



# Effectiveness of the National SME Fair on Market Promotion of SME Products



Prepared by

**Small and Medium Enterprise Foundation (SMEF)**

4 Panthapath, Dhaka-1215



Funded by

**Ministry of Industries**

Government of the People's Republic of Bangladesh

December 2020

**Study Report**  
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## **List of Abbreviations/Acronyms**

ANOVA	Analysis of Variance
ATM	Automated Teller Machine
BB	Bangladesh Bank
BICC	Bangabandhu International Conference Center
B2B	Business to Business
BSTI	Bangladesh Standard and Testing Institute
BSCIC	Bangladesh Small and Cottage Industry Corporation
CWCCI	Chittagong Women Chambers of Commerce
FBCCI	Federation of Bangladesh Chambers of Commerce
MSME	Micro, Small and Medium Enterprise
TIN	Taxpayer Identification Number
NASCIB	National Association of Small Cottage Industries of Bangladesh
VAT	Value Added Tax
B2C	Business to Customer
ICT	Information and Communication Technology
GDP	Gross Domestic Product
ADB	Asian Development Bank
PR	Public Relation
MIDAS	Micro Industries Development Assistance and Services
MoI	Ministry Of Industries
SME	Small and Medium Enterprise
SMEF	Small and Medium Enterprise Foundation
SPSS	Statistical Package for the Social Science

## Executive Summary

*National SME Fair is one of the most significant marketing tools to escalate the domestic product promotion in local as well as international market. It is of great help to the entrepreneurs in selling products to a large group of visitors as well as in getting many orders. The main focus of the study is to determine entrepreneurs' views towards effectiveness of SME Fair as a marketing tool. Researchers explained that great issues that entrepreneurs were faced with reduced growth rate, highly increased competition, reduced purchasing power, severe recessions, consumer awareness and pressure on pricing. Therefore, SMEs are constantly looking for the lowest cost effective methods to promote their products and services. However, the effectiveness of national SME Fair as a marketing platform to meet their objectives is seldom known to small and medium entrepreneurs. The outcomes of the study are getting significant information of the participants such as gender, occupation, education, age etc. which can affect the fair; obtaining priority factors that influencing the participation of enterprise, effectiveness of the fair and participants' satisfaction; increasing the volume of product sales and orders over the years etc. Through this study, it is manifested that National SME Product Fair expands the sales and product orders as well as the market linkages, therefore, National SME Product Fair is effective for product promotion.*

**Key words:** Effectiveness, marketing tools, National SME Product Fair, product promotion, market linkages.

# Chapter 1 Introduction

## 1.1 Background

Micro, Small and Medium Enterprises<sup>[1]</sup> play a pivotal role in achieving higher economic growth in many countries. Like other developing countries, Bangladesh has great potential for the development of MSMEs. It is widely seen that MSMEs could play a catalytic role to agro-based Bangladesh into an industrialized one. As per economic census-2013 there are 7.8 million enterprises constitute a significant number (including cottage) of economic enterprises accounting over 99% of all enterprises in Bangladesh. The share of SMEs in GDP is estimated at about 25% (ADB, 2015).

Government established Small and Medium Enterprise Foundation (SMEF) through Ministry of Industries for promoting SME development in Bangladesh. Since its inception, SMEF has been implementing various activities like business support services; policy advocacy and research; technology and ICT development; capacity building training and so forth. In this context, each year SMEF organizes SME fair in the National level and Regional (district) levels. This event acts as a platform for the entrepreneurs which allow them to build networks with buyers and supplier and to promote sell. The National SME Product fair is usually held in the capital at Bangabandhu International Conference Center (BICC), while the regional fairs are held in selected districts of the country. The National SME Product fair lasts for 7days. MSMEs from the different parts of the country participate in these event to display their products and services.

The main objective of this fair is to facilitate the display of SME product and to enhance the sales and market expansion. It also helps to build network as well as bridge between the entrepreneurs and the customers. It also serves as a stage for receiving consumer feedback regarding the quality of a product and new product/service development. The majority of the products displayed in the fair are diversified jute products, boutiques and fashion related products, handicrafts, leather products, plastics, electronics, light engineering and agro processed products.

The first National SME Product fair was organized in 2012. Since then 7 National SME fairs have been organized in Dhaka at the Bangabandhu International Conference Center (BICC). In the first two National SME Fairs, the numbers of participating enterprises were 100. After that the numbers have been increased to 300 till 2020 and it is expected that the number will increase gradually from the future fairs.

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<sup>[1]</sup> According to National Industrial Policy-2016,

In manufacturing, Micro Industry/Enterprise would be those with assets worth (except cost of land and building) TK 1 to 7.5 million and/or 16 to 30 workers or less.

In manufacturing, Small Industry/Enterprise would be those with assets worth (except cost of land and building) TK 7.5 to 150 million and/or 31 to 120 workers or less.

In manufacturing, Medium Industry/Enterprise would be those with assets worth (except cost of land and building) TK 150 to 500 million and/or 121 to 300 workers or less. In case of garments industry, the highest limit of the numbers of workers will be 1000.



## **1.2 Problem Statement**

SMEs are considered as the engine of economic growth in Bangladesh. SMEs are producing various high valued products. In this competitive world, due to the lack of market information and promotion, SMEs are lagging behind their large counterparts. So, they need to develop product quality and go for internationalization. In this context, participation in the National SME Fair could help them to gather knowledge about customer preferences, product preferences, market information and networking with prospective buyers which in turn would help them to enhance their competitiveness. As most of the SMEs operate their business involving lower capital, they look for cost effective way to promote their products and services. This is why they tend to participate in the fair. The effectiveness of National SME Fair as a product/sales promotion platform is not familiar to many. Therefore, this study is designed to analyze whether the fair is an effective promotional tool or not for the SMEs.

## **1.3 Objectives**

The overall objective of this study is to assess the effectiveness of National SME Fair on the market linkage and market promotion of SME product.

### **Specific Objectives:**

1. To determine the factors influencing the participation of SMEs in the National SME Fair;
2. To determine the effectiveness of National SME Fair as a marketing tool;
3. To determine whether SMEs achieve marketing objectives by participating in National SME Fair or not; and
4. To develop recommendations for further quality improvement of National SME Fair.

### **Research Questions:**

1. What are the factors that influence the participation of SMEs in the National SME Fair?
2. What are the entrepreneur's views on the effectiveness of National SME Fair?
3. Do SMEs achieve marketing objectives by participating in National SME Fair and to what extent sales, order and market linkage are increased?
4. What is the products basket brought by the entrepreneurs in the National SME Fair? Is there any quality change over the year?

## **1.4 Significance of the study**

SMEs are considered as an important sector for promoting growth and economic development in Bangladesh. For the development of the SMEs it is necessary to promote their products and services. To this end, the study is expected to find out the benefit of participation in the National SME Fair as well as to understand its effectiveness in their market promotion and market linkage. The study also provides a base for the future assessment of SME Fair. The findings of the study will be useful for the policy makers, entrepreneurs, academicians, researchers and other relevant stakeholders associated with SME promotion.

### **1.5 Limitations of the study**

1. The topic is very new in Bangladesh since no study has been conducted in this type of SME Fair. So, lack of sufficient secondary data related to this topic was a problem.
2. The entrepreneurs did not want to provide much information about their business during the National SME Fair.
3. In National SME Fair most of the stalls were regulated by workers. Therefore, it was so difficult to collect the authentic information from them.
4. Most of the participants were reluctant to provide information particularly about financial issues.
5. National SME Fair facilitated only three hundred entrepreneurs which are hardly sufficient to determine the perspective of the whole country.
6. Since enough information about the participants of National SME Fair from 2012 to 2019 could not be collected during the study, it was not possible to run regression analysis.
7. During the fair, Corona pandemic initiated its ferocity in Bangladesh, which affected the sale as well as debarred making relations with buyers. This hindered to get proper outcomes.

## **Chapter 2 A Brief on SME Foundation**

### **2.1 Operational Focus**

The Small & Medium Enterprise Foundation (SMEF), widely known as SME Foundation is established by the Government of Bangladesh through Ministry of Industries as an apex institution for SME development in the country. The major activities of SME Foundation are implementation of SME Policy Strategies adopted by the Bangladesh Government, policy advocacy and intervention for the growth of SMEs, facilitating financial supports for MSMEs, providing skill development and capacity building training, facilitating adaptation with appropriate technologies and access to ICT, providing business support services, etc. It is mentionable here that the Foundation is working for the development of enterprises and entrepreneurs who belong to micro, small and medium categories as per Industrial Policy 2016. In line with the Industrial Policy 2016, 7<sup>th</sup> Five Year Plan, Vision-2021, SDG-2030, Article-16 of the Bangladesh Constitution, Election Manifesto of Government and Vision-2041, SME Foundation has been implementing multifaceted activities like cluster-based SME development, ICT & technology up-gradation, capacity building, improve SMEs' competitiveness, facilitate access to market, new entrepreneurship development, provide easy loan through Banks & NBFIs, policy advocacy & research. Besides the general supports to the development of SMEs and entrepreneurs the Foundation is providing diversified supports to the existing and potential women entrepreneurs in order to position them into the mainstream business community.

### **2.2 Vision**

Promote Small and Medium Enterprises (SMEs) for alleviating poverty, generating employment and thereby accelerating economic growth.

### **2.3 Mission**

The mission of SME Foundation is assist for promoting the growth of small and medium enterprises of all the productive and service oriented enterprises of the national economy for facing the challenges of free market economy and globalization.

### **2.4 Objectives**

Aligned with the mandates provided by Bangladesh government, the objectives of SMEF could be listed as below:

- a. To promote, support, strengthen and encourage the growth and development of SMEs;
- b. To plan, program and finance interventions for delivery by private sector organizations;
- c. To institute SME Awards in order to promote competitiveness among the SMEs.
- d. To facilitate SME access to finance by creating and supporting appropriate strategies and institutions;
- e. To rationalize public sector approaches and support structures for SME development;
- f. To create a pro-growth and pro-poor business environment;
- g. To create appropriate incentives, mechanisms and support structures to facilitate the formation of new enterprises;

- h. To identify and report policy anomalies, market and institutional failures that are prejudicial to the legitimate interests of SMEs;
- i. To create a database on SMEs and SME sectors.
- j. To encourage in building linkage among the national and international institutions working for SME development;
- k. To develop capacity of public and private sector SME service providers; and
- l. To enhance productivity of SMEs.

## **2.5 Major Program Areas**

In order to implement the SME development action plan, SMEF offers business development services to the SME entrepreneurs under the following thematic programs:

- a. Advocate policy and conduct research to create and maintain non-discriminatory policy environment for the SMEs. Important areas of advocacy and intervention by the SME Foundation includes reduction of regulatory barriers, rationalization of taxes and VAT etc.
- b. Ensure access to information to the SME entrepreneurs and other stakeholders through the national web portal ([www.smef.gov.bd](http://www.smef.gov.bd)) and its regular up-gradation by uploading important information relevant to SME growth and development.
- c. Women entrepreneurship development and planning is an important task of SME Foundation. Its' efforts in this area include women entrepreneurship development surveys/studies, skill development of women entrepreneurs, gender sensitizing seminar for the financial institutions, B2B/B2C matchmaking event and recognizing potential SME women entrepreneurs etc.
- d. The SME Foundation undertakes various programs to enhance flow of institutional funds to the SMEs. The major program areas include implementation of credit wholesaling program at concessional interest rates, holding of SME financing fairs with chambers and financial institutes, arrangement of thematic seminars on the SME financing issues etc.
- e. The SME Foundation is deeply committed to remove technology gap and improve SME competitiveness through technology up-gradation, adoption and diffusion of new appropriate technology to the sectors. Among important interventions, the SME Foundation arranges training in collaboration with domestic and foreign sponsors for product, safety and provides advisory services to enable the SME entrepreneurs and to have access to the new advanced technologies.
- f. The SME Foundation is working relentlessly towards capacity building of the individual entrepreneurs as well as the institutions and organizations, trade bodies and financial institutions concerned with SME development. The Foundation has so far organized many training programs under public-private partnership mode to enhance skills of the SME entrepreneurs and create new entrepreneurs. Important areas covered by such programs include entrepreneurship development, cluster wise skill development, technology development, productivity & quality improvement, marketing and financial management etc. Skill development programs provided to women entrepreneurs has been a particular area of emphasis by the SME Foundation.
- g. The SME Foundation provides extensive range of business support services to the SME entrepreneurs across the country. The services extended through its advisory service center viz. market promotion and expansion, promotion

- linkages between buyers and sellers, advice for creating new enterprises, publication of SME business manuals and organization of product fairs etc.
- h. Sector development pursued through undertaking surveys and studies of the 'Priority' sectors and directs activities relating to women entrepreneurship development.
  - i. Cluster mapping/developing of SME is concentration of the Foundation in different regions of the country to facilitate delivery of business support and development services on a priority basis is another important program implementation area.
  - j. Strengthening of trade bodies/associations is designed to enhance capacity building of the SME related trade bodies, associations and organizations and consciously develop public-private partnership as a way of promoting SME growth and development. The results obtained should lead to decentralization approach to SME growth and benefit of resource sharing.
  - k. Creating SME-Friendly Environment is a critically important policy area which needs constant advocacy and lobbying by the SME Foundation with the policy makers, donors and the stakeholders to ensure that the SMEs are able to operate in a level playing field. Policy advocacy, access to information and availability of business support services are the important areas of SME Foundation's interventions to ensure an overall enabling environment for the SMEs.
  - l. Public Relation (PR) section of SME Foundation disseminates information to the vast audience regarding SME Foundation, its functions and activities. The section has been playing a vital role in upholding the Foundation and its image with its relentless effort through continuous communication with print & electronic media and also with the SME stakeholder.

## **Chapter 3 SME Fair in Bangladesh**

### **3.1 What is SME Fair**

SME Fair is an exhibition organized to showcase and demonstrate the products of micro, small and medium enterprises, meet with industry partners and customers, study activities of rivals, and examine recent market trends and opportunities. There is a demand of quality SME products in Bangladesh and outside the country. But, due to absence of desired marketing facilities, our local SME manufacturers are facing difficulty in marketing their products. Through participation in fair at national and regional level, SMEs get opportunity to promote their products and interact with customers. SME Entrepreneurs can easily share & compare their products quality with their competitors, try to find out the new markets and enhance sales through participation in the fair. SME entrepreneurs showcase jute goods, foods & agriculture goods, leather goods, electronics & electrical appliances, light engineering goods, plastic & synthetic, handicrafts, imitation & jewelry, design & fashions goods at the fair. SME Foundation has been organizing this National SME Fair every year in Bangladesh since 2012.

### **3.2 SME Fairs in Bangladesh**

Various associations, chambers, bank & non-bank financial institutions organize a number of SME fair every year. Among them MIDAS SME Fair organized by MIDAS, International SME Fair organized by CWCCI, SME Fair organized by Lanka-Bangla finance limited, SME Fair organized by FBCCI and Women SME Fair organized by CWCCI, Banker-SME Women Entrepreneur Gathering & Product Fair organized by Bangladesh Bank etc. are remarkable. These fairs increase the sale of the participants providing customer friendly environment.

### **3.3 National SME Fair of Bangladesh**

All the wings of SME Foundation are working for the development of micro, small and medium enterprises through different activities. Therefore, Business Support Services wing is one of the significant wings which work as facilitator for entrepreneurship development. The major activities of this wing include, SME product promotion, preparation of SME products market profile and sector wise catalogue, assisting businesses through publication of business manuals etc. One of the main activities of this wing is to organize National SME Product Fair. The National SME Product fair is usually held in the capital city at Bangabandhu International Conference Center (BICC). The fair lasts for an average duration of 7 days. Micro, small and medium enterprises from all around the country are encouraged to participate in this fair. The objective for organizing these fairs is to help SMEs promote their products, increase sales amount, and expand market at local and national levels. It serves as a stage for networking between entrepreneurs as well as gaining consumer feedback regarding quality and new product/service development. The array of products in the fair are mainly jute products, leather goods, design & fashions wear, handicrafts, foods & agro-processing products, herbal products, plastic & synthetic, electrical and electronic products, light engineering products, IT products and other domestic products.

The very first National SME fair was held in 2012. Initially, the fair lasted for three days, after which the duration had been increased to 7 days. In the first two National fairs, the number of SME stalls was 100 which was increased to 305 stalls (size 8×8) in the eighth National SME fair in 2020. The fees initially charged were 5000 taka per stall in 2012. However, the fees per stall was increased to Tk. 10,000.00 in 8<sup>th</sup> National SME fair. During 2012 to 2019, the number of participants was also grown at an annual rate of 25.625%. Compared to male participants, a higher proportion of female entrepreneurs were participated in each of the SME fairs. In 8<sup>th</sup> National SME Fair, the number of female entrepreneurs were 190 whereas that of male entrepreneurs were 110. In 2012, the amount of sale and order was 28.03 and 60.44 lac TK respectively which had been increased gradually from 2013 to 2018. It should be noted that the amount was at the highest level in 2018. The amount of sale and order from the 8<sup>th</sup> National SME Product Fair were respectively Tk. 49.5 million and Tk. 63.8 million, which was less than that of previous year fair (sale: Tk. 57 million and order: Tk. 95 million) due to Corona pandemic.

National SME Product Fair organized by SME Foundation continues its uniqueness by ensuring the following features:

- a) Only locally produced products are displayed and sold in National SME Product Fair. No imported product are displayed in that fair;
- b) Third gender and autistic entrepreneurs get extra priority to participate in the fair;
- c) 177 clusters of Bangladesh identified by SME Foundation are given subsidy for stall fees;
- d) SMEF encourages women entrepreneurs to participate in the fair with a view to ensure women empowerment;
- e) It appreciates manufacturing rather than trading;
- f) SMEF organizes a number of seminars addressing various demand driven issues to provide a lot of innovative ideas and knowledge about SMEs, entrepreneurs and contemporary business issues to the participants; and
- g) It comes up with the lagging behind industries of Bangladesh to the nation so that this industries can come forward and catch the eye of government.

### **3.4 Participation process in the National SME Product Fair**

SME Foundation usually provides advertisement in the national newspaper to inform the entrepreneurs three months before organizing the National SME Fair. A number of letters are sent to associations, trade bodies, Bangladesh bank, BSCIC, NASCIB and different Ministries to notify about the fair. Participant can also get information from SMEF website and Facebook page. Interested candidates can apply for participating the National SME Fair. Generally the selection committee maintains the following criteria to select the participants:

- a) Necessary documents such as Trade license, TIN certificate etc. are the first criteria for selection;
- b) Products should be locally manufactured;
- c) Products which are prioritized on National Industrial policy-2016 are given preference;
- d) The entrepreneurs with diversified and innovative products get priority;
- e) In case of food items, BSTI certificate is mandatory;
- f) Good quality and innovative designed products are always encouraged; and

- g) Third gender and autistic entrepreneurs get extra priority to participate in the fair.

Except for SME enterprises, no other businesses are allowed to participate in this fair. After the selection, a list of selected entrepreneurs is published in the website.



# Chapter 4 Literature Review

## 4.1 Introduction

There have been a lot of studies addressing particular aspects of effectiveness of SME fair carried out in the world while it is very new in Bangladesh. Here, an experimental review of previous studies related to this topic has been discussed and the research gap has been identified.

## 4.2 History of the Fairs

The term "fair" itself originates from the middle ages and comes from the Latin word "feria". It means a religious festival that takes place near a convent or a church. It is believed that the fairs began almost 600 years before the birth of Christ. At that time, there was a close relation between fairs and religious celebration and holydays.

In the medieval times villagers and craft persons sold their goods at the local fairs. At those time fairs were a convenient place to get access to a huge crowd of potential buyers far away from villages. It was relatively inexpensive to do business because all kinds of people such as traders, vendors, farmers and even prostitutes gathered there (Gopalakrishna & Lilien 2012). In the twelfth and thirteenth centuries fairs became more prominent place for marketing of various goods such as spices, cattle, wool, grain, clothes, furs and jewellery (Wedemeyer More 1988). The famous well-known book fair of Frankfurt has been holding yearly since the thirteenth century (Palumbo & Herbig 2002).

International trade fairs were the leading medium for reaching potential customers and introducing products in the sixteenth century (Palumbo & Herbig 2002). In the early 18th century trade fair were used for disposing agricultural surpluses. The market places also offered a chance for different business actions such as collecting debts and rents, taking orders and hiring people. Trade fairs became extremely popular because of their entertainment value during the 19<sup>th</sup> century.

In present times the core element of trade fairs still remains. Today, trade fair provides a forum for companies to display and demonstrate their products to potential buyers who had a special interest in buying these products. The time frame and concentrated location of trade fair is cost-effective for exhibiting companies and convenient for buyers.

## 4.3 Effectiveness of Fair

There are a lot of studies that show advantages correlation for SMEs to participate in trade fair. For instance Sasaka, P. S., 2012 asserts that creation of new products to a large number of people, reinforcement of existing customer relationships, promotion of existing products, the enhancement of goodwill, uncovering potential of customers, reinforcement of existing customer relationships, gathering competitor's information and general marketing research etc. are the significances of trade fairs for small and medium enterprises. Kellezi, J., 2013 explains that the application of trade fair become an important market technique for small business because small firms have limited budgets and centralized management structure compare to large company. Most of the SMEs all over the world want to create brand image of their company through sell promotion and advertisements so that they can attract customers, increase sells and above all, enhance the income of organization, but through insufficient

resource and budget constrain SMEs cannot afford to advertise and promote their products through social media. So, participation of SMEs in trade fair can help to reduce advertisement and promotion cost. The study by Aikaeli, J., 2012 shows some positive effects of trade fair to SMEs welfare, by concludes that trade fair makes the SMEs to concentrate in a quality product, good ways of product presentation and assessment of buyer reaction, audience interest, reaching the unknown and viewing the competition.

#### **4.4 Research Gaps**

In Bangladesh, several studies had been carried out in the field of market promotion. Tasnim (2017) explained that Dhaka International Trade Fair helped to promote different product and taught pricing strategies. Ovi and Islam (2018) stated that Bangladeshi electronic products are becoming famous day by day through Trade Fair. They focused on Walton Company which is somehow competing very well against other foreign companies.

These studies focused on promotion in other industries rather than SME sector. No research known to us is found on the effectiveness of product fair as a method of promotion in Bangladesh. Most of the literature had focused on how product fairs should be managed but little is known about whether entrepreneurs do measure the relative effectiveness of the product fair practices and what these measures are.

## Chapter 5 Theory and Hypothesis

### 5.1 Theoretical Analysis

Product fair is increasingly becoming an important ingredient for the market promotion of various entrepreneurs irrespective of whether they are micro, SMEs or large. It is possible to know the effectiveness of product fair in marketing of SME products; National SME Product Fair is a major factor that contributes to the increase in sale of SME product. National SME Product Fair has really contributed to the sale of SME product as well as increasing turnover with the view that the personnel highly believed that fair has enormously contributed to the SME progress.

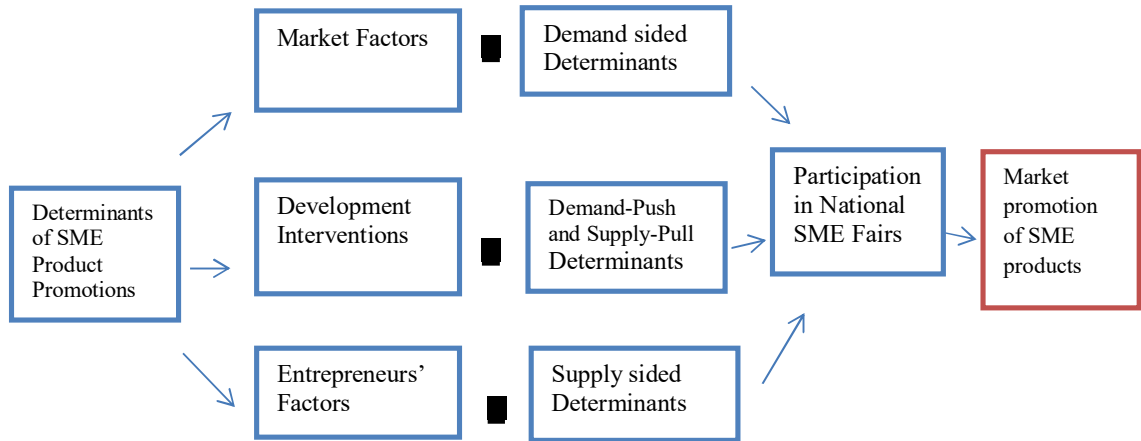
Product fairs are defined as organized market events, which are held at specific periods and places, where a large number of entrepreneurs present their offers and consumers get information or buy goods (Pantano 2011). The main advantage of product fairs are that they have the ability to involve the visitors and to interact with them (Kirchgeorg and Kastner 2010). However, when analyzing the application of marketing theory in SME, it can be noticed that it often relies on the application of classical marketing models, compared to big businesses (Ling-yee 2008).

In fact, Kotler (2003) states that SMEs use more informal marketing practices, being sometimes even unstructured and spontaneous when compared to bigger businesses. This application of marketing techniques in SMEs is due to their limited budgets and centralized management structure, compared to bigger companies. Considering this situation, the application of product fair becomes an important marketing technique for the SMEs and today they are considered an integral part of their marketing strategy (Yuksel dhe Voola 2010).

Important to be mentioned that, alike other events, road shows and showrooms, product fair belongs to two ways communication category. Kirchgeorg and Kastner (2010) point out that this form of communication is mostly focused on sharing experiences with specific target groups, giving them a personal encounter, letting them experience the brand and encouraging emotional appeals. In this context, considering the nature of the business, the industry where it operates and the target audience, the application of product fair as a communication technique is aiming at creating a direct and personal interaction between the company and its target group, in order to create unique and lasting memories (Kirchgeorg and Kastner 2010).

## 5.2 Conceptual Framework

By using the following conceptual framework we can identify different important determinants of SME Product Promotions.



*Figure 5.1: Conceptual framework of the determinants of SME Product Promotions*

In the above figure, the market factors are the choices of buyers and quality of products which determine the promotion of SME products form the demand side. Factors of entrepreneurs include the volume of investment, employment size, technology used etc. which determine the promotion of SME products form the supply side. Here, development intervention like the arrangement of National SME Product Fair is the demand-push and supply pull factor. Here, main economic theory is that, in the situation of existing supply side factors if SMEs attend in the National SME Product Fair, the market promotion of SMEs will be improved.

## 5.3 Hypothesis

In this study, a strong hypothesis that, National SME Fair has no significant effect on the market promotion of SME products.

H0: National SME Fair has no significant effect on the market promotion of SME products

H1: National SME Fair has significant effect on the market promotion of SME products

## Chapter 6 Methodology

### 6.1 Method

Both quantitative and qualitative method have been used to conduct the study. Although quantitative data was the initial target but qualitative data have been used to enable the comparison, augment and generalization of the findings before arriving at conclusions.

### 6.2 Source of Data

In this study, primary data have been used to complete the research. Panel data have been collected from the entrepreneurs who have participated in the National SME Fair 2020. Various business Information including sales, order and market linkages of entrepreneurs made under the National SME Product Fairs from 2012 to 2020 has been collected from the entrepreneurs through face to face interview.

### 6.3 Sampling Method and Procedure

Stratified random sampling has been used in this study because it helps us to achieve the desired representation of various sub-groups in the population. The sub-groups consist the SMEs of agro-processing, leather, handicrafts, jute, light engineering, fashion design and other sector. This method gives an equal chance of representation. The target population was the entrepreneurs who participated in the National SME Fair in 2020. Total 205 samples have been used from 300 participants to conduct the survey. Here, priority was given to choose the entrepreneurs who participated the maximum number of National SME Fairs from 2012 to 2020.

### 6.4 Research Instruments

For this study, a semi structured questionnaire has been administered having 34 questions on different issues like volume of product sales as well as getting product order during National SME Fairs and information of all the possible factors of market promotion of SME products.

### 6.5 Selection of the variables

#### Dependent Variable

Here, market promotion of SME products has been used as the dependent variable and this dependent variable is divided into three parts.

- 1) Volume of product sales
- 2) Volume of getting product order
- 3) Number of market linkage build-up

#### Independent variables

All the possible causes and factors of market promotion of SME products has been used as the independent variables. The independent variables those have been used in this research are participation time in the National SME Fair, investment, employment, size of firm, sector of firm, geographical location, gender, age, and education level and occupation.

## **6.6 Data Analysis**

### **Model Specification**

After the data collection, necessary statistical software (MS Excel and SPSS) has been used to analyze the data and a useable data set was created to run the ANOVA Test. To show the correlations among different variables, cross tables are prepared to analyze the data in most cases. However in the proposal the following model was mentioned while it was not possible to run regression analysis due to lack of sufficient information.

### **6.7 Data collection and analysis**

Six data collectors, the students of Dhaka University, have been appointed to record the interviews of two hundred and five MSMEs in the National SME Fair. They looked for new aspects and meaning from the data and coded the collected data. The coding process included breaking down the interviews into separate units of meaning. After that, the massive amount of data was analyzed and classified to different themes by two data analysts. Then the conceptual classes were taken and grouped for identifying intragroup similarities and differences. A research team comprising of SMEF officials worked in preparing the study report under the supervision of the external adviser.

## Chapter 7 Profile of the Surveyed MSMEs

### Introduction

For the study, business information of two hundred and five MSMEs has been collected out of 300 MSMEs having 305 stalls by purposive sampling from the National SME Product Fair 2020. Here it has been tried to confirm representative from each sector.

### 7.1 Gender of the entrepreneurs

By analyzing of 205 samples, it has found that around 68% of the shop owners are female, 1% is third gender and 31% are male in the SME fair, which is actually good symbol of women empowerment in Bangladesh. This reveals that women entrepreneurship is increasing in our country as more female are coming into the small and medium enterprise as well as establishing themselves as entrepreneurs. It's a blessing for our country because in this regard the unemployment rate in terms of women in our country will decline day by day.

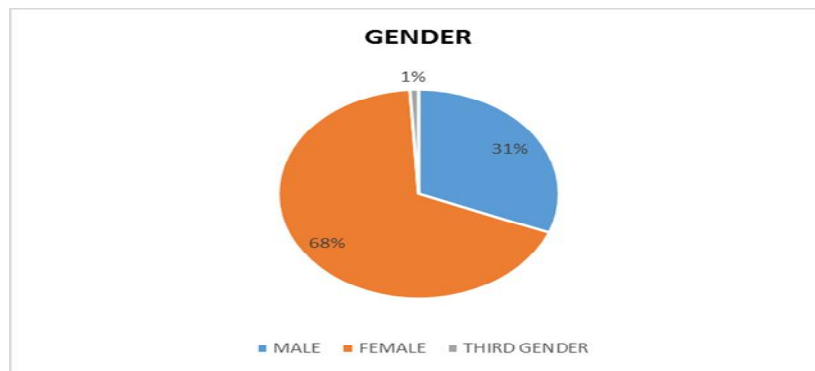


Fig.7.1: Gender percentage of the participating entrepreneurs

### 7.2 Occupation of the owners

In the case of the occupation of the owners, around 88% of the owners do only business and the remaining 12% of them have a business as well as another form of occupation such as working in the service sector.

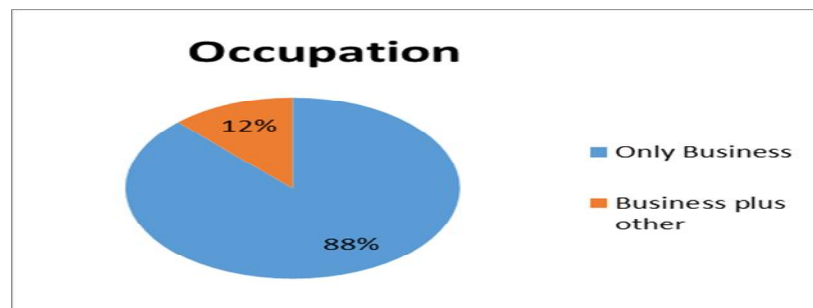


Fig.7.2: Percentage of different occupations of the owners

### 7.3 Education level of the owners

In regard to the education levels of the owners, around 81% passed the graduate level and above. So, we can assume that, nowadays, graduates are not waiting to have a job but they are engaging themselves with small and medium businesses and creating jobs for others. In this way, they play a key role to reduce the unemployment rate.

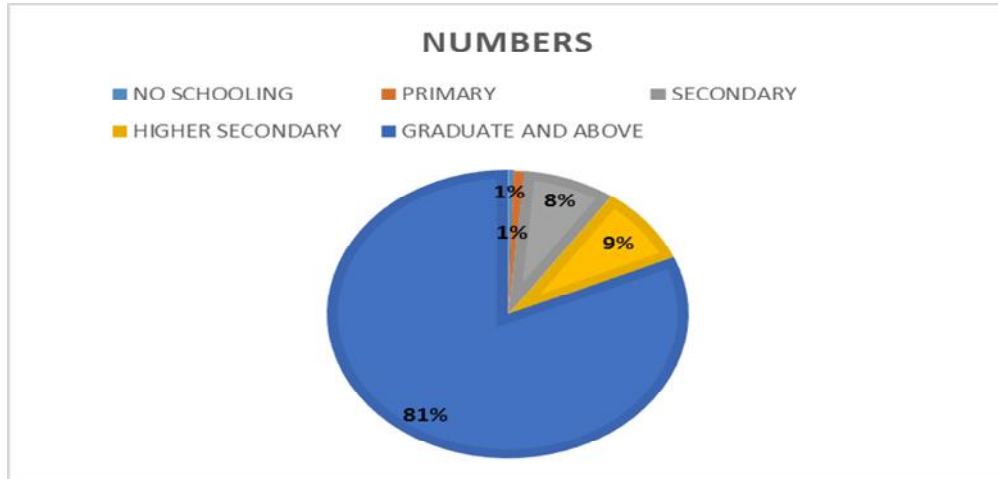


Fig.7.3: Percentage of the level of education of the owners

### 7.4 Location of the Enterprises

From this chart we can see that a number of entrepreneurs from different divisions participate in the SME fair; however, around two-third of the enterprises are from the Dhaka division as the National SME Product fair is held in Dhaka city. Considering the number of entrepreneurs participating in the SME Fair, the position of Rajshahi division is the second. Normally the duration of SME fair is seven days. So it is tough for the entrepreneurs out of Dhaka to stay there and continuing their business in the SME Fair.

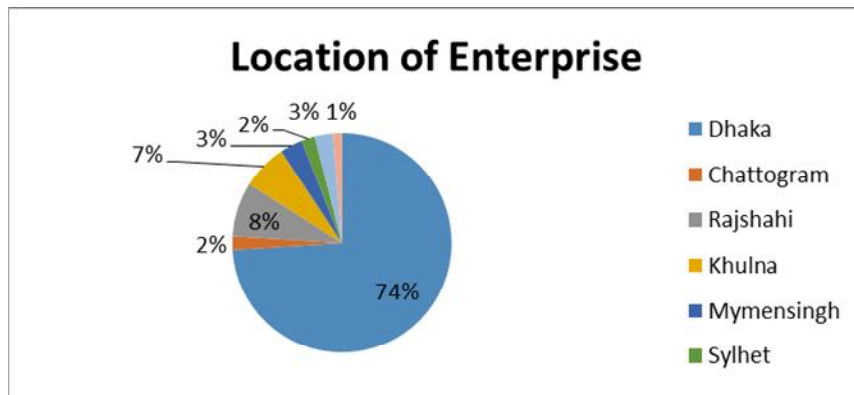


Fig.7.4: Percentage of the location of the enterprises

### 7.5 Age range of Participants

In terms of the age range of the owners, 6% of them are 21-25 years old, 10% of them are 26-30 years old and 18% of them are 31-35 years old. So, we can say that youth are benefited by participating the National SME Fair since 34% (6+10+18) of the participants are youth in this fair. The age ranges from 36 to 50 covered the highest



percentage which is approximately 55%. Only 1% of the participants account for the aging population of above 65.

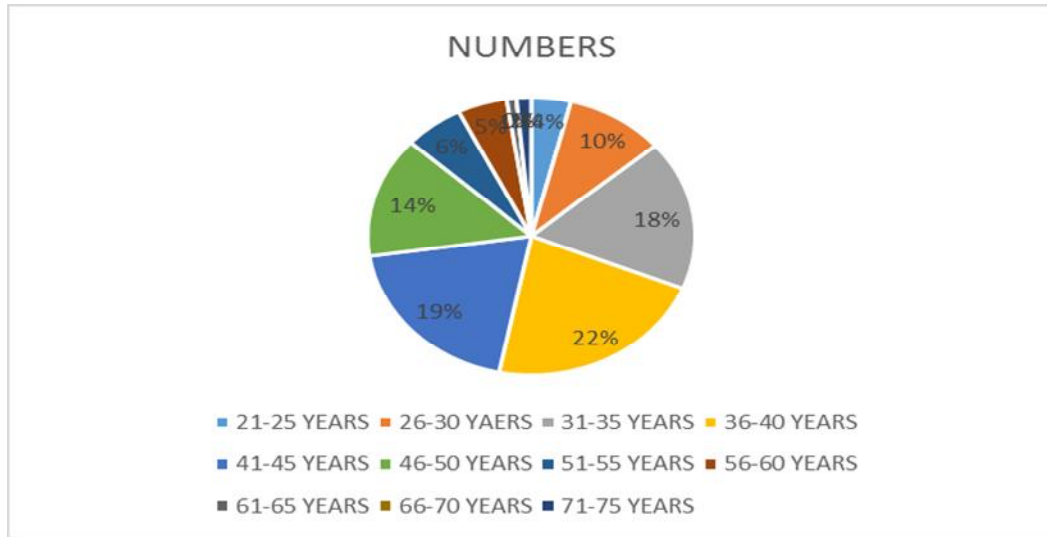


Fig.7.5: Percentage of Age Range of the Participants

### 7.6 Enterprises from different sectors

After examining 205 samples which were selected randomly, we find that the majority of the enterprises participated in the National SME Product Fair has come from the handicrafts sector comprising 27% of the participants. The second mostly covered sector is fashion design which consists of 23% of the participants. Only 3% participants are from light engineering sector.

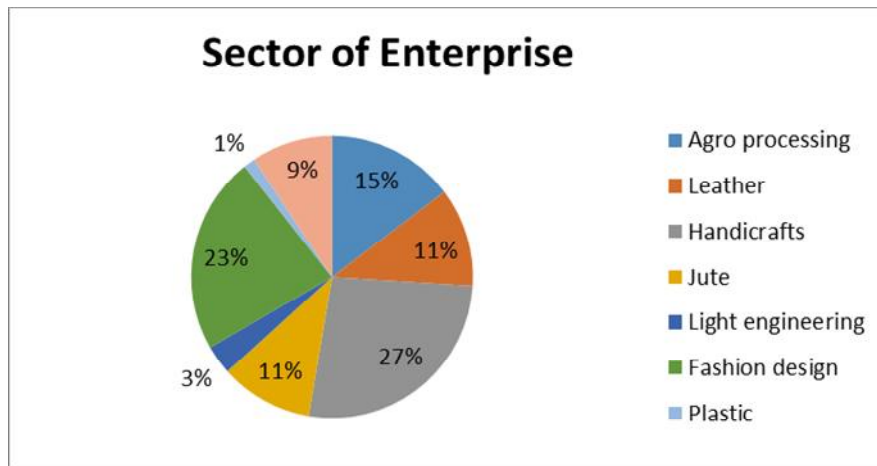
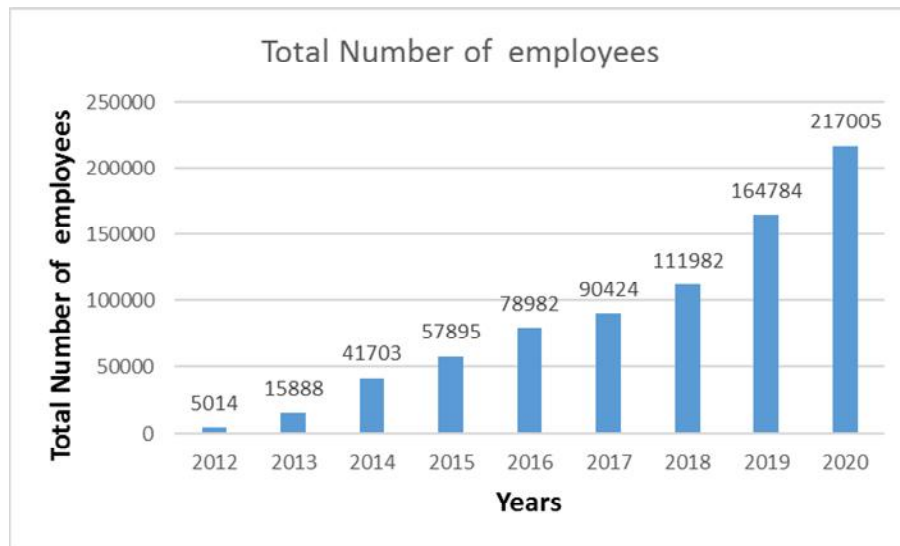


Fig.7.6: Sector covered by the enterprise

### 7.7 Number of Contractual Employees

It is found that, the SME participants have a few numbers of permanent employee but considering the subcontracting work, they have a huge number of seasonal workers. However, the total number of employees employed by all the participating enterprises in the fair are growing over the years as the sum of all employees was 5014 in 2012, which has been increased to 217005 in 2020. Because the enterprises have continued

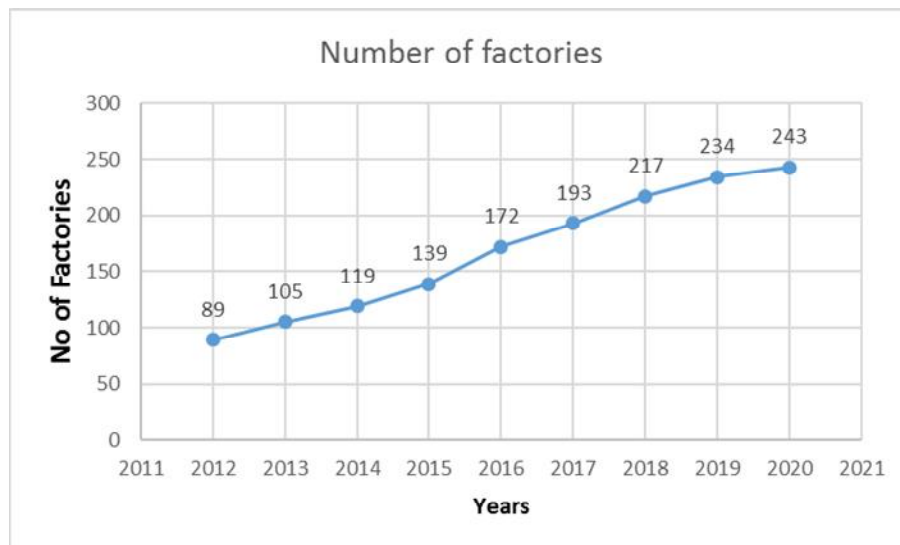
to grow in size and scale over the years and needed to hire more employees for smooth operation of the warehouses as well as the shops. This implies that SME Fair increases their sale so they want more profit by employing more employees.



*Fig.7.7 Total number of employees employed*

### 7.8 Number of Factories

The number of factories owned and operated by the participants has been increased from 89 in 2012 to 243 in 2020 owing to the increased investment of the owners to meet the increasing demands of the products by the growing number of customers. This implies that SME fair expanding their market and attracting a huge number of customers gradually.



*Fig.7.8: Number of factories operated by the participants*

### 7.9 Number of Showrooms

The total number of showrooms owned and run by the participants in their areas or regions of operation has increased from 129 showrooms in 2012 to 807 showrooms in 2020 over the course of 8 years. Over the years, the investment of the owners in their

enterprises has increased and so have their sales and product lines, indicating an increase in their reach and clientele. So the increase in the number of showrooms operated and owned by the enterprises in the region and/or areas where they conduct business, is a logical consequence of the aforementioned causes. With increasing sales, number and type of products sold, the enterprises to open up more showrooms to further expand their reach and attract more customers. The increase in volume of investment that we have seen above works as an indicator for this case, since more showrooms is a result of the increase in investment.

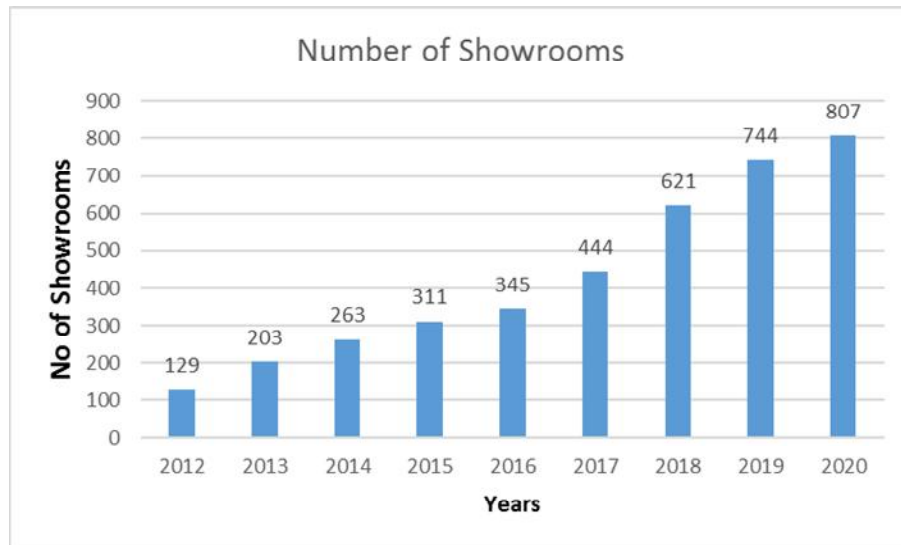


Fig.7.9: Total number of showrooms owned by the participants

### 7.10 Number of Machinery

The number of machineries owned and operated by the participants has been increased from 604 machineries in 2012 to 2588 machineries in 2020. The reason behind this can be the increased volume of orders the enterprises have experienced over the years. It implies that National SME Product fair increase their orders.

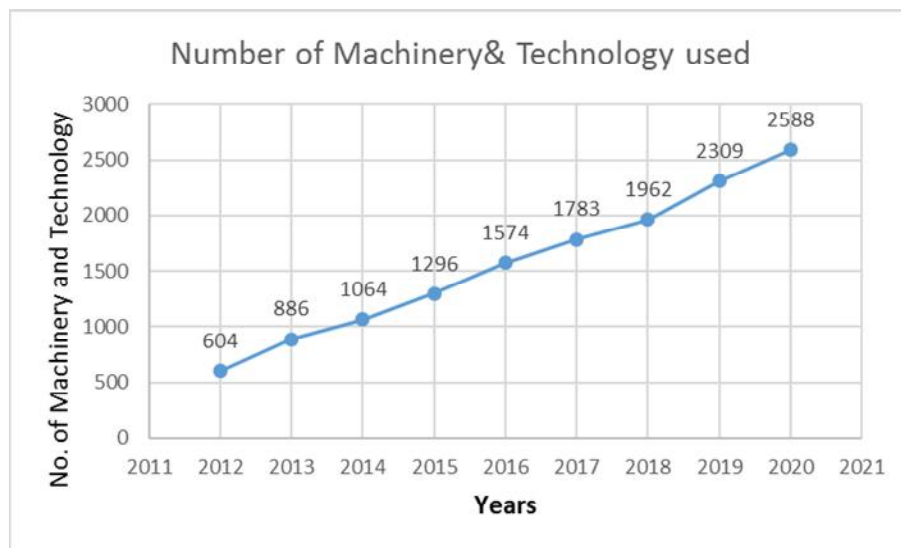


Fig.7.10: No. of Machinery operated by the enterprises

### 7.11 Major Buyers:

The participating enterprises mostly sell to direct consumers since 35% of the participants can be seen to be only directly selling to consumers first hand so their major buyers are direct consumers. Another prominent buyer of these participants is business entity to whom they wholesale their products. 45% of the participants agreed to wholesale their products to business entities. Of these participants who sell to business entities, some solely sell to business entities while others sell both to direct customers and also to business entities and international buyers.

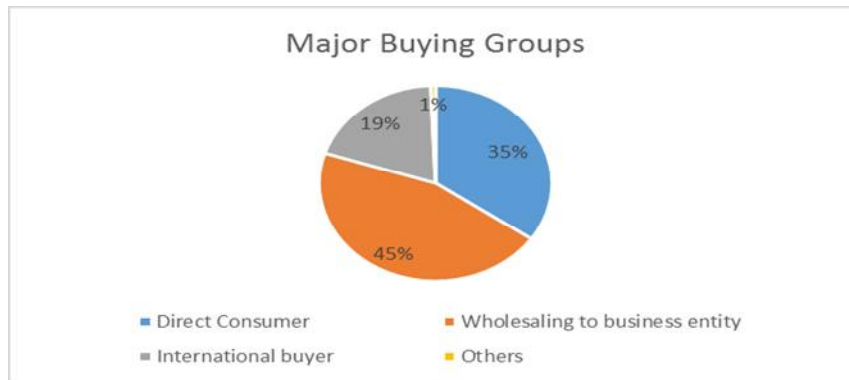


Fig.7.11: Percentage of types of Major Buyers of the enterprises

### 7.12 Sources of Finance:

Majority of the entrepreneurs, 129 out of 205 participants, use their own fund to start their businesses as opposed to getting loans from the bank, whereas only 45 participants out of the lot obtained fund from the bank. It suggests that the participants who do use their own fund to start their venture do not obtain 100% of their funds solely from their own savings, they use a mixture of source of finance where a percentage of their fund is obtained solely from their own savings. 61% of the participants use their own funds to start their ventures and only 25% resort to the help of the banks for obtaining their funds.

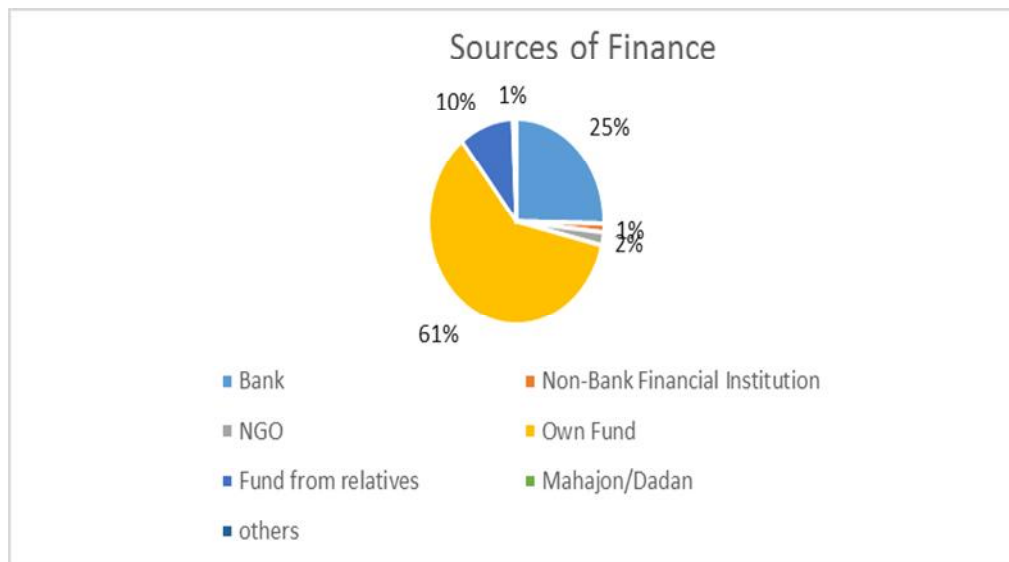


Fig.7.12: Percentage of different Sources of Finance

## Chapter 8 Effectiveness of the National SME Product Fair

The effectiveness of the National SME Product Fair could be summarized in three aspects. The first is the factors that influenced the participants in National SME Product Fair. The second is the entrepreneurs' views on the effectiveness of the National SME Product Fair as a marketing tool. And the third is the entrepreneurs' satisfaction level participating in the National SME Product Fair.

### 8.1 Impact: Factors influencing the participation of enterprise in the National SME Fair

The factors that play a part in stimulating participation by the enterprise in the National SME fair, their sum and average are listed below:

S.L	Factors	Sum	Average
01	Expansion of the market size	289	2.07913669
02	Entry into the new market	416	2.99280576
03	Selling more products/ additional sales	600	4.31654676
04	Gain idea of new product development	607	4.36690647
05	Linkage with backward supply chain	790	5.68345324
06	Better access to credit	907	6.52517986
07	Understanding the competing products	690	4.96402878
08	Linkage with regulatory body	701	5.04316547

*Table-8.1: Factors influencing the participation of enterprise*

The analysis of the collected data from the fair on the participants view of the factors that influenced their participation in the National SME Product Fair indicated that expansion of the market size, entry into the new market, selling more products/ additional sales, gain idea of new product development, and understanding the competing products was ranked highest in the stated order with individual means of, 2.07, 2.99, 4.32, 4.37 and 4.96 respectively.

Better access to credit, linkage with backward supply chain and linkage with regulatory body were ranked the lowest in the given order with means of 6.53, 5.68 and 5.04 respectively. Since the participants were asked to rank on a scale of 1 to 8 with 1 being the highest value and 8 the lowest, the lower the mean value of the ranks the higher the score. According to the ranks the factors have been given below:

1. Expansion of the market size;
2. Entry into the new market;
3. Selling more products/ additional sales;
4. Gain idea of new product development;
5. Understanding the competing products;
6. Linkage with regulatory body;
7. Linkage with backward supply chain; and
8. Better access to credit.

## 8.2 Effectiveness: The general views of the entrepreneurs on the effectiveness of National SME Product Fair

The effectiveness of the National SME fair was ranked on the premises of the factors, their sum and average noted below:

SL	Factors	Sum	Average
01	Helps to achieve marketing objectives	404	2.69333333
02	Helps to reach customers cost effectively	575	3.83333333
03	Helps to collect feedback on a projected new range of products	699	4.66000000
04	Helps to find distributors/outlets	636	4.24000000
05	Helps to change the product quality over the year	741	4.94000000
06	Helps to establish links with clients whom the enterprise did not see often	677	4.51333333
07	Helps to establish public relations to strengthen SME's position in the market place	805	5.36666667
08	Helps to export growth	869	5.79333333

*Table-8.2: Factors influencing the effectiveness of the fair*

The analysis of the data collected from the fair on the participants' view of the factors that were deemed as effective in the National SME Product Fair indicated that they found the fair to be most effective in terms of helping to achieve marketing objectives, reaching customers cost effectively and finding distributors/outlets on the given order with their respective mean ranking being 2.69, 3.83 and 4.24.

The factors that were deemed least effective by the participants in the fair were to help in export growth, to establish public relations strengthening the SME's position and to change the product quality over the year in the given order with their respective mean ranking being 5.79, 5.36 and 4.94. Since the participants were asked to rank on a scale of 1 to 8 with 1 being the highest value and 8 the lowest, the lower the mean value of the ranks the higher the score. According to the ranks the factors have been given below:

1. Helps to achieve marketing objectives;
2. Helps to reach customers cost effectively;
3. Helps to find distributors/outlets;
4. Helps to establish links with clients whom the enterprise did not see often;
5. Helps to collect feedback on a projected new range of products;
6. Helps to change the product quality over the year;
7. Helps to establish public relations to strengthen SME's position in the market place; and
8. Helps to export growth.

### 8.3: Satisfaction of the enterprises that participated in the National SME Product Fair

Satisfaction of the participating enterprises was ranked based on the following factors and their average:

SL	Factors	Sum	Average
01	Management of the Fair	597	3.98
02	Security management of the Fair	623	4.15333333
03	Organizing time/season of the Fair	470	3.13333333
04	Duration of the Fair	499	3.32666667
05	Publicity & advertisement for the Fair	353	2.35333333
06	Amount of stall fee	312	2.08000000
07	Volumes of sales & marketing	51	3.44000000
08	Seminar/workshop organized parallel to the Fair	584	3.89333333
09	Participation of stakeholders	588	3.91946309

*Table-8.3: Factors influencing the satisfaction of the participant*

The analyzed data indicated that they were most satisfied with security management of the fair, management of the fair and participation of the stakeholders whereas the mean value of the factors are 4.15, 3.98 and 3.91 respectively. The factors that were deemed least effective by the participants in the fair were amount of stall fee, publicity & advertisement for the fair and organizing time of the fair in the given order with their respective mean satisfaction ranking being. Since the participants were asked to rank on a scale of 1 to 5 with 5 being the highest value and 1 the lowest, the higher the mean value of satisfaction the higher the score. According to the ranks the factors have been given below:

1. Security management of the fair;
2. Management of the fair;
3. Participation of the stakeholders;
4. Seminar/workshop organized parallel to the Fair;
5. Volumes of sales & marketing;
6. Duration of the Fair;
7. Organizing time/season of the Fair;
8. Publicity & advertisement for the Fair; and
9. Amount of stall fee.

### 8.4 Volume of Product Sales (TK) in the National SME Product Fair

The total volume of product sold by all the participants in the National SME Product Fair seems to be increased from TK 2299000 in 2012 to TK 47010110 in 2020. The increased amount over the period of 8 years is TK 44711110. In the line diagram, we can see a little increase in the total volume of product sales from year 2012 to 2013 which has gradually risen over the next 3 years till 2017. A significant rise in the total volume of sales has been found from year 2017 to 2018 denoted by the steep gradient of the line. It should be noted that the volume of product sales increased in the highest level in 2018 due to the inauguration of the fair was done by Honorable Prime Minister Sheikh Hasina, MP. The value is decreased in 2019. However, the value has dwindled in the year 2020 due to CORONA pandemic.

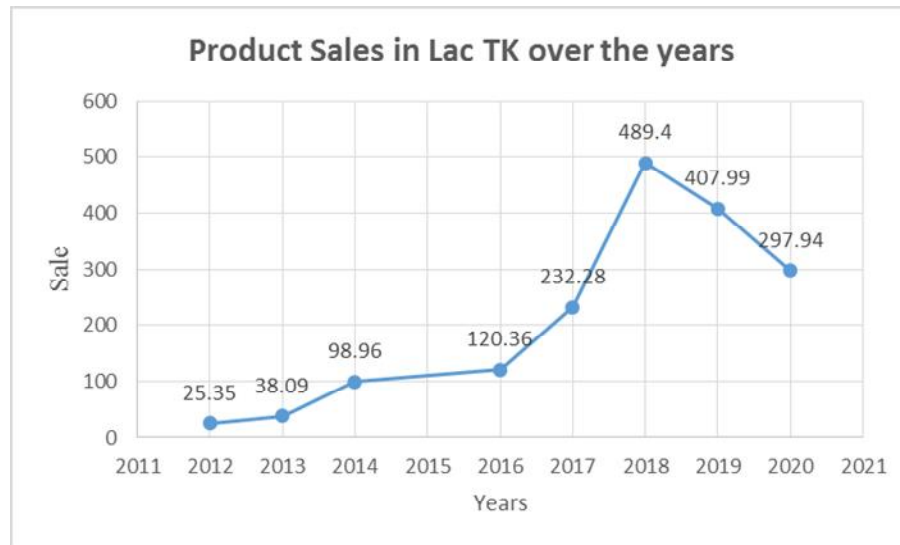


Fig 9.1: Volume of Product sales in TK over the years

### ANOVA: Single Factor

#### SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	147.00	29793636.00	202677.80	85014445580.97
Column 2	118.00	40799000.00	345754.24	492494733956.25
Column 3	129.00	48940800.00	379386.05	156994964960.03
Column 4	107.00	23228000.00	217084.11	71318483424.44
Column 5	72.00	12036000.00	167166.67	65109549295.77
Column 6	52.00	9896000.00	190307.69	95809432880.84
Column 7	43.00	3809500.00	88593.02	7362050664.45
Column 8	31.00	2299000.00	74161.29	7144673118.28

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6422349539673.83	7.00	917478505667.69	5.89	0.00	2.02
Within Groups	107721713083956.00	691.00	155892493609.20			
Total	114144062623630.00	698.00				

A Single factor ANOVA test was conducted where the factor was total volume of product sales. The test was conducted to see if there has been any significant change or variance in the total volume of product sales over the years. As we can see from the results, the p value is 0.00 which is below our significance value of 0.05 and so we reject our null hypothesis that states that there is no significant difference between the total volumes of product sales over the years. We accept the alternate hypothesis which states that the total volume of product sales does indeed vary over the past 8 years as it increases significantly from 2012 to 2018 and then decreases considerably till 2020. Also, the F value is 5.89 which is considerably larger than F critical value of 2.02 which further proves that we fail to accept the null hypothesis and the total volumes of product sales does indeed vary significantly over the years and the increase in the volume of product sales is considerably large over the past 7 years from 2012 to 2018 and decreases noticeably in 2019 and 2020. Since it increases



product sale significantly, therefore, we can say that as marketing tool National SME Product Fair is effective.

### 8.5 Volume of Getting Order (TK) in the National SME Product Fair

The total volume of getting orders has increased from TK 1608002 in 2012 to TK 49286550 in 2020 by TK 47678548 which has been shown in the table and line diagram below. The total volumes of orders of increment was considerably low from 2012 to 2013. It picked up its pace in 2014 and continued to increase in the highest level till 2018. But in 2019 the value decreases significantly. However, the value has dwindled in the year 2020 due to CORONA pandemic.



Fig 9.2: volume of getting order in TK over the years

### ANOVA: Single Factor

#### SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	145.00	49286550.00	339907.24	1354123795172.89
Column 2	120.00	67977500.00	566479.17	1871884955444.68
Column 3	108.00	74502950.00	689842.13	3748591581035.61
Column 4	90.00	23586900.00	262076.67	270928597539.33
Column 5	80.00	24446500.00	305581.25	373231547112.34
Column 6	43.00	7703000.00	179139.53	128005646733.11
Column 7	36.00	2567602.00	71322.28	14599889626.78
Column 8	31.00	1608002.00	51871.03	7950709213.03

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	24952359378128.40	7.00	3564622768304.05	2.62	0.01	2.02
Within Groups	878571127352617.00	645.00	1362125778841.27			
Total	903523486730746.00	652.00				

A single factor ANOVA test was conducted where the factor was total volume of orders to test whether the increase in orders over the years was significant or not. The p value of the ANOVA test is 0.01 which is less than our significant value of 0.05 and so we reject our null hypothesis that states that there is no significant difference between the total volumes of getting orders over the years. We accept the alternate hypothesis which states that the total volume of orders does indeed vary over the past 8 years considerably as it increases significantly from 2012 to 2020. Also the F value is 2.62 which is considerably larger than F critical value of 2.02 which further proves that we fail to accept the null hypothesis and the total volumes of orders does indeed vary significantly over the years and the increase in the volume of getting orders in the National SME Fair has been considerably large over the period of 8 years. Since it increases getting product order significantly, therefore, we can say that as marketing tool National SME Product Fair is effective.

### **8.6 Participants' views on the contribution of the National SME Product Fair in growing business**

The entrepreneurs feel blessed if they are selected for participating in the National SME Fairs because it not only increases their sales and product promotion, but also creates dignity as a valued SME of Bangladesh. Here, the participants' open ended answers about the contribution of fair in participants' business growing are given below:

- a) The majority of participants acclaimed that the fair was one of the most significant marketing tools to escalate the domestic product promotion in local as well as international market;
- b) The fair offers an opportunity to demonstrate their product portfolios and engage with different types of stakeholders;
- c) Rather than selling products it helps to target a group of visitors and aims to do business after fair;
- d) Through the SME fair, participants are able to connect with regulatory authorities smoothly, and understand different rules and regulations about business;
- e) The fair also enabled them to learn new ideas and strategies for their business growth from other entrepreneurs;
- f) Some of them are able to build network with different financial institutions and can get loans afterwards; and
- g) Some of the participants asserted that seminar of the fair provided a lot of innovative ideas and knowledge about SMEs, entrepreneurs and contemporary business issues to the participants.

## **Chapter 9 Challenges and Recommendations**

This study has tried to set questions to derive what types of challenges and problems the participants faced in the National SME Product Fair and what were their recommendations to manage the challenges.

### **9.1 Challenges mentioned by the participants of the National SME Fair**

While participating in the National SME Fair, the participants faced a number of alarming problems and challenges that are given below:

- 1) The stall fee was too high, so most of the participants have said that they may not participate in the fair from next time.
- 2) Since there was no proper map of the fair to guide the customer, customers randomly wandering inside the fair to find the proper stall, which create gathering of insignificant customers. However, exhibitors naturally want to reach their target customers. Hence it is a fundamental challenge which is more complex in detail than it sounds now.
- 3) The stall sizes were too small to minimize crowd, as a result, gathering of a few people create rush which is impediment to sell product.
- 4) Lack of food facilities, especially for lunch, was one of the challenges for the exhibitors to continue business without any break.
- 5) The event was not adequately promoted for satisfactory responses from different shareholders. Consequently, fewer customers visited the fair that generate less profit.
- 6) The stalls were not decorated in a satisfactory way, which is a great challenge to attract the customers.
- 7) There was no ATM booth to transaction money in the fair. Therefore some customers who came to visit the fair and fortuitously choose product to buy faced the challenges of transaction.
- 8) The absence of adequate international buyers for products in the fair was a challenge of international market linkage building.

### **9.2 Recommendations for improving the National SME Product Fair**

A number of key recommendations to make the National SME Product Fair more prosperous in future were given by the participants. These are as follows:

- 1) The fair should be arranged in a fixed time of the year.
- 2) The fair should be promoted more nationally and internationally.
- 3) Food and refreshment facilities should be well built in the future.
- 4) The stall should be categorized based on kind of product.
- 5) The stalls should be more spacious and decorative.
- 6) The stalls fee should be reduced.
- 7) The fair should be kept open for long hours in a day and the number of days the fair should be reduced.

### **9.3 Other Recommendations**

#### **9.3.1 Focus on target customers**

Some of the interviewees were concerned about the quality of the visitors. The message to the SMEF was that they are more interested to reach the right target group and the decision-makers than about the total amount of the visitors visiting the trade fair. Hence the goal for the SMEF should be to attract the right kind of audience and

those decision-makers that are important for the certain field or industry, and not to be too focused on the total amount of the visitors.

### **9.3.2 Cultural program in the fair**

Some of the interviewers claimed that it would be more pleasing if there were any cultural activity in the fair. They also added that cultural activity would attract the visitors. It will also refresh the sellers' mind.

### **9.4 Other recommendations**

Based on the findings of the study, the following recommendations should also be considered:

- A universal feedback mechanism should be set up to determine the needs and requirements of customers with a view to ensuring a flexible environment for business.
- Strategies should be taken on how to reorganize the activities to ensure that exhibitors at the fair are able to get value for their money. In this regard, there is need to establish permanent management structures that will review the position and recommend a way forward.

### **9.5 Areas for future research**

Further research should be conducted to understand why the entrepreneurs give less value to the marketing communications and evaluation processes. One reason might be that it is not an easy task and there are not proper tools for measuring the results of the National SME Product Fair participation. Hence more research and tools are needed to give better instruments to assess the SME Product Fair participation properly and lengthen the impact of the trade fair marketing operations.

## Chapter 10 Conclusion

SMEs are the backbone of any economy and they offers good employment opportunities, nurture the locally available entrepreneurial skills, help in balance growth and improve overall economic conditions. According to the strategic goal-4.3.3.5 of SME Policy 2019, SME Foundation has been organizing this National SME Fair every year in Bangladesh. SME Product Fair plays a crucial role to sell SME products and to increase their market. This study provides an overall picture of what are the factors influencing the participation of SMEs in the National SME Product Fair; the effectiveness of National SME Fair as a marketing tool and how fairs support the SMEs' relation building process. This study also finds the problems that are faced by the participants so that more successful SME Product Fair can be arranged in the future. More accurately, it determines whether SMEs achieve marketing objectives by participating in National SME Product Fair or not; and develops recommendations for further quality improvement of National SME Fair. A mix method of quantitative and qualitative research based on random sampling has been used to achieve the desired representation of 205 interviewees of various sub-groups from the total number of 300 population and ANOVA analysis was used to find the result from the collected data. This study shows the percentage of gender, occupation, education level, location, age range, and enterprises from different sectors, number of factories and number of showrooms of the owners. It also manifests and ranks several factors that affect the participation of enterprises, the satisfaction of the enterprises and the general views of the entrepreneurs on the effectiveness of National SME Product Fair. The single factor ANOVA test report shows that albeit the volume of product sales and volume of order have gradually increased from 2012 to 2018 and have suddenly decreased from 2018 to 2020 due to CORONA pandemic and other obstacles, the P value and the F value indicate that the volume of sales and order over the years was significant. Since it increases volume of sales and getting product order significantly, therefore, it can be said that as marketing tool National SME Product Fair is effective. Moreover, in the research it has been tried to find the challenges mentioned by the participants and recommendations for improving the National SME Product Fair. Overall, this research represents the effectiveness of SME Fair for product promotion and it also helps to target a group of visitors and aim to do business after fair. Through this study, it is manifested that SMEs will pay heed to the SME fair for increasing their business growth. Therefore, SMEs will come forward through backward linkage with large industries, getting group of target customers and representing their products to the whole nation.

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## Appendix 1: Questionnaire



Government of the People's Republic of Bangladesh  
Ministry of Industries  
Small and Medium Enterprise Foundation (SMEF)  
Royal Tower, 4 Panthapath, Dhaka-1215  
[www.smeff.gov.bd](http://www.smeff.gov.bd)



Participation of the enterprise in the earlier National SME Product Fairs [Give tick marks]:

2019;  2018;  2017;  2016;  2014;  2013;  2012

### SME Questionnaire

Code:

Stall No:

Study on

#### **‘Effectiveness of the National SME Fair on Market Promotion of SME Products’**

All information collected will be treated with utmost discretion and confidentiality. No names of individual enterprises will be mentioned in draft and final reports of this study. The study is designed by Small and Medium Enterprise Foundation (SMEF) with collaboration of Ministry of Industries to see whether the National SME Product Fair organized by SMEF is an effective tool or not for market promotion of SME products. We are seeking your cooperation to share some information and views that will help us to establish

- 1) *What are the factors that influence the participation of SMEs in the National SME Fair?*
- 2) *What are the entrepreneur's views on the effectiveness of National SME Fair?*
- 3) *Do SMEs achieve marketing objectives by participating in National SME Fair and to what extent sales, order and market linkage are increased?*
- 4) *What are the products basket brought by the entrepreneurs in the National SME Fair? Is there any quality change over the year?*

#### **Disclaimer:**

All information collected will be treated with utmost discretion and confidentiality. No names of individual enterprises will be mentioned in draft and final reports of this study.

#### **Personal Information of the Interviewee:**

Name: .....

Gender:.....

Mobile No:..... Position in the

Enterprise:.....

**Section-A: General Information**

1. Name of Enterprise:.....
2. Name of the Owner:.....  
 Mobile:..... E-mail: .....
3. Gender of the owner: 1= Male, 2= Female, 3= Other
4. Age of the owner:            years
5. Education level: No schooling, = 1, primary = 2, secondary = 3,  
 higher secondary = 4, graduate and above = 5
6. Occupation: only business = 1, business plus other = 0
7. Location of the enterprise: Dhaka = 1, Chattogram = 2, Rajshahi = 3, Khulna = 4,  
 Mymensingh = 5, Sylhet = 6 , Rangpur = 7 and Barishal = 8  
 Village:....., Thana:.....  
 District: .....Urban/Rural: 1= Urban, 2= Rural

**Section-B: Business Information**

8. Sector of the enterprise: 
  - Agro-processing = 1
  - Leather = 2
  - Handicrafts = 3
  - Jute = 4
  - Light Engineering = 5
  - Fashion Design = 6
  - Plastic =7
  - Others= 8: Please specify.....

9. Product basket of the enterprise: How many products =   
 What are those?  
 .....  
 .....  
 .....  
 .....

10. No. of employees in the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012

11. Volume of investment (Tk) in the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012



12. No. of factories of the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012

13. No. of showroom of the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012

14. Yearly sales turnover (Tk) of the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012

15. No. of machinery & technology used in the enterprise:

2020	2019	2018	2017	2016	2015	2014	2013	2012

16. Major buyer groups:

- Direct consumer = 1
- Wholesaling to business entity = 2
- International buyer = 3
- Others = 4: Please specify.....

17. Sources of finance:

- Bank = 1                       Non-bank financial institution = 2
- NGO = 3                       Own fund=4
- Fund from relatives=5    Mahajon/Dadan =6;
- Others= 7: Please specify.....

18. Percentage of Sales in urban and rural:

Code	Location	Percentage of Sales
1	Urban	
2	Rural	

**Section-C: Performance Information of National SME Product Fair:**

19. Volume of product sales (Tk) in the National SME Product Fair

2020	2019	2018	2017	2016	2014	2013	2012

20. Volume of getting order (Tk) in the National SME Product Fair:

2020	2019	2018	2017	2016	2014	2013	2012

21. Number of stakeholder linkages in the National SME Product Fair:

2020	2019	2018	2017	2016	2014	2013	2012

22. No. of stall's salesman in the National SME Product Fair:

2020	2019	2018	2017	2016	2014	2013	2012

23. No. of product items in the National SME Product Fair:

2020	2019	2018	2017	2016	2014	2013	2012

24. No. of financial/loan offer received during the National SME Product Fair:

2020	2019	2018	2017	2016	2014	2013	2012

25. Factors influence the enterprise to participate in the National SME Product Fair:

SL	Factors	Ranks[**]	Strongly disagree = 1	Disagree =2	Neutral= 3	Agree= 4	Strongly agree = 5
I.	Expansion of the market size		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II.	Entry into the new market		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III.	Selling more products/ additional sales		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IV.	Gain idea of new product development		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
V.	Linkage with backward supply chain		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VI.	Better access to credit		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VII.	Understanding the competing products		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIII.	Linkage with regulatory body		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*\* Please do ranking (1 to 8) of the factors: Highest value =1 and Lowest value = 8

26. Entrepreneur's general views on the effectiveness of National SME Product Fair:

SL	Factors	Ranks [**]	Strongly disagree = 1	Disagree =2	Neutral = 3	Agree = 4	Strongly agree = 5
I.	Helps to achieve marketing objectives		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II.	Helps to reach customers cost effectively		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III.	Helps to collect feedback on a projected new range of products		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IV.	Helps to find distributors/outlets		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
V.	Helps to change the product quality over the year		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VI.	Helps to establish links with clients whom the enterprise did not see often		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VII.	Helps to establish public relations to strengthen SME's position in the market place		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIII.	Helps to export growth		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*\* Please do ranking (1 to 8) of the factors: Highest value =1 and Lowest value = 8

27. Satisfaction of enterprise participated in the National SME Product Fair:

SL	Factors	Very unsatisfied = 1	Unsatisfied = 2	Neutral = 3	Satisfied = 4	Extremely satisfied = 5
I.	Management of the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II.	Security management of the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III.	Organizing time/season of the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IV.	Duration of the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
V.	Publicity & advertisement for the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VI.	Amount of stall fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VII.	Volumes of sales & marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIII.	Seminar/workshop organized parallel to the Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IX.	Participation of stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

28. I believe participation in the SME Fair helps to grow my business:

Strongly disagree = 1    Disagree =2    Neutral= 3    Agree= 4    Strongly agree = 5

**Section-D: Information related to SMEF:**

29. Any service received from SMEF: Yes= 1, No= 2
30. Any training received from SMEF: Yes= 1, No= 2
31. Loan got through SMEF: Yes= 1, No= 2

**Section-E: Recommendations for further quality improvement of the National SME Product Fair:**

32. What challenges do you face in participating the National SME Fair?

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33. In what way National SME Product Fair can contribute in growing your business?

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34. Give recommendations for overcoming the challenges and for quality improvement of the National SME Product Fair?

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.....

**For Interviewer:**

Name:..... Mobile

No:.....

Signature:.....

Date:.....