

A Review on Impact of Regional Events on the Development of Small and Medium-Sized Enterprises: A Food Messe in Niigata

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Abstract

Owing to a series of municipal mergers in 2005, the city of Niigata in Niigata Prefecture, Japan, transformed into the new Niigata City. Taking advantage of this opportunity, the industrial, governmental, academic and private sectors in Niigata collaborated for the nationwide promotion of food products and flowers, which are a specialty of Niigata City. Thus, the World Forum on Food and Flowers in Niigata was established. This study explores the comprehensive global food trade fair known as "Food Messe in Niigata" a large-scale event aimed at creating opportunities for food companies to negotiate directly with each other. This event was conceptualized to launch a movement aimed at building a network of small and medium-sized enterprises in the food industry in Niigata City. In this study, we use the Food Messe and Agano City as a case study and employ the concepts of social systems theory and network theory, with a focus on aspects such as the role of core institutions, the relationship between operational organizations and cooperation between small and medium-sized enterprises.

Keywords: Regional event • Enterprises network • Rent analysis

Introduction

In 2005, following a series of municipal mergers, the city of Niigata in Niigata Prefecture, Japan, transformed into the new Niigata City. The city is characterized by the production of a wide variety of food products and flowers, which have been actively promoted by its government in recent years. To further encourage the dissemination and promotion of its food and flowers across Japan, the industrial, governmental, academic and private sectors in Niigata joined together to establish the World Forum on Food and Flowers in Niigata. Since its inception in 2007, the Food Messe in Niigata continues to operate as a comprehensive global food trade fair. Additionally, the Niigata International Food Award was established in 2009 to commend the efforts of people who have diligently worked toward addressing complex challenges related to global food issues and achieved remarkable results.

In 2014, the Niigata Creative City of Gastronomy Promotion Board was organized to plan and organize exchange meetings and seminars to promote and support the food industry's development. Several ongoing efforts led by the World Forum on Food and Flowers in Niigata aim to promote the industry as well as contribute to the international community, while creating an enriched

relationship with valuable domestic and foreign institutions and individuals involved in the food and flowers industry. The purpose of this study is to explore in depth the Food Messe in Niigata, which is a large-scale event aimed at creating opportunities for food companies and building a network of small and medium-sized enterprises in the food industry in Niigata [1,2].

Literature Review

The Food Messe, which celebrated its 12th anniversary in 2020, is the largest international food trade fair in Honshu on the shores of the Sea of Japan, and it offers "Hot meetings between producers with unique products and cultivation methods and buyers seeking a variety of commercial products, a chance to expand sales channels in both directions between Niigata and the rest of Japan." The event was held with the Niigata 6th Order Fair 2020 (run by the Japan Food Journal, Shinsen, Kashiyo and the Organizing Committee of the World Forum on Food and Flowers) for three days beginning on November 11, 2020, at the Toki Messe Niigata Convention Center Exhibition Hall, under the management of the Food Messe in Niigata organizing committee and Niigata City [3]. It was a B2B trade fair with business matching between exhibitors

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and buyers occurring in three types of meeting styles: Free business meetings, individual business meetings, and online business meetings.

Participating companies and organizations were classified into the following categories:

- Food products and ingredients (promotion of unique, high value-added products).
- Commercial and industrial organizations and groups (effective promotion of local brands).
- Equipment and utensils (updated to improve efficiency and save manpower and visitors with strong needs for new products).
- Containers and packaging (effective market development through proposals specific to the food industry).
- Embassies, foreign companies, and importers (an excellent opportunity to promote overseas products).

In 2020, 239 businesses from Niigata Prefecture, the Tokyo metropolitan area, and neighboring prefectures participated in the event. They exhibited and promoted a variety of products, including food products and ingredients with high added value, the latest equipment unique to the Food Messe, and containers and packaging that meet the new requirements created by the coronavirus pandemic. However, there were no overseas exhibitors this year due to the spread of the coronavirus, resulting in a 40% decrease in the number of exhibitors from the 439 businesses that exhibited in 2019 [4].

The “breakdown of exhibitors by industry” showed that more than two-thirds of the exhibitors were food and ingredient related, followed by equipment and utensils, containers and packaging, and others. The “ratio of visitors by region” indicated that the number of exhibitors from Niigata City and Niigata Prefecture accounted for the high proportion of nearly 60% of the total, while 40% of exhibitors were from outside Niigata Prefecture. The “breakdown of visitors by industry” showed the diverse types of businesses of the visitors. The “regional analysis of visitors from buyer companies,” showed the percentage of in-prefecture businesses (companies/organizations headquartered outside of Niigata Prefecture and coming from a branch/office located in Niigata Prefecture) and out-of-prefecture businesses (companies/organizations headquartered outside of Niigata Prefecture and coming from outside Niigata Prefecture) was 56%, indicating that a high percentage of buyer company visitors were from outside Niigata Prefecture [5].

On November 11, 2020, two officials who were in charge of the Niigata City Agriculture, Forestry, and Fisheries Department, and who were also members of the organizing committee of the Food Messe, were interviewed for this study. Additionally, on April 1, 2021, an interview was conducted with the Japan Food Journal-the primary organizer of the event. On April 26, 2021, a total of six senior officials from the Agano City Hall and Mizuhara Chamber of Commerce, who actively participated in the event, were interviewed [6]. The findings from the interview survey are as follows. Currently, such large-scale government-sponsored events are probably held only in Niigata City. Typically, such events are often sponsored by private companies. Considering that the local government of Niigata City allocates a budget for its citizens, the structure of the Food Messe is such that the budget is also used for companies and participants from outside Niigata Prefecture. This makes the event unique. In other words, in this event, exhibitors and buyers from

other prefectures also participate, even though this puts considerable strain on the administrative budget of Niigata City. This clarifies the role of the government in regional events, which will be an important aspect when considering future events [7].

Discussion

This study focuses on the Food Messe, which is a regional event conducted with the active involvement of the Niigata City government; the development of a network of small and medium-sized enterprises; the role of core organizations; and cooperation between operational organizations as well as between small and medium-sized enterprises, among other things. From the perspective of the social systems theory, the revenue received by Nishiguchi, in return for economic activity exceeds the minimum agglomeration required to attract resources for economic activity [8].

The rent network arises from four effects: the social embedding effect, information sharing and learning effect, central official adjustment effect, and reputation effect. The Food Messe is based on three aspects of the network of actors:

- The role of core organizations involved in holding and managing events.
- Participant's determination to participate in the event voluntarily and sustainably.
- Development of a network between participating small and medium-sized enterprises.

In addition, Nishiguchi, who conducted a cluster analysis of local communities formed by individuals and businesses, concluded that there are three types-namely, current use, moving, and jump [8]. The current-use type and moving type are considered to be applicable to Agano City. In the Agano City network, the current-use type refers to the latest relationship that is deeply embedded in the local community, based on aspects including the predecessor network, next generation network and public institutions. The participation of companies in the Food Messe in Niigata City indicates the presence of moving-type companies and participants who are exploring new possibilities by building new relationships with external companies and foreigners based on the existing network [9].

By contrast, re-examining from the perspective of network theory, the event may not be fully explained by a static small-world network. This is because there are only a few companies that are connected to the majority of small and medium-sized enterprises, but the number of small and medium-sized enterprises connected tops the list and is by far the largest, and events like the Food Messe are comparable to what is called a hub. It can be concluded that the event has the characteristics of a dynamic scale-free network. As new participating companies are added, the network will grow, and it will be difficult to explain it using the small-world network model. However, in this study, we only conducted an interview survey in Agano City in addition to the Food Messe [10,11]. We could not explore other topics as the number of cases was insufficient; therefore, we continued the study based on the network of other organizations participating in the event. Conducting interview surveys and feedback were left as future tasks [12,13].

Conclusion

Furthermore, the formation of the jump-type network, which connects companies and people outside the region while effectively utilizing and sharing the current-use-type and moving-type networks, is a global event. Cross-country comparisons between larger or regional events are also essential. Finally, it cannot be denied that the analysis under network theory is inadequate. In the future, it will be mandatory to further expand the scope of the network to be surveyed and continue to conduct interview surveys and feedback, and also reconsider the complementary relationships of small and medium-sized enterprises using the framework of network theory.

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