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Spatial opportunities of exhibition centers: Explaining path-dependencies in Amsterdam, Frankfurt, Munich and Milan

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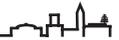
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CHAPTER 6

Locating Exhibition Centers: How to explain divergent spatial development in Amsterdam, Frankfurt, Milan and Munich

Abstract

Since the 1980s, investment in exhibition infrastructure in Western Europe has followed a divergent pattern. On the one hand are investments in the extension and renewal of historical inner-city facilities while on the other hand there are many new venues created in the periphery of European metropolises. This paper tries to explain these contradictory developments by developing its own theoretical model based on path dependency theories. This model is then applied to analyze recent spatial strategies of two centrally located facilities in Frankfurt and Amsterdam and two recently constructed peripheral complexes in Munich and Milan. It is concluded that differences can only be accounted for through historically developed and local specific opportunities and constraints that manifest themselves in spatial, institutional or functional domains.



6.1 Introduction

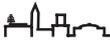
In 2000, a brand new exhibition center opened on the edge of Munich, replacing the former, centrally located trade fair. In 2005, a similar project was completed just outside Milan. At the same time, Frankfurt and Amsterdam were upgrading their inner-city exhibition centers through renovations and additional venues.

These projects are part of a broader wave of exhibition center construction that manifests itself in almost every large city in Western Europe. They also illustrate the remarkable differences through which these investments are made. Whereas before 1980, almost all exhibition centers were located at central locations, by now, more than half of the largest exhibition centers in Western Europe have a location that can be deemed peripheral, reflecting the emergent diversity of geographic patterns in European cities.

Within the urban studies literature, research on exhibition center construction is scarce. Works that do focus on exhibition centers take a city-wide perspective and place emphasis on their potential for urban renewal and their potential to attract tourists (Eisinger, 2000; Law, 1992) but do not address the specific strategies of the facilities themselves. Moreover, most of these studies were conducted in the US, leaving Western Europe as an underdeveloped field in research.

This paper fills this empirical gap by analyzing why some exhibition centers opt for a strategy to remain on their historical central locations, while others move to a new, decentralized location. Because it is expected that these differences are deeply rooted in historical and local circumstances, a theoretical framework based on path dependency is employed. This is then applied to four case studies on the aforementioned cities: Munich, Milan, Frankfurt and Amsterdam. It is argued that in order to understand the divergences in exhibition center strategies, the historically developed, local context is key. Therefore, the paper proposes a new analytical model, based on three concepts from path dependency theory: increasing returns, lock-in and critical junctures. In order to comprehensively assess the local context, these concepts are applied across four dimensions, crucial for exhibition center development: physical, functional, spatial and institutional. It is through this analytical model that the recently emerging differences in exhibition center location will be explained.

The paper starts with the observation of a highly dynamic exhibition sector. Second, the divergence in physical strategies dealing with increased competition and internationalization in Western Europe is observed. Then, path dependency is introduced as the theoretical framework. This is applied in a multiple comparative case study with two central and two peripheral cases.

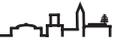


Exhibition center development

The increase in exhibition space over the past years has been truly impressive. Between 2006 and 2011, the number of square meter exhibition space in the world increased with 12% to 32.6 million (UFI, 2012). In earlier research, the growth of worldwide exhibition space was even calculated at 40% between 2000 and 2005 (Wallace, 2007). Although this increase was largest in upcoming economies like Russia, the Middle-East and especially China (Kay, 2005), also in Europe exhibition space increased by 7%, representing one million square meter of covered exhibition space. With 15.6 million square meters, Europe is by far the largest market in the exhibition sector. Also in terms of size of individual facilities, Europe holds a dominant position. Out of the fifteen largest exhibition centers in the world, eleven are located in Europe, Moscow not included (See Appendix D). Notwithstanding the interesting developments in other parts of the world, this justifies a closer look at the strategies behind European exhibition center construction.

In the early 1980s, exhibition centers had a very central location within West-European cities. As many fairs had been developed in the first decades of the 20th century or during the reconstruction period after World War Two, even the fairs that were at the time of opening at the border of the city were in 1980 within or close to the urban center. The recent round of exhibition center construction, under analysis in this paper, however, produced a large number of fairs more distant from this center, often at locations that could be deemed peripheral. By now, eighteen out of the thirty-four largest exhibition centers within Western Europe are at such decentralized or peripheral locations (see Chapter 1). As broad a variety of cities like Stuttgart (2007), Rome (2006), Milan, (2005), Rimini (2001), Munich (2000), Leipzig (1996), Madrid (1991), Lyons (1984), Paris (1982) and Geneva (1981) have all constructed new exhibition centers outside of their urban cores. The investment involved in these projects has been enormous. Not including additional infrastructure in metros, trains and highways, the new Munich exhibition center cost 1.48 billion, Stuttgart around 1 billion, Milan 800 million and Leipzig 683 million.

Nevertheless, not all investment is targeted to the urban periphery. Forty-six percent of the worldwide constructed square meters of exhibition space are within existing venues (UFI, 2012). Cities like Frankfurt (70.000 square meter added), Cologne (54.000) and Amsterdam (17.000) enlarged their centrally located complexes considerably. Apart from extensions, many inner-city venues also invested in the replacement of outdated halls and in the quality of their venues. Hence, within exhibition center development in Western Europe centrally and peripherally oriented strategies exist side-by-side. By means of a comparison of four different projects, this paper sheds light on the motivations behind these differing strategies.



Four dimensions of exhibition center development

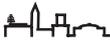
In order to understand these developments, it is important to have a better understanding of the changes within the broader international market for exhibitions. This understanding is shaped along four dimensions: the physical form, function, spatial embeddedness and institutional setting of these facilities. All four dimensions have undergone considerable changes over the past decades which have influenced location-specific changes in the strategies of exhibition centers.

In functional terms, exhibition centers have undergone dramatic changes over the past decades (Fayos-Sola et al., 1994; Rubalcaba, 1994). After World War Two, the samples fair was the dominant type of trade fair. Here, the newest products were displayed to industry and the general public, thereby mainly serving the purpose of promotion. Large fairs like the *Campionaria* in Milan and the *Herbst- and Frühjahrsmesse* in Frankfurt drew millions of visitors every year.

Apart from these large consumer fairs, smaller, more specialized fairs were held in for example horticulture (*HortiFair*, Amsterdam), construction (*Bauma*, Munich) and publishing (*Buchmesse*, Frankfurt). As economic sectors became more internationally oriented and specialized, the importance of these business fairs increased. Many general consumer fairs were divided into specialized events. At these fairs, the focus was not so much on promotion but rather on interaction between professionals. Apart from displaying products, this meant that interaction through seminars, product presentations and networking activities became more important. This demanded, apart from traditional exhibition pavilions, also spaces for conferences, meetings and dining.

With these specialized professional fairs came a more international orientation. As the economy internationalized from the 1980s onwards, many companies were operating in global markets and were buying and selling to international partners. Therefore, they choose to be only present at one or a few leading business events each year. This led to the dominance of one or two annual events for a particular economic sector on the continental or even global level. Although professional fairs generally do not reach the large numbers of visitors of the post-war consumer fairs, their visitors generally stay for multiple days. Because these people also stay the night, eat and go out with colleagues, the economic spin-off for the city and wider region is in many cases even higher than for consumer fairs.

At the same time that professional fairs gained in importance, many consumer fairs declined in popularity. These were facing increased competition from other leisure activities like theme parks, computers, city trips and the like. Many were divided into several specialized fairs for professionals. Although there are still successful consumer fairs being held and even new ones started around emerging topics, the most interesting events for most exhibition centers are now the specialized professional fairs (Rubalcaba, 1994).



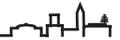
These developments made the spatial relation between exhibition centers and their host city more important. In various studies, analyzing the attractiveness of exhibition centers in the international meetings market, the importance of city-wide characteristics are stressed: their accessibility through land and air, their extra-conference opportunities and accommodation facilities, to name a few (Chacko and Fenich, 2000). Apart from such 'hard' factors, also softer factors like the image and appeal of a city play their part (Bradley et al., 2002). The relation and importance of the exhibition industry to the broader urban economy is underlined by various economic studies (AUMA, 2010; Kresse, 2005). By far the largest part of revenues fall outside the venue itself to for example hotels, catering, restaurants, airlines, booth constructors, printing firms and security companies.

Nevertheless, the relation between the city and the exhibition center is not always a positive one. Hiller (1995) states that especially the largest conventions are often conceived by residents as intrusive in their everyday life. The effects such mega-events have on traffic and the use of public functions can be disruptive. Altshuler and Luberoff (2003) also seem to hint into this direction when they pose that current urban mega projects try to do the least harm possible to residents and neighborhood life. When exhibition centers are extended or new venues are built within the existing urban fabric, this is not to go at the expense of already well-functioning urban areas.

Institutionally, most large exhibition centers in Western Europe always had strong ties with public government. Many were originally publicly funded and although most were privatized throughout the years in order to allow for more competitive and flexible forms of organization, in most facilities, cities and regions still have a strong hand through share-holder constructions. Moreover, for accessibility and complementary infrastructure, exhibition centers are dependent on public investment. Recent processes of globalization and specialization, together with an increased awareness of possible economic spin-off, sparked the interest of many public authorities in exhibition centers as a means to boost tourism, economic revenues and the image of their cities (Law, 1992; Eisinger, 2000; Sanders, 1992; 2002). Investment in exhibition centers was increasingly seen as a means in global urban competition (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998).

Moreover, especially in the USA, conference and exhibition facilities, were seen by many cities as a means to regenerate waterfronts and derelict city centers (Fenich, 1992; 1995; Sanders, 2002). Some cities even went as far as to finance complementary facilities like hotels in order to boost the meetings industry (Sanders, 2005). In many cases, local ambitions were driving exhibition center development.

Given these developments, the exhibition sector can be deemed as a highly dynamic industry. The aim of this chapter is to analyze how these dynamics manifested themselves locally and combined into specific spatial and physical strategies. In the remainder of this paper, the developments within those four dimensions will be analyzed



within the case studies in order to explain for their recent differing spatial strategies. First, however, a conceptual framework will be provided through path dependency theories.

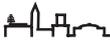
Path dependency

This paper takes an historical and local approach to the development of exhibition centers through path dependency. Path dependency argues that small, sometimes almost insignificant, events can have a very large influence in later phases of development. Through positive feedback mechanisms, a particular direction for development is reinforced and strengthened. Although this could initially lead to large rewards, it could also, often at later moments in time, lead to situations where initial development trajectories become overprotected, leaving potentially more efficient or profitable trajectories undeveloped. Thereby, path dependency provides a good explanation for suboptimal outcomes and can account for static situations when dynamics are expected.

This was also the objective in the first and best known example of path dependency: the analysis of the wide-spread use of QWERTY-typewriters by Paul David (1985). He used path dependency as the explanation for why the QWERTY-format was still the dominant format despite the fact that there were more efficient arrangements of keys available. Since, path dependent theories have been applied to other cases of technological diffusion (Araujo and Harrison, 2002; Liebowitz and Margolis, 1995), institutions (Hall and Taylor, 1996; Dormois et al., 2005; Gorges, 2001; Thelen, 1999), politics (Pierson, 2000; Mahoney, 2001a; 2001b) and regional development (Simmie and Carpenter, 2008; Boschma and Lambooy, 1999; Bathelt and Boggs, 2003; Belussi and Sedita, 2009).

Throughout the years, the focus of many of these accounts shifted from an account of stable situations to explanations for change. Especially political studies and sociology focused on why development trajectories are abandoned in favor of others during for example regime shifts and institutional change (Thelen, 2003; Capoccia and Kelemen, 2007). Although studies of this kind first focused on abrupt and radical changes from earlier development, later studies focused also on gradual change (Schneiberg, 2007; Boas, 2007; Thelen, 2003; 2004). Thereby, path dependent research covers all sorts of development from static and unidirectional development to radical and incremental change. This has led to skeptic comments on the use of path dependency to the point that some scholars now argue that path dependency merely means that history matters (David, 2000; Pierson, 2000; Greener 2005; Boettke et al., 2008).

Nevertheless, path dependency has rendered some useful tools for historical accounts, which are essentially found in its three central concepts: increasing returns, lock-in and critical junctures. Increasing returns refer to the positive feedback-mechanisms that conserve earlier development trajectories through routine, complementary insti-



tutions, economies of scale or irreversible investment (Pierson, 2000; North, 1990). A situation of lock-in occurs when such conservation mechanisms prevent new, more promising, development trajectories. The situation, rendered by historical development, turns out to be incompatible with demands in a changed environment. When, despite the lock-in, a new development path is chosen, path dependency speaks of a critical juncture. Through critical junctures, old structures are radically or gradually changed to allow for new development in line with contemporary exigencies (Hogan 2006; Capoccia and Kelemen, 2007). Whereas path dependency is a very structurally based theory, it is within critical junctures that agency becomes important. It is argued that at critical junctures, the space of maneuver for actors is consciously or unconsciously enlarged in order to provide leeway to break out of the lock-in situation (Capoccia and Kelemen, 2007).

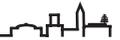
This chapter will apply these concepts to the development of the four cases of exhibition center development under examination. It is argued that their development was, at least till the early 1980s, characterized by increasing returns but that this turned into lock-in when the facilities realized they would have to change their physical setting in order to be able to deal with the dynamics in the sector described above. The chapter will then continue with an analysis of the critical junctures that led to a change in physical development. Thereby, the central question of how exhibition centers responded to an internationalizing and specializing economic sector will be treated as an exploration of their critical junctures.

Selection of cases

In order to understand why exhibition centers make different choices towards their physical and spatial development, a comparative multiple case study is employed, analyzing two central and two peripheral projects. Because of the alleged role of international competition on such strategies, cases are selected from cities that are indeed acting on these international levels (Musterd and Murie, 2010; Jensen-Butler et al., 1997). Moreover, a variation in size of the facilities within the two categories of central and peripheral was employed. This resulted in the selection of cases of exhibition center development in Milan, Munich, Frankfurt and Amsterdam (see also Chapter 2).

The Milan fair today comprises 345.000 square meters of covered exhibition space and is the third largest fair in the world. It has formerly been located at the north-western part of the city where now only a small 43.000 m² exhibition and conference center is conserved. The rest of the former fairground, established in 1923, is currently being redeveloped for housing, offices and public amenities. The main pole of the fairground, costing €800 million and opened in 2005, is now located in the municipalities of Rho and Pero, northwest of Milan, strategically situated on the axis between the city and Malpensa International airport.

The new Munich fair opened in 2000 to the east of the city, after an investment of



€1.48 billion. By then, it comprised 140.000 square meters, which was later increased to 180.000 m². The old location, centrally located within the inner city, has been redeveloped after the construction of the new fair as a location for offices, housing and green space. Some of the halls, of which the oldest date back to 1908, were preserved and given a cultural function.

The Frankfurt fair was founded at its present location in 1909 when the Festhalle was constructed. Several rounds of renovation and extension have turned it into the second largest fairground in the world (345.697 square meter). The venue is strategically located near Frankfurt's central station in the city center and profits from good connections with the nearby international airport.

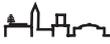
The Amsterdam exhibition center is named after the RAI association that established its first facilities in 1922. In 1961, the RAI moved a little south to a new and larger location where it developed into the 89.000 square meter facility it is today. The venue profits from the good rail and highway connections provided by the southern infrastructure ring which also ensures a good connection with the airport. The RAI is located in an attractive urban neighborhood and close to the historic inner city of Amsterdam.

These case studies primarily draw on interviews with stakeholders, involved in the different construction projects. These included, employees of the exhibition centers, municipal officials, architects, academics and local residents. Interviews were backed by analysis of documents from municipal and institutional archives as well as books on fair development and newspaper articles.

6.2 Development of four fairs

From increasing returns to lock-in

During the period after World War Two, the exhibition industry played an important role in showcasing and promoting economic advancement, especially in the industrial sector. Although all four venues had suffered from the war and the facilities in Frankfurt, Milan and Munich were considerably damaged, they were soon rebuild and extended (Möller, 1989). Physical capacities were increased along with demands from exhibitors for square meters of exhibition space. Although timeframes differ a little, up till at least 1980, all four facilities increased their exhibition space by, from time to time, adding new halls and pavilions. Behind these extensions was a logic of economies of scale in which the extensions facilitated the ever-growing fairs. In some cases, these facilities were permanent like in the case of Amsterdam, in other cases, facilities were temporary, like was the case with many pavilions in Milan. A path dependent development was taking place in which increasing returns were fostering a continuous enlargement of square meters through the addition of new exhibition halls.



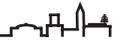
As described earlier for the general development of fairs, throughout the 1980s all four exhibition centers saw the relative importance of their large consumer fairs diminish at the expense of specialized professional fairs that were more international and demanding. Whereas the large consumer fairs had been organized by the facilities themselves, specialized fairs were often organized by independent organizations and thereby more footloose. Often necessitated to do so by their exhibitors and visitors, they were able to pose higher demands in terms of surface and quality of the venue.

All four facilities initially responded to these demands by a continuation of their earlier path dependent behavior: constructing additional halls to their already existing venues allowing for continuous economies of scale. Frankfurt was the only of the four facilities that was able to do this on its own terrains by densification and reconstruction. In 1980, an ambitious plan was launched to keep the Frankfurt Fair at the top of the international hierarchy of exhibition centers by making it more attractive for business fairs (Messe Frankfurt, 1980; Bauer, 2009). This plan aimed at an increase in both the quality of the venue as well as the quantity of exhibition space and was largely supported by local government that made the fair, together with the financial sector and the airport, one of the three spear points of its metropolitan policy (Ploeger, 2004). When this scheme was realized by the mid-1990s, the venue contained almost 300.000 square meter of exhibition space.

The other three venues had to extend beyond the limits of their fairgrounds. Especially in Amsterdam, this was met with fierce resistance. As the fair wanted to extend into the adjacent park, neighboring residents united to protect the green space. They also opposed to the extension because this would increase problems with accessibility and parking. Although the RAI was eventually allowed to extend into the park, the city and the Council of State ruled that after this extension, the venue could never extend into the park again. As the RAI was to its other sides bordered by residential areas and a highway, this meant that the 87.000 square meter facility was physically locked-into its present premises.

In Munich, the fair management had for a long time expressed the need for an enlargement of its facilities. Its site, however, had only limited possibilities to do so. This had already in 1973 led to propositions for a move (Ude, 1993). Because local government had rejected this proposal, room for extension now had to be sought adjacent to the fair. The only possible site for this extension was separated from the fairgrounds by a railway track. Initially, local government was unwilling to facilitate this development. This changed, however, with the ambition to host the International Garden Exhibition in 1983. For this occasion, the railway tracks were brought underground and the fair was extended to 105.000 square meter (Schäfer, 2005).

Possibly the facility hit hardest by the decline in consumer fairs was Milan. For decades, the *Campionaria* fair in April had been their hallmark event and all facilities were geared to this yearly occasion (Barbaresi, 2008). Therefore, the Milan fair was



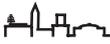
even less equipped to host international trade fairs. Although the fair realized this throughout the 1980s, extension was problematic (Castellano, 1995). Because the fair had since 1923 extended within the same area, there was relatively no space for densification. Moreover, extensions were, like in Amsterdam, met with resistance from the neighborhood that was suffering from traffic and parking pressure during events. Although a site northeast of the facility became available in 1982, extending to this site was for these reasons and because the fair initially lacked the funds to acquire the terrains, problematic. This situation would linger till well into the 1990s.

This led to a situation in which all facilities were to a certain degree locked-into their sites as possibilities for densification were largely inexistent. In all cases, except for Milan, there was no room for extending outside the fairgrounds. In Milan, Munich and Amsterdam, any possible extension was also critically watched by neighboring residents for their effects on public space, traffic and parking. Thereby, the possibilities for realization of increasing returns by simply adding new halls were limited. The fairs realized that their facilities were suboptimal for the accommodation of the growing segment of international business fairs. Physical shortcomings were many and diverse: many halls were outdated or too small; others had columns, prohibiting a flexible layout of exhibitions; other facilities were inefficient in terms of visitor flows because of multiple story-halls or odd layouts that had emerged through the years; in other complexes visitors had to cross uncovered space or long distances between halls and in almost all facilities spaces for handling logistics were inefficient and on short supply. The trade fairs found themselves at a crossroad with a paradoxical assignment: increase quantity and quality of the fairgrounds while trapped in space. A simple continuation of previous strategies seemed impossible.

Critical junctures

During the 1990s, the market for fairs continued to specialize and internationalize: thereby becoming even more competitive. Hence, all four facilities saw a need to continue improving their facilities. This, however, posed problems in all four cases as space for extension was limited or, in some cases, inexistent and traffic and parking problems had sparked negative sentiments with residents. The tension between the logic of the international marketplace and locally developed contexts clearly manifested itself. In all four cases it took a change in the spatial or institutional local context in order to respond to the functional changes that the international exhibition sector was undergoing.

In both Frankfurt and Munich, this change in context was initially spatially induced. In Frankfurt, a historic opportunity was provided to the trade fair when the German Railways were selling the railway yards south of the exhibition center in order to levy funds for station area redevelopment projects and high speed railway lines (Scholl, 2005). Although the companies that were instituted by the German Railways to redevelop the area were aiming at functions like housing, retail and offices that would

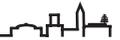


render higher returns on the land, the fair was able to acquire one fourth of the site, enough for extensive extensions. This was made possible by the City of Frankfurt that attached much value to the fair within its city center. They threatened not to change the zoning of the railway yard if not part of it would be sold to the trade fair. Therefore, in the case of Frankfurt, a spatial opportunity and a favorable institutional setting provided for the physical accommodation of a changing functionality.

Spatial change offering possibilities to the Munich fair was not taking place next to the facility but at the border of the city. The city's airport that had been located here was moved to a site more distant to the northeast of the city, allowing for a larger airport and the construction of houses on and in the vicinity of the old airport. Because the Munich fair had no space for extension at its central city location and it did not see any opportunity for extension arise, soon it proposed a move to the former airport, financed primarily by the redevelopment of the old site (Märzin, 1985). At first, the city council was unreceptive to this proposal. The redevelopment of the former site would not cover all costs for new construction and the city would also have to pay for additional infrastructure. Because the city had invested large sums in the relocation of the airport, such means were not available. A solution was provided when the State of Bavaria bought some of the shares in the trade fair from the City of Munich. Thereby, the financial burden for the city was lowered and the project of a new trade fair was made possible. Spatial and institutional changes had finally accommodated the long-lasting desire of the fair for a new venue.

In Milan, as a result of traffic and parking problems, the earlier described situation of the stalled extension lingered well into the 1990s. By then, problems with shortage of space and inadaptability of the facilities to new exigencies of the exhibition market had become worse to the point that even the proposed extension could not solve them. Therefore, the Region of Lombardia, the Province of Milan, the City of Milan and the fair agreed in 1994 on a more ambitious scheme (Lombardy Region, 1994; Vettese, 1995). The idea was to construct a new trade fair northeast of the city on the site of a former oil refinery. Once this external pole would be in place, all but the most recent halls of the old pole would be demolished so the site could be redeveloped into a new urban district. Because this would only be realizable in the long run, the initial idea of adding new halls to the existing facilities was also reinvigorated to provide for short term needs. Because the roof of these new facilities was used as parking space and because of the prospect that the largest part of the fair would be moved within a few years, local opposition against this extension was bypassed.

These extensions were realized in 1997. Again, however, the most ambitious part of the project, the construction of the external pole, was stalled. For a period of five years, no initiative was taken on this part of the agreement of 1994. In 1999, competences over the exhibition sector were transferred from the federal state to the regions of Italy, providing the Region of Lombardy with an opportunity to strengthen the



region's exhibition sector. Soon a committee was installed to investigate how this position could be enhanced. It was concluded that the realization of the external pole was necessary but that this could only be reached through a privatization of the Milan fair. Therefore, in 2000, the Milan fair was turned into a private company being responsible for the daily operation and construction of its facilities. It was anticipated that the revenues from the former fairgrounds that were destined to be redeveloped could provide the necessary revenues for this. In 2002, these revenues were complemented by the profits from a listing at the Milan stock exchange. This institutional turn allowed for a restart of the project of the development of the external pole which led in 2005 to the opening of the new venue.

In Amsterdam, the strategy of piecemeal extension prevailed even longer. Throughout the 1990s, studies were made into extending to a site at the other side of the urban ring road, just south of the complex. Bridging the infrastructure would, however, be very costly and make visitor streams within the facility very inefficient. After this idea was rejected, a new opportunity surfaced when plans were launched for a new metro stop near the venue and the complementary redecoration of the square and street in front of the entrance. The idea was launched to bring this street underground and use the newly created surface and parts of the square for the construction of an additional 30.000 square meter hall and a hotel tower (ARS, 2000). By that time, local opposition against the exhibition center extension had turned into relatively peaceful coexistence as measures to prevent traffic and parking problems were successful and the neighborhood realized it also profited from the amenities supported by the fair. This time, however, a downturn in the international meetings market and fluctuating assessments of costs for bringing the street underground raised financial doubts over the project and for these reasons the project was terminated.

This led the Amsterdam exhibition center to seriously reconsider its strategy. The spatial opportunity provided by the idea to tunnel the street and the arrival of the metro had been a once in a decade opportunity. Because of the problems associated with an extension at the other side of the ring road and the prohibition to extend into the park, possibilities to extend its premises seemed exhausted. At the same time, the municipality started talking about a move of the exhibition center (Parool, November 6, 2008). They saw large potential revenues in redeveloping the fairground that was close to the principal office development area of the city while at the same time offering possibilities for an enlargement of the region's exhibition infrastructure on a peripheral location.

The RAI was not in favor of such a strategy because it benefited from its central and well-accessible location. This proposition from the municipality, however, further limited the changes of extension to adjacent areas. Therefore, the RAI shifted attention to its existing venues. A new strategy of renovation and densification was conceived in which quality of the venue was preferred over quantity. The venue realized that it was

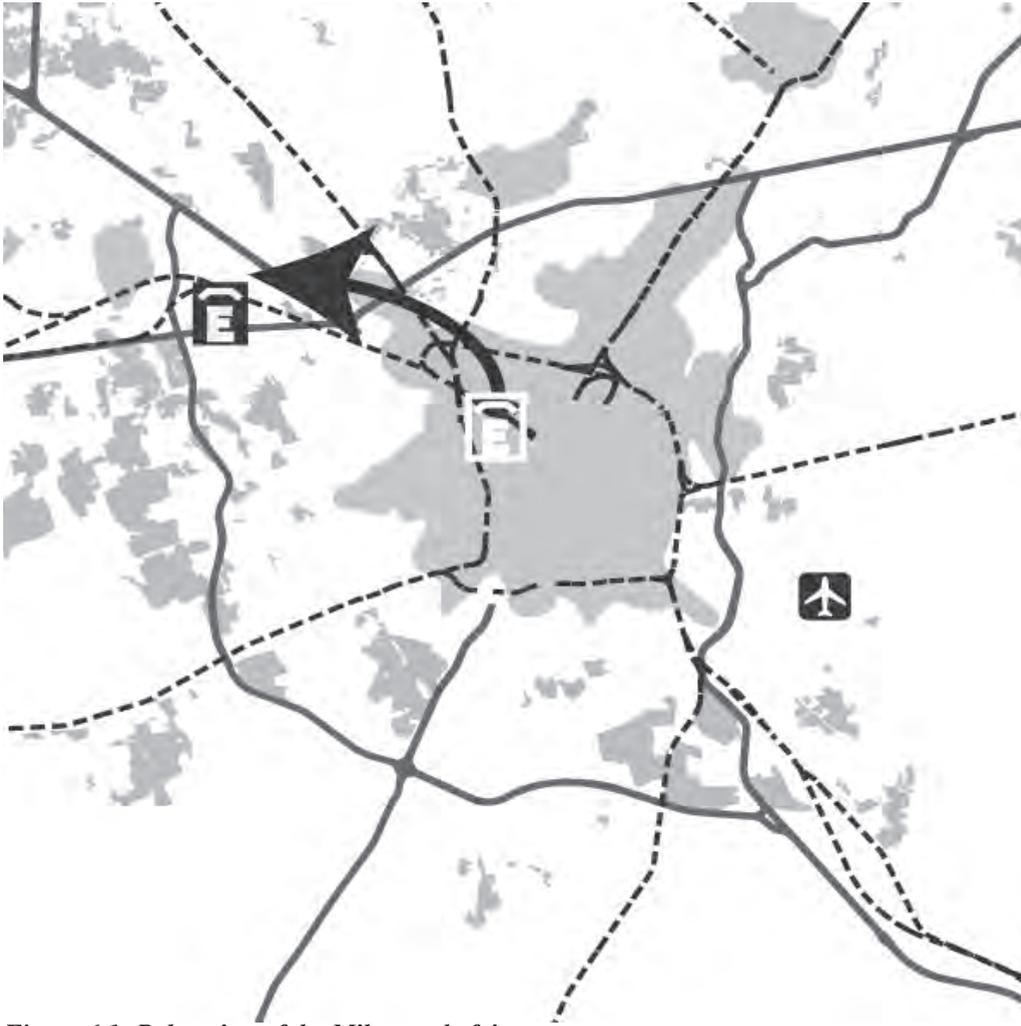
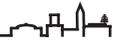


Figure 6.1: Relocation of the Milan trade fair

in terms of size lagging far behind the largest exhibition centers in Europe, amongst which were Milan, Frankfurt and Munich, that had all extended their size during the 1990s and early 2000s. Therefore, a new high-quality building with limited size but apt for conferences, dining and high-class parties was added to the premises in 2009. Throughout the early 2000s, the physical strategy of the RAI had shifted under pressure of changing functional needs and limited spatial possibilities for extension to one of densification and quality.



6.3 Conclusion: between structure and opportunity

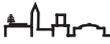
This paper looked into the strategic responses of four exhibition centers in Western Europe to a specializing and internationalizing market. Although the effects of globalization and urban competition on cities are widely analyzed in urban studies, studies of their effects on the spatial and physical strategies of individual facilities are scarce.

Analytical concepts to study these effects were provided by path dependency theories. Whereas the period from the Second World War onwards had been characterized by increasing returns, functional changes in the 1980s demanded new physical qualities. For all four facilities, this led to a situation of lock-in, in which the old strategy of adding new halls was insufficient to deal with international competition. Reconstruction of existing facilities was necessary to allow for higher efficiency, increased quality and more flexibility.

This situation of lock-in, combined with the pressure of an internationally competitive sector forced the exhibition centers to explore their possibilities. To a large extent these were dependent on historically rooted structural circumstances in the physical, functional, spatial and institutional domain: relationships with neighboring residents, support from different layers of government, the spatial structures that had over the decades evolved around the fair, the physical layout of halls and the portfolio of events that had been acquired over the years. Varying between time and place, these structures gave more or lesser space of maneuver for exhibition centers to conceive and employ new strategies.

Within these structures, the advantages and disadvantages for peripheral and central locations were clear. Central locations suffered from problems with accessibility, posed pressure on surrounding areas and had difficulties with extending their premises. On the other hand they benefitted largely from their embeddedness in urban life and could draw on facilities that were already in place. Peripheral locations inversed these pro's and con's. Here, ample land was available for development and improvements in accessibility were relatively easy to realize. Integration with the city was, however, difficult to realize. Moreover, constructing completely new facilities required large sums of investment.

Often, what tipped development into one or the other direction were emerging opportunities. Although this meant in many cases that structures had to be changed and bargaining had to take place, all facilities tried to find an optimal equilibrium between what was best for their business and what was feasible. Thereby, strategies to adapt spatially and physically to new exigencies were to a large extent pragmatic. Neither in Munich, nor in Milan the periphery was preferred over a central location. However, the situation at their historic locations left them inapt to continue international competition. This spatial and physical lock-in necessitated a move to the periphery which provided opportunities for construction of a new state-of-the-art venue.



In most cases, exhibition centers tried to seize on opportunities provided by abrupt changes in spatial configurations like when the move of the Munich airport provided space for a new facility or when the German Railways wanted to sell the railway yards adjacent to the Frankfurt fair. Both cases also show that a spatial opportunity alone is not enough: they have to be backed by institutional support, in those cases from city and State. Amsterdam provides an example where a spatial opportunity did not materialize in new construction because the necessary funds for the tunneling of a nearby road and the proposed hall and hotel tower were not available.

In Milan, an old and ill-equipped institutional setting was the main problem for responding to changing sectoral needs. The opportunity provided here was the transfer of competences over the exhibition sector from the national to the regional level. This led to a more business-like management of the fair and aligned actors to solve the stalemate that had existed over the construction of the new fairground.

In conclusion, critical junctures in exhibition center strategies manifested themselves in all four cases. The way in which they did was, however, largely dependent on historically rooted circumstances and newly developing opportunities. The lock-in that was experienced throughout the 1980s and early 1990s, led the exhibition centers to more actively pursue these new opportunities, thereby breeding new creation out of a situation of lock-in.

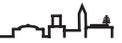


Figure 6.2: The main entrance of the New Milan trade fair



Figure 6.3: The interior of the New Milan trade fair