), individual firms aim to develop a virtual monopoly within the market by emphasizing unique attributes: e.g. recognizable brands (an Arne Jacobsen chair); stylistic associations (a minimalist chair); or place-specific associations (a Danish designer chair): see also (Molotch 1996; Molotch 2003; Leslie and Reimer 2006). If firms are successful, the individual characteristics their success rests upon can only be copied by other firms in the form of ‘inferior’ reproductions or after a significant time lag. Differentiation becomes a constant theme and firms will attempt to continually differentiate themselves from others in the same class of goods/services (Levitt 1975 (1960); Levitt 1981; Holt et al. 2004).

Negotiation spaces are vital innovation sites for firms’ whose innovation efforts (new lines, improving existing products, etc.) are primarily concerned with marketplace positionality. Trade fairs allow developers, critics, media, buyers, and consumers to meet, and construct and negotiate the meaning and value of products. These events also allow

participants the chance to touch and feel products. Furniture shares something in common with ‘experience goods’ (Nelson 1970) in that estimations of quality are difficult to codify meaning that products be directly experienced: e.g. it is difficult to communicate the experience of sitting in a particular chair or the haptic experience of a particular finish.

Thus trade fairs are spaces within which knowledge and difference is communicated downstream, but also where they are constructed upstream: where firms must go to meet the diverse actors that create value and meaning. The speed at which differentiated positions, meanings and values can change (or be copied) helps explain why repeated attendance at such events is necessary. It is the differentiated, situated, positional, and negotiated nature of value in furniture markets, and the impossibility of codifying product knowledge and characteristics, that explains why trade fairs are more important for the furniture industry than, say, the nuclear power industry; and why furniture shares much in common with other markets such as fashion clothing.

Since our research was primarily conducted in two trade fairs and in one national furniture industry attempts to generalize may be problematic. Given the global primacy of Milan’s fair and the specificity of both Milan and Stockholm fairs some bias may have been introduced into the findings. In particular, it is likely that not all trade fairs demonstrate the same breadth and intensity of activity. Nonetheless given the scale, variety and number of participants at both events they were considered ideal cases to study the widest range of industry actors and phenomena. Though participants at these events represent a large part of the furniture industry they do not represent its entirety. In particular vertically integrated design, production and retail firms (such as Ikea) seldom exhibit at trade fairs; although they visit to scan for new trends and products. Trade fairs are principally the territory of design and production-focused firms trying to find retailers/distributors, and for professionals (e.g. architects or contractors) interested in bulk quantity solutions for organizing, furnishing and fitting all manner of buildings (offices, factories, public institutions, homes, etc) and outdoor/public spaces. Furniture trade fairs now include a range of sub-sectors such as furniture, fixtures, lighting, accessories, bathrooms, kitchens, appliances, office environments, architectural and design services, landscaping, building materials, textiles and other furnishings. The products on show come from many different traditions including high-technology manufacturing, neo-artisanal consumer products, and diverse services. Not only high-end fashion segments are represented: we encountered everything from high-end fashion to age-old handicraft to mass-produced office units; and firms [p. 430] varying in size from multinationals to small micro-firms. Thus whilst each fair is very specific, each contains a breadth of actors and activities that allow some level of generalization.

Empirical Findings I – at the event

Furniture trade fairs are accommodated in large exhibition centers – Milan’s covers over two million square meters – as well as fringe venues throughout the host city. Examining the spaces and activities around and during a trade fair and how actors negotiate them can tell us much about the industry in question (Rosson and Seringhaus 1995; Bonnell 2001; Seringhaus and Rosson 2001; Maskell et al. 2004; Bathelt and Schuldt 2005; Bathelt and Schuldt 2007).

A key feature of trade fairs we researched was how sectoral borders were constructed and periodically redrawn. There was considerable evidence of self-segregation on the part of exhibitors. Firms were conscious of what sector of furniture they were engaged in: e.g. bedrooms, bathrooms, kitchens, office environments, office furniture, home interiors, etc. Placement within the fair grounds, like placement within department stores, reflected market

segments. It also reflected firms' own positioning and understanding of their market segments and those they aspire to serve. Exhibitors reported that they worked hard to negotiate with fair organizers for placement alongside certain firms. Four companies reported that they were exhibiting in new areas of the fair relatively removed from their current customer base in order to reposition themselves. For firms with multiple product ranges – e.g. both home and office furniture – choices were made about which segment might enhance their profile best. Firms that sell most to the 'contract' market (principally large orders for organizations or new buildings) chose to exhibit in areas populated by high-design home interiors in order to lift their status.

Around half our interviewees stated that it takes many years of participation and negotiation with fair organizers – in competition with other firms – to get 'the right spot' at the most prestigious fairs. Smaller firms occasionally form strategic alliances with competitors so that they can afford, and lobby for, better places. At Milan 2005 for example two large stands were occupied by groups of Swedish firms.

Organizers have considerable power over the micro-geographies that affect firms' strategic positioning. Organizers' placement of firms within the large fairs happens at three levels. First, organizers choose the makeup of the overall event: e.g. Milan has seven separately named but parallel fairs. Second, organizers have control the exact placing and grouping of firms within the fair grounds. Third, organizers produce catalogues, maps, and signage and manage media reporting thereby defining the profile of different areas and classes of firms/exhibitors. Organizers consciously place certain things together and often try to define new industrial/innovation areas by placing firms of different types together.

Other participants – such as buyers – also negotiate fairgrounds according to self-conscious sectoral interests and ideas of market structures. Participants indicated that they had clearly defined understandings of where certain things should be and where they expected to find certain classes of firms (and indeed individual firms).

The micro-geography of trade fairs tells us much about the various market segments and industrial sectors involved in 'the' furniture industry. However, these divisions and differentiations were less an accurate reflection of different market shares than they were products of firm strategies, negotiation/competition, and different power relations between different actors. By looking at the spaces of trade fairs we can see much of how the [p. 431] industry itself and key gatekeepers attempt to (re)construct the industry's definitions and borders.

The spaces that make up trade fairs are far from limited to the actual fairground. Participants stay in hotels, eat out, etc. elsewhere in the city. Firms use off-site venues and places for special events and representation. Additionally, firms that could not afford to exhibit in the trade fair, or were not allowed to, rent space in the city for their own events or showcases. Other interests in the host city may also try to use the event for their own purposes: e.g. city authorities commonly use design and furniture fairs for their own marketing. In total the entire host city may well be involved in the fair. Blogs, magazines and other media extend the space fairs occupy even further beyond the fairground.

Participants experience and interpret their walks through such spaces in many ways and are therein constantly negotiating and constructing the meaning and position of products, firms and other actors they encounter. Their negotiation and experience of what they see and touch is likely to be highly related to their initial motivations for being there. Though people attend trade fairs for a variety of reasons, the majority do so in order to reap some sort of economic benefit. Our research shows that exhibitors and visitors consciously use trade fairs as platforms within which they can engage in particular business spaces/activities. Participants engage in and seek out these spaces, and the opportunities they offer, more or less consciously and strategically. Some participants clearly work to predetermined plans with

minutely defined goals and objectives – e.g. meeting a set list of clients, recruiting five new designers, order furniture for a new office complex – whilst others take less structured approaches that are nonetheless based on an idea of getting value for money out of attendance.

From our research emerged five main types of overlapping space: spaces for sales, networking, marketing, knowledge flows/creation, and recruitment.

A space for sales and contracts

The people and organizations we met and interviewed were categorical in their view that trade fairs were primarily economic events and platforms. Trade fairs were principally seen as marketplaces: places where sales, purchases and contracts are made or negotiated. Furniture is an industry characterized by easy outsourcing of production inputs and a wide range of substitutes (See (Leslie and Reimer 2003; Scott 2006) for in-depth analysis of furniture production chains) and buyers can choose from a world of different alternatives. It is, however, hard to judge the subtle differences in quality, feel, workmanship, materials, etc. that differentiate pieces of furniture from pictures alone. Trade fairs offer buyers the opportunity to feel, touch, sit-in and experience goods they may have already heard about. Buyers can also experience a wider variety of products than can be sourced in most local contexts. The opportunity to efficiently locate a wide range of alternatives and then experience and inspect them close-up is central to how wholesale and contract buyers search for information about alternatives or quality and why they flock to trade fairs.

For producers, trade fairs allow access to buyers and potential customers from many places. This can be especially important for firms that deal in high-end or niche products: especially if they have few local customers. All firms interviewed said trade fairs were the most effective way of reaching new markets. Even though trade fair participation was said to be expensive it was still considered much cheaper (and more effective) than trade missions to new or distant markets (see also: (Ohara et al. 1993; Seringhaus and Rosson 1998; Seringhaus and Rosson 2000; Ling-Yee 2006). [p. 432] Interviewees said that participation costs – in particular organizational and preparation time – lessened with repeated participation.

The firms we interviewed were reticent about giving exact information on sales or contracts made at the events we visited. They were only willing to say that they considered major fairs to be significant sales venues and lead to direct sales/contract agreements. Several ventured that contract sales took time and several fair-based follow-up meetings with clients were needed. However, a number of young furniture designers we meet at the areas both fairs have for newly established designers said that they had received their first sales and orders during the fairs.

Studies conducted by trade fair authorities give us a more tangible set of indicators. In a study by the Association of Exhibition Organisers, 90% of trade fair attendees stated that exhibiting had lead to final purchasing decisions: making it the most important source of final purchasing decisions. 65% of attendees said attendance was the most profitable investment in sales they had made. Also by using trade fair participation to meet customers the cost to close a sale was significantly reduced: from US\$1117 without exhibition lead to US\$625 with (Association of Exhibitions Organisers 1999).

Trade fairs are used not only as a sales venue for manufactured products but importantly for the sale of various types of intellectual property: principally licenses and licensing agreements. Since the added-value in most pieces of furniture is in the design rather than in the exact finish or technology involved, copies and reproductions of successful designs are big business. Trade fairs are a forum for the negotiation of rights contracts –

especially territorial import rights and exclusive retail rights. Several interviewees said that sales of rights and licenses were equally as important as sales of production output. Such deals were said to take time to set up and successive meetings at a series of fairs was commonplace. Following the initial deal continuous monitoring and follow-ups of the arrangement happens: both through contact between the parties directly and through meetings, etc. at fairs. For smaller firms, young designers/start-ups, and designer alliances/collectives the sale of property rights and exclusivity rights are the main area of focus.

An additional area of trade that should not be ignored is the sale of services. Trade fairs offer firms the chance to meet a diverse range of service providers and it is common in the furniture industry for agreements and contracts for services to be negotiated at major fairs; even if the signing and exact details are often conducted afterwards or at a later fair. As with other arrangements successive meetings, negotiations and renegotiations at fairs were reported to be typical. For service firms trade fairs are a major sales venue.

A space for creating network capital

Trade fairs also work as spaces for the construction and negotiation of social and network capital (Bourdieu 1986; Lin 1999). All respondents agreed that trade fairs provide opportunities to both meet new people and to catch-up with established contacts and networks. All those interviewed said a key aim behind attendance was to broaden and deepen relationships with customers, suppliers, competitors and the press. All respondents were adamant that having a good social network – and/or good standing within wider industrial networks – was important to long-term profitability and sustainability. Network relations were seen as long term assets and in need of regular and repeated attention.

Buyers were primarily interested in using trade fairs to evaluate potential suppliers and to cement established relationships. Both buyers and sellers allotted significant portions of their time at fairs to prearranged repeat meetings with established contacts. All respondents stressed that relationships need to be built over time and nurtured through repeated contact at different events. It was common that participants suggested they met the same people again [p. 433] and again; and that it was at fairs they got together at. Respondents suggested that after some years and regular encounters with the same people and firms they were either accepted into existing groups or slowly formed their own groups and networks.

One sign of the importance actors attached to maintaining (and impressing) network contacts is the attention paid to organizing off-site events, dinners and parties for contacts. On-site the majority of firms arrange their stands so that space is made not just for show but for sitting down, talking and entertaining. Those who do not have the space to entertain on the stand close the stand for important contacts and meet elsewhere.

Not all the meeting and greeting done is pre-arranged with existing contacts; respondents all praised the unpredictability associated with trade fairs. They frequently cited stories of chance meetings that had led directly to business or useful new contacts they had just made. This means participants tend to spend time at fairs looking as much at the people around them as the products on display. Participants commonly scan people's name badges and exhibition passes for information on who they are passing. People stopping strangers in corridors and introducing themselves on the basis of a name, firm or regional association on a badge is a common sight.

Several interviewees suggested that they consciously work their way round on-site and off-site events in the hope of meeting particular types of contact. A constant feature of participants' responses was that they valued informal and unexpected contact, yet they

carefully planned the type and nature of unexpected and informal meetings: i.e. they actively planned strategies for such interaction. Trade fairs are thus a blend of both conscious and planned social networking and a chaotic series of unexpected encounters. One firm, at the Stockholm Furniture Fair, stated they had staff permanently stationed in the main entrance area to 'bump into' particular types of people. Whilst participants may work strategically to manage the right sort of chaos and unexpected meetings the odds are often against them: due to the sheer number of visitors, size of venues, and fierce competition from other networkers.

Just as firms structured their business, development and production efforts around the global fair circuits schedule it appears that the opportunities to build social and network capital during trade fairs helped structure their year. As already mentioned, interviewees stated that they consciously planned individual meeting and networking events in advance. They commonly prepared special materials tailored to each type of contact and carefully organized the meetings and venues themselves. During the trade fair staffing schedules were drawn up around these pre-arranged meetings/events. Particular staff were assigned to people they already knew and an emphasis was placed on getting to know people on a more personal level. On returning home all firms said considerable time was spent following up on even seemingly irrelevant contacts and meetings. Finally the fairs themselves often functioned as booking areas: firms/buyers made arrangements at one fair for a further or fuller meeting at the next fair they were both scheduled to attend.

Staff was also expected to 'work' parties and events in the evenings in the hope that further contacts could be made. Working parties, social events and late night bars was far from a problem for those interviewed: there was consensus that trade fair socializing was one of the high points of their work. Interviewees frequently said how much they enjoyed meeting up with old friends/colleagues/contacts in social settings. The social and night-time elements of such events are seen as necessary parts of their work. This backs up the findings of other authors (Neff 2005; Neff et al. 2005) who suggest that the dance floor might be as important for some sorts of business networks as the factory floor. At each fair certain meeting points – specific cafes, bars, firm parties, etc. – [p. 434] are considered especially important. It is widely acknowledged that these places attract many of the same faces. Stringent guest-lists that designers suggest don't seem to change much year on year also help reinforce stable groupings as well as borders.

An increasing tendency apparent, at least in design and furniture trade fairs, is the extension of the fair into the space of the wider city. This spread is driven partly by the large number of smaller firms that cannot afford to, or are not allowed to, exhibit at the fair. Hundreds of non-exhibiting firms travel to Milan and hire space to hold receptions, product showcases and exhibitions parallel to the fair. Even firms that get stands at the fair vie with each other to attract attendees' night-time attentions - through everything from invitation-only parties to large scale open-nights and receptions for hundreds of trade fair attendees. City authorities and local design associations, etc. also put on a raft of peripheral events associated with the trade fair. Design magazine *Interni*'s guide to Milan 2007 listed over 200 officially sanctioned 'off-site' events in the two weeks around the trade fair.

Trade fairs are spaces which facilitate participants' social contacts and network capital. This is viewed by participants as a long-term investment requiring repeated visits to target fairs over many years. A number of interviewees stated that regular attendance at international fairs only started having noticeable effects on their active business network after 2 to 5 years. Building a trust-based rapport with contacts and a specific personal/firm reputation was considered to take regular, successive meetings. Investing in long-term gains is a common strategy in furniture since it is an industry that is dominated by products and designs with extremely long shelf lives. Unlike cars or fashion clothing, successful furniture

designs can become classics and sell large volumes for decades: e.g. products designed by the likes of Eames, Jacobsen, Alto or Le Corbusier.

A space for creating symbolic capital

Fairs are also important to building other positional forms of knowledge and capital: particularly symbolic capital. As mentioned earlier, furniture is not solely bought on considerations of price or functionality. Intangible elements of the product are particularly important for firms' success in differentiating themselves and thus in attracting customers and attention (Lash and Urry 1994; Molotch 1996; Lorenzen 1998; Molotch 2003). Thus firms work hard to build 'cultural', 'symbolic' and 'status capital' (Bourdieu 1984) into both their products and organizations. Trade fairs attract considerable numbers of professional and media attention, making them ideal spaces for marketing and brand building.

In large fairgrounds the placing of the stand itself is an important factor in attracting passing trade and maintaining the 'right' profile. Stands on main corridors and facing entrances are highly prized; and those neighboring particularly high status competitors. One Swedish firm interviewed at Milan claimed to have spent four years lobbying to get a better place: a place they would keep in coming years. Most trade fairs are held in the same venue every time and it appears that 'neighborhoods' develop as the same participants find themselves placed together again and again. Moreover, these neighborhoods can be stable across several different fairs as they are often constructed/negotiated to reflect firms shared values – e.g. high design, classical styling, traditional craftsmanship – or stable market segments – e.g. home office furniture, industrial lighting, outdoor furniture. Neighborhood and agglomeration effects are seen to play an especially important role in temporary settings.

Face-to-face interaction at fairs was said to help firms build reputations and to 'personalize' them to potential customers. Building reputations as 'interesting people' and as 'professional' or 'cutting-edge' were often cited as important aims. The most cited reputation effect was the pressure to 'just be there'. [p. 435] All participants suggested that regular presence at certain fairs was expected of 'serious' firms. Thus even if no direct sales or press coverage was gained, simply being seen at several events over the year and at least one high-profile fair was considered part of maintaining reputation, presence and status in the market.

The largest international trade fairs are the furniture world's equivalent of fashion's seasonal catwalk shows. National and international magazines, newspapers, trade press and TV cover the largest fairs. The majority of trade (and lifestyle) journals/magazines in the areas of architecture, interiors, furniture and design cover these fairs in detail. Having a strong presence at fairs can help firms garner 'free' advertising and to reach buyers (especially the architects and contractors that furniture firms are especially interested in) that may not have gone to the trade show itself. Two Scandinavian firms we interviewed at the 2005 Milan Design Week said that their main hope was to get press coverage that would be seen by buyers at home: local buyers that did not travel to Milan would be impressed by local firms that did (or disappointed if they did not continue to exhibit).

If a designer or firm gets attention from the media then this typically has lasting effects in following months. This is partly due to the fact that though television media are present at the larger firms the bulk of media at fairs are print media - trade publications, design and interiors glossies, etc. – that have long lag times. It is not uncommon for magazines to continue featuring (or first feature) news from fairs some months after the event has finished. This media longevity greatly extends fairs' cultural and symbolic spaces throughout the year, and into places far from the fair site. By exhibiting at more than one or

two trade fairs in a year, firms are able to get media coverage lasting throughout the entire year. By continuously exhibiting the firm may secure (or at least increase the possibility of) a flow of information about their products and activities in the media.

Journalists tend to focus their reporting on general trends, established designers (there is a stable group/list of large design-led firms that always attract attention), and unusual, novel or innovative products (and stands). Designers and firms that had created good press at previous fairs (whether this was last year's show or a fair somewhere else in few months ago) were said to be almost automatically visited by journalists: e.g. a splash at London would help attract above average attention at the following Milan, Stockholm or New York fairs. This gives firms extra incentives to invest time and money in innovative new product ranges and also eye-catching prototypes and special concept pieces. Several firms, especially smaller ones, had produced concept pieces especially tailored to attract certain types of reporters and media channels in the hope of proving they were still 'in the game' or in the hope of starting a train of good coverage.

Media coverage tends also to focus on the new/young designers areas the larger trade fairs now dedicate to design students and younger start-ups. The media attention they hoped to gain from exhibition was consciously planned for and built into their entire year's development strategy. These younger designers said that it was important not to only go once. Most had already attended both Stockholm and Milan as visitors and said that they hoped to keep coming back as exhibitors. A future of travelling from one fair to the next was envisaged by all as a vital way of building their business and something they looked forward to.

However, it is not only industrial actors that are interested in the media attention that trade fairs attract. Increasingly regional, city and national promotional/trade bodies have presences international furniture trade fairs. Such bodies commonly hope not only to help sell local products to wider audiences but also to piggyback on the 'cool factor' [p. 436] associated with high-design in an effort to market their city/region/country as particularly innovative or creative.

A space for knowledge diffusion

A number of writers (Maskell et al. 2004; Bathelt and Schuldt 2005; Maskell et al. 2005; Bathelt and Schuldt 2007) suggest trade fairs to be important spaces for the flow of ideas, knowledge and innovations. A small empirical literature supports this view that knowledge exchange and creation occurs at trade fairs and events (Rosson and Seringhaus 1995; Seringhaus and Rosson 1998; Seringhaus and Rosson 2001; Bathelt and Schuldt 2005). Certainly at trade fairs codified knowledge is regularly traded: in the form of production licenses, co-development contracts, etc. They also function as spaces for other forms of information flow and co-creation.

The industry actors we interviewed reported that, whilst not their main reason for attendance, knowledge related activities were part of their experience. Attendees reported the following knowledge activities as important (in order of times mentioned): seeing competitors' collections; getting 'inspiration'; seeing (and feeling) new innovations in technology and materials; seeing and meeting new designers.

It is difficult to miss the presence of constant stimulation and new visual and sensory inputs at trade fairs. Trade fairs for design-intensive sectors are characterized by sensory overload. There is an exception amount of visual and sensory information – all designed to the very highest standards by the best designers – pushed at participants from every direction. Even if one had no conscious aim to learn something new, absorb new ideas, etc. at such events it would be hard to avoid absorbing new inputs.

The combination of a crowded sensory arena and large numbers of visitors means the experience could leave one more disoriented than informed. Against this background participants appear to fluctuate between attention and distraction; between goal-oriented searching, getting caught-up in the event or being distracted by the unexpected. It may be this blend of structured information and chaos that makes such events so useful in exposing participants to knowledge and innovation. They allow participants to pursue strategically planned and routinised forms of learning and interaction alongside the unexpected information and impressions that the breakdown of normal routines brings. The sensory and experiential intensity of the spaces (within and beyond the fairgrounds) leads one to wonder if ‘learning-by-playing’ or ‘learning-by-enjoying’ are not central to the knowledge and inspiration participants get. Much like bustling city streets or carnival seasons, fairs can be considered to be ‘buzzing’ (Storper and Venables 2002; Bathelt et al. 2004) with a density of ‘thick and thin’ knowledge ‘in the air’ (Gertler 2003).

Though ‘keeping up-to-date’, ‘getting inspiration’, etc. were noted to be important and integral parts of the trade fair experience, interviewees did not directly indicate that this necessitated repeated visits to the same fair or a continual year populated by multiple shows. Nor did they indicate that they structured their knowledge acquisition strategies after the trade fair circuit. However, design driven firms are extremely difficult to interview about their creative and design processes and in particular about how they gather new ideas and inspiration. This is undoubtedly due to sensitivity over intellectual property issues.

The only reports we encountered of firms that specifically attended the fairs for knowledge gathering alone came from furniture producers who reported the presence of employees from mass-market furniture producers, retail stores, and ‘foreign’ (read ‘developing countries’) manufacturers. Interviewees considered these people to be [p. 437] ‘spying’ as opposed to participating in real knowledge exchanges. Several small firms said intellectual property issues were a concern when visiting international fairs. With only relatively superficial changes, ‘knock-offs’ and copies of successful furniture innovations can be made without purchasing a license. All major fairs now ban photography by all but registered media: though this almost impossible to enforce.

One interesting counter to the ‘dangers’ of exhibiting, is that a number of smaller firms suggested early exhibition of new ideas could function as a way of staking their claim. They suggested exhibiting functioned rather like a cheap but effective form of copyrighting: especially for firms that cannot afford patents and formalized methods of protecting intellectual property

A space for recruitment

Trade fairs form a crucial space within the industry for the flow and exchange of bearers of knowledge and skills: employees and subcontractors. As Power and Lundmark note labor mobility is central to firms’ ability to innovate and upgrade their knowledge and skills bases (Power and Lundmark 2004). For design-led sectors such as furniture the sourcing of new employees and design competence are important objectives.

Firms interviewed reported recruitment of employees and co-workers as a common trade fair activity. Some suggested it was not easy to find the right employees and co-workers locally and that international gatherings allowed them access to a range of other labor markets and to ambitious (and mobile) workers.

The recruitment they undertook was said to focus on two main categories of employee: contract/project recruitment of established designers; the recruitment of full-time designers (principally new graduates from design schools).

The sourcing or recruitment of established designers to work on a contract or project basis with the firm was a commonly cited goal of larger firms. Recruitment of design talent was said to be highly linked to other types of spaces: principally the spaces for network and symbolic capital. Large firms wanted to be there so that they could be the first to recruit emerging designers (and trends). Equally it was suggested that to recruit a star designer was akin to dating and took considerable number of meetings and negotiations. Medium and large firms suggested that continual searching for specialized regional sales and marketing staff – that would work with the firm on a contract basis in specific markets – was undertaken at trade fairs since these people were very difficult to source from the firms' home bases and needed to be continually changed and 'updated'.

Trade fairs offer two main areas for established firms to meet and recruit new designers. First, special areas set aside for students, recent graduates and young designers: e.g. Milan's "Satellite" area and Stockholm's "Greenhouse". In both cases there is an international competition judged by a jury to select those allowed to exhibit in these areas. Random surveys, conducted at the fairs, of those selected suggest that the chosen had gotten significant exposure for their work resulting in new contacts and in several cases licensing deals and offers of employment. Young designers interviewed were also of the impression that exhibiting at important fairs was a tangible way of proving their credentials in a very competitive job market: resumes/CVs of young designers/graduates typically list fairs and exhibitions over grades or other qualifications. All the established firms we interviewed said that at least one member of their staff had visited these areas for new designers with a view to recruitment or licensing.

Secondly, design schools and universities increasingly rent stands of their own at major trade fairs to exhibit students' work. Staff from design schools we interviewed said that they carefully reviewed which students and pieces of work would be presented. We were told several stories of design students that were 'discovered' at particular events; we were also [p. 438] told that a trade fair presence was important to the schools' ability to attract quality students. Top design schools now actively encourage students to compete to exhibit at international fairs.

Whilst firms use the trade fair circuit as a space for recruitment the same is undoubtedly true of individuals working in parts of the furniture industry. Though we have little more than anecdotal and observational evidence on this point, it seems that individuals (especially designers, buyers, agents, and marketing staff) use trade fair circuits to manage their careers – they make contacts and do interviews at the events – and to monitor potential employers and co-workers. Careers and networks take time to develop and their management is likely to be a reason why the individuals we interviewed were so enthusiastic about the prospect of visiting the same and other fairs again and again.

Empirical Findings II – beyond the event

A global circuit of furniture trade fairs

A key research finding was that participants viewed fairs as a constant recurring feature of their landscape. In order to benefit from the spaces we describe above regular participation and iteration was deemed necessary: it takes time at the fairs, at home, and at the next fair, and so on and so forth, to build a firms' customer base, network capital, reputation, status, skills base, etc. Thus each fair is characterised by overlapping spaces; but those spaces overlap with similar ones at other fairs in a cyclical calendar. In this sense trade fairs are less 'temporary clusters' than they are '*cyclical clusters*': they are complexes of overlapping

spaces that are timed and arranged in such a way that spaces can be reproduced, reenacted and renewed over time. The spaces at the fair overlap not only at the event but with other fairs and with more everyday business spaces. Trade fairs are not simply singular events with definite start and end points: they are connected together within an annual global circuit; and preparation for and follow-up on trade fairs has lasting consequences for firms' activity.

The global circuit of furniture and interior trade fairs encompasses many international and regional events. Every year, approximately 150 trade fairs related to the furniture industry take place. These focus on ready-made furniture, but also include related fields such as furniture fabrics and textiles, accessories, furniture materials, machinery and manufacturing equipment. Increasingly fairs cover a wide range of interior and exterior design products and services. Table 1 presents the 20 largest furniture trade fairs (based on number of exhibitors and visitors).

Table 1: The global furniture trade fair circuit 2006: the 20 largest trade fairs.

Month	City	Furniture trade fair	Exhibitors	Visitors
January	Cologne	IMM	1333	116000
	Paris	Salon du Meuble	1100	40000
	Birmingham	The Furniture Show	600	45180
February	Stockholm	Stockholm Furniture Fair	739	40168
April	Milan	Salone Internazionale del Mobile (COSMIT)	1374	223138
	Hong Kong	Houseware Fair	2302	32458
	Kuwait	Modern House Exhibition	125	95000
(Apr/May)	Madrid	International Furniture Exhibition	783	50670
May	Moscow	EuroExpoFurniture	880	15000
	New York	ICFF	600	23000
August	Tupelo	Furniture Market	800	35000
September	Shanghai	Furniture China	1521	61290
	Helsinki	Habitare	487	91683
	Verona	Abitare il Tempo	650	52832
	London	100% Design	209	35209
	Valencia	FIM	1024	80023
(Sept/Oct)	High Point	IHFC	2100	75000
October	Cologne	Orgatec	678	57000
	New York	IHMRS	1400	40000
	Tokyo	IFFT	366	29309

Source - Table is based on figures from each trade fair's organizer supplemented with information from: CSIL Milano – Furniture Industry Research Institute, World Furniture Online [<http://www.worldfurnitureonline.com>] accessed 28-03-2007.

The fairs are spread across the year in such a way that it would be possible to travel from one to the next. However, fairs are mainly concentrated in two periods (spring and autumn) which coincide with when firms tend to launch new collections.

Table 2 presents more detailed figures on the two fairs which we used as our empirical focus: Milan and Stockholm. As the table shows the international presence in Milan and Stockholm is considerable. In Milan 16 % of the exhibitors and were foreign and 61 % of the visitors in 2007; for Stockholm the figures were 25 % respectively 19 %. Milan has long been an established international fair located in a country with one of the world's largest furniture and design industries, so it is perhaps not surprising that there has been little change

in the ratio of domestic to foreign exhibitors in recent years. Stockholm, however, has seen a significant change since 2003 in its attraction to non-Nordic exhibitors.

Table 2: Exhibitors, visitors and media representatives of the Milan and Stockholm furniture trade fair 2003-2007.

Year	Domestic exhibitors		Foreign exhibitors		Domestic visitors		Foreign visitors		Media representatives	
	<i>Mil</i>	<i>Sto</i>	<i>Mil</i>	<i>Sto</i>	<i>Mil</i>	<i>Sto</i>	<i>Mil</i>	<i>Sto</i>	<i>Mil</i>	<i>Sto</i>
2007	1097	735	208	250	105621	33003	165203	7741	4520	1172
2006	1155	739	219	262	99747	32537	123391	7631	4128	1082
2005	1239	723	224	217	91697	30331	100728	7114	4012	998
2004	1271	836	227	212	92894	30560	96761	6259	3752	995
2003	1228	747	251	N/A	89187	30947	82333	6338	3263	1126

Source - Table is based on figures from each trade fair's organizer: Cosmit [<http://www.cosmit.it>] and Stockholm Furniture Fair [<http://furniture.stofair.se>] accessed 07-04-2008.

[p. 439] Both of the case study fairs used have been seen growth in the proportion of international (non-domestic) visitors they attract. As Table 2 shows, Milan's attractiveness as an international fair has solidified very rapidly: the number of foreign visitors has doubled since 2003. This trend seems to continue apace with the 2008 Milan fair attracting an estimated 348,000 visitors of whom 210,000 came from abroad (Cosmit).

In both cases there has also been a steady growth in media representation. Whether these are foreign or domestic is perhaps less interesting since design/furniture journalists not only write for their own title but also work freelance and sell stories internationally. Although media representatives have in the case of Stockholm remained stable in number sources suggest that the fair now attracts global media attention to a much greater extent.

Hierarchies in the circuit

There is a hierarchy: some events on the circuit are seemingly more important than others. What this hierarchy means for firms (and the industry in general) is that it imposes some fixed points in the calendar: events that cannot be ignored. For firms that exhibit at top fairs much of their year will be spent preparing and following up on the big event (see next section). Even for firms that do not exhibit or attend what happens at the top fairs cannot be ignored: the new and seasonal fashions and trends launched at these fairs have an influence on the market in general.

The top international fairs attract the most attention and provide firms with the widest range of opportunities. The wares of the very largest and most influential firms are displayed at these events in addition to a wide variety of other exhibitors (from cutting-edge design to kitsch Rococo reproductions; the products of artisan sole-traders and young designers as well as the ranges of the largest office furniture suppliers). New products, new product types, [p. 441] new styles, new materials, new colors, new designers, etc. premiered at top fairs then spillover to other fairs as firms negotiate the circuit. For example, most new product releases are made at top international trade fairs; products which firms then exhibit, market, sell and negotiate at subsequent fairs. For firms that release new product ranges the annual cycle and hierarchy of fairs will structure the timing of their product development, launch, production, sales etc. It is not enough to launch a product at one fair and then hope it

will sell: in order to sell products firms need to work over the longer term on the sales, contracts, brand name, customer relations, etc. that successful products rely upon.

It is difficult to exactly determine different trade fairs' position in a global hierarchy since the largest international trade fairs cater to a variety of different interests: Table 1 simply lists those fairs with the largest numbers of exhibitors and visitors. However, all our interviewees agreed on five annual events as particularly globally important: Milan, Cologne, Tokyo, Paris and Valencia. These are not necessarily the trade fairs with the highest visitor or exhibitor numbers. They are fairs that respondents thought to have a global reach in terms of the diversity of attendees involved and the breadth of media and sales effects they had. The most prestigious trade fairs are extremely selective in whom they allow to exhibit and have screening processes and waiting lists to control and maintain quality and their position. Limiting access may also help limit the diseconomies of scale associated with very large fairs (see also (Rosson and Seringhaus 1995).

It is possible, however, to say that Milan is the largest and most prestigious furniture fair. It has a global reach and attractiveness that makes it an important destination for actors from around the world. Started 1961, it has developed into a family of concurrent trade fairs (branded Milan Design Week) covering not just furniture but also lighting, kitchens, bathrooms, office furniture and fittings, interior textiles and accessories. The fairs are accommodated side-by-side in Milan's new fairground: completed 2005, costing €750 million and covering 400,000m² it was one of Italy's largest ever building projects. During Design Week the fairground accommodates all seven 'separate' trade fairs and the rest of the city is given over to ancillary design events and to the enormous numbers of trade visitors. In addition, journalists (everything from TV to specialist press) from around the world attend, thereby further attracting firms to the fair (Association of Exhibitions Organisers 1999).

For firms the year is not just about the top international fairs. All firms reported that their 'local' fair was a vital set of dates to be observed. All of the firms we interviewed at Milan also exhibited at one regional or domestic trade fair during each calendar year. Domestic and smaller fairs are where long-standing local traditions find their place as well as where trends and materials showcased earlier at Milan, etc. eventually filter down to regional markets. For many firms domestic markets represent sizable portions of their sales. Thus Danish firms will as a matter of course exhibit/attend Copenhagen, American firms High Point, etc.

However it is not clear that we can easily divide fairs into clear cut roles: e.g. Milan for publicity and meeting international clients; Stockholm for more publicity and meeting Scandinavian clients. Paradoxically firms reported that international fairs outside their 'home' region were often the most important meeting points for domestic markets: due to such fairs' status and sheer number of visitors. The firms interviewed were not always clear whether their participation in foreign fairs was about export or about their position in their domestic market. This further indicates how firms' participation in multiple events in multiple places is often seen as part of overall business strategies and objectives.

[p. 442]

The cyclical dimension

Interviewees' viewed the fairs they attended as linked together with their overall business cycle and that constant revisiting and participation was an imperative for their business. However, in practice few firms can afford to attend all the fairs. Firms therefore plan their attendance/exhibition schedules on the basis of the fairs that are most important to their business aspirations. Some evidence is available that firms have a strong tendency to revisit the same fairs again and again. During the Stockholm Furniture Trade Fairs 2005, 2006, and

2007 approximately 1200 firms and organizations exhibited and of these, 23.5% participated every year, 23.2% had participated twice before and 53.4% had participated once before (figures from Stockholm Furniture Fair: <http://furniture.stofair.se/>).

Many firms not only exhibit repeatedly at the same fairs but every year attend more than one of the trade fairs listed in Table 1. It is not unusual that larger furniture firms, such as B&B Italia, Kartell, etc., exhibit at approximately five different top trade fairs a year. Some companies exhibit at even more major shows per year: in 2007 the American firm Ashley Furniture Industries exhibited at 10 of the top 20 international trade fairs. In addition, firms frequently participate and exhibit in smaller trade fairs, events and showcases outside the top twenty presented in Table 1. Of the firms we formally interviewed all had participated in both the Stockholm and Milan trade fairs repeatedly over the previous three years. In addition all firms had participated in smaller trade fairs and events outside the list of trade fairs presented in Table 1.

Regular and repeated attendance can have important affects on firms' operational cycle. All the firms we talked to – whatever their size – reported that: they visited multiple different shows every year; and that they aimed to regularly attend each of these annual events. This meant that their year was structured around preparation and follow-up for each different fair; events which they returned to year after year. The activities we report on in the rest of this section thus apply to work on individual fairs, work that is constantly repeated throughout the year. Indeed given the frequency many firms attend fairs the cycle of activities related to one fair is likely to be running parallel to work cycles related to multiple other fairs.

Planning for trade fairs and following-up on what happened at each event have substantial impacts on firms' day-to-day activity. The level of costs involved, plus the expectations attendees have not just for the products on show but for the exhibition spaces and stands themselves, mean that preparing for one major show can occupy almost the entire year leading up to the event.

For exhibiting firms the costs involved can be extremely high and are incurred before, during, and after the fair. Attending an international event represents a major ongoing investment. The smaller firms (between 5 and 30 employees) we interviewed reported average spending of €50,000 for the stand only: €30,000 for renting the space; €20,000 for the stand's design/construction. The stand is often a design product in itself. Stands in segments such as kitchens, bathrooms and office environments are extremely large and expensive: looking more like architect-designed buildings than market stalls. In these segments it is not uncommon to spend up to €200,000 just on stands' design.

Such figures do not include costs for manufacturing prototypes, personnel, travel and hotels. Additionally large sums are spent on off-site events, formal and informal festivities. The level of these costs goes a long way to explain why firms focus so much of their year around fairs.

For all the exhibiting firms interviewed, the business year is essentially structured around a series of deadlines imposed by the global circuit of trade fairs they are involved in. Principally firms will attempt to launch new products or ranges at the largest/most prestigious trade fair they regularly attend. Firms need high quality prototypes [p. 443] or demonstration models for display. Whether firms are aiming for bulk orders from contractors, retailers or wholesalers, or if they are principally interested in licensing their design they all need quality display items to convince buyers and press with. Five firms interviewed stated that they had worked until the very last minute getting these pieces ready for the show. In general firms reported that they had new pieces and ranges ready for the show one to two months in advance.

Designing, prototyping and testing a new product (even prototype demonstration models) can take months. Following this will be a period of (re)organizing production facilities or subcontractors in readiness for production.

It has also become common practice for the more design lead firms, just like automobile manufacturers, to display showcase or concept pieces that might grab media attention and raise their reputation for innovation. Such pieces do not place the same demands on firms as ready-for-production pieces and are seen as parallel processes. Nonetheless symbolic and reputation enhancing pieces involve significant design inputs and costly model and prototype manufacture. This type of product development and prototyping is most usually geared towards launch at a specific fair. Thus the majority of exhibitors develops and presents both ready-for-sale ranges and concept ranges: as well as carefully designed and assembled stands and events.

In the period directly leading up to the fair an average of one month was spent, by the firms we interviewed in, preparing press materials, catalogues, etc. and in contacting media and (actual and potential) clients for meetings at the trade fair and related activities. Magazine and trade advertising for months ahead is often directed towards delivering the message that the firm will be at a particular fair at a particular stand and/or off-site event. Such work is commonly subcontracted to agents and promoters that specialize in specific trade fairs or particular segments.

Preparation may also be needed for the parties, extra events, special shows and private viewings that are now expected of both cutting-edge and larger firms. Large firms may employ a full-time team responsible for participation in a particular trade fair as well as a team that manages their overall trade fair participation and strategy.

After the trade fair a range of follow-up activities must be conducted: not just following-up on clients but also on media coverage, competitor analysis, and further interviews with potential employees/subcontractors. Attendees interviewed said that this would occupy between three and five weeks following the fair. If all went well orders generated by participation could occupy the firm for many months.

Conclusion

This paper has outlined two sets of empirical findings. First, that furniture industry trade fairs exhibit a series of ‘overlapping spaces’ that facilitate specific business related functions for different agents. Second, firms were found to structure their product development and overall operations in rhythm with a cycle of trade fairs which connected different trade fairs in a continuous cycle of events. A suggestion made throughout the paper is that these two empirical findings are highly related, to the extent that they are interlinked and mutually reinforcing. In this conclusion we would like to suggest some more specific interrelations between the various spaces and the cyclical nature of trade fairs. These interrelations are directly informed by our research but are difficult to rigorously substantiate and must therefore be read as hypothetical but hopefully plausible conclusions. It is hoped that further research will be motivated to reflect further on the validity of these conclusions.

It is true that a single visit to one trade fair will allow actors to benefit from the functional spaces we outline. During a visit actors come into contact with a rich spatial environment where different functional spaces overlap. The overlapping and [p. 444] connection of these different spaces in close proximity at a single fair is likely to be mutually reinforcing. In explaining why they visited trade fairs informants stressed the idea that they can simultaneously engage in many different activities: e.g. pursue sales and new employees whilst also building networks and brands. Overlapping spaces at trade fairs connect agents

into mechanisms and dynamics that “are similar to those found in permanent clusters” (Maskell et al. 2005): 2). These mechanisms are, however, not only about enhancing knowledge exchange but also about other things that actors find in permanent clusters: marketplace transactions, sourcing of suppliers, access to specialist labor/inputs, and interaction with sophisticated consumers. Trade fairs offer, at least temporarily, many of the characteristics that attract firms to permanent industrial clusters.

Whilst the five functional spaces we describe overlap with each other at the fair, they also overlap with each other across different events. We encountered evidence of more or less stable groups of actors that re-enact these spaces on a recurring basis. As stated earlier we frequently met the same people at different fairs and associated peripheral events and all our interviewees talked about meeting the same groups of old friends and contacts at every fair they went to. In order to benefit from certain of these spaces, regular participation and iteration seems necessary: e.g. it takes time at one fair, at home, and at the next fair, and so on, to build firms’ sales, reputation, and status.

In particular, it appears to us, that the spaces for network capital and symbolic capital are likely to be strongly linked with the cyclical nature of the trade fair circuit. Network and symbolic capital rarely grow over night and all respondents suggested they need continuous management i.e. repetition, work, and regular attention. Actors need to constantly engage with these spaces in order to stabilize and build network relations. Equally symbolic capital depends upon many visits to different fairs so as to have the time to establish neighborhood effects, relations with a travelling media, or a lasting reputation for innovation or quality. For these reasons network and symbolic capital spaces are cyclically connected between trade fairs and are likely the core mechanisms connecting and linking various events into cyclical clusters.

However, spaces for sales and recruitment may also function better if they are connected between events or exist at the level of recurring global circuits. Sales are highly linked to network relations as customer aftercare and reorders are important to many furniture firms’ business models. Moreover, sales of what are often very aesthetic and symbolic goods are highly related to the construction and maintenance of symbolic capital. To a lesser extent the space for recruitment (or more precisely marketing yourself as employable) can be said to be cyclical: employers constantly searched for new labor and contractors; and individuals worked, at fairs, at least as hard building and maintaining their own networks as those of their current firm.

Knowledge diffusion certainly has cyclical dimensions but is not necessarily cyclical to the same extent as other spaces. Perhaps this is because in an industry where fashions rapidly change and firms are under constant pressure to be different from their competitors, knowledge gathered at one show might be obsolete by the time of the next big show. Certain knowledge in fashion based segments has a short sell-by date whereas networks and symbolic capital tend to be more lasting. Equally once a firm has established pieces (such as classic or traditional designs) firms are reticent about changing proven formulas and there is little news to be dispersed. For such firms knowledge dispersion may indeed be counterproductive since their aim is rather protecting and guarding intellectual property.

In conclusion, we argue that to a considerable extent the two sets of empirical findings we report are related and interlinked. We suggest that certain overlapping [p. 445] spaces not only overlap at individual fairs but since their functionality seems to increase the more one encounters them they also overlap in a cyclical calendar with similar ones at other fairs. As such they act as connectors between individual events and are thus the iterative bedrocks of cyclical clusters. In this sense a central hypothesis this paper puts forward is that trade fairs can be considered ‘cyclical clusters’: complexes of overlapping spaces that are

timed and arranged in such a way that spaces can be reproduced, reenacted and renewed over time in global circuits.

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