

To What Extent Do Trade Show Exhibitors Engage In Objective-Setting And Planning?

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The aims of this study carried out in Mauritius were to examine the extent to which exhibitors established objectives and plans before participating in trade shows. Companies should realize the importance of setting objectives and engage in pre-show planning activities in a methodical way. Based on these, managers should be able to make informed decisions about which trade shows to attend and how much to spend among others. Although trade shows are regarded as an important tool of marketing communications, relatively few studies have examined the importance of objective setting and the step-by-step approach to planning trade show attendance. 44 textile firms were surveyed and a response rate of 73 % was obtained. Respondents did set many objectives before participating in trade shows but did not engage systematically in planning activities such as sending personal invitations to potential visitors and training of booth staff.

Field of Research: Marketing

1. Introduction

Trade shows, also called trade fairs, exhibits or expositions implies the gathering of an entire industry (suppliers, distributors and related services) at a single location at a point in time. Different trade shows are organised for different industries. It can be the computer industry, the seafood industry or the car industry among others. Companies wishing to participate need to pay for their placement also known as booth to expose their products. Trade shows are in fact primary venues to generate sales leads and increase overall company awareness. Thus, trade shows act as a major communication tool as well as an offensive technique for promotion in the industrial market.

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2. Literature Review

Trade shows have become a powerful marketing medium because they attract thousands of visitors (Tanner and Chonko, 1995) and many companies have recognised their power as a vehicle for shortening the sales cycle. In fact, trade shows rank second behind on-site selling in influencing buying decisions of industrial purchases (Parasuraman, 1981; O'Hara, 1991). Moreover, it takes only 0.8 sales calls on average to close a sale initiated by a trade show while most estimates place the number of visits required by a sales person on his or her own to be five (Herbig *et al.*, 1998).

Table I illustrates some selected references about the advantages of trade shows to exhibitors.

Table I: Selected References Citing Advantages of Trade Shows

Advantages of Trade Shows	Selected References
Message delivered to a large number of qualified interested people	Herbig <i>et al.</i> , (1998)
Introduction of new products to a large number of people	
Uncovering potential customers	
Enhancing goodwill	
Gaining free company publicity	Bello and Barczak (1990); Moriarty and Spekman (1984)
Activities play a major part in vendor evaluation and recognition	
Providing the opportunity to affect multiple phases of the buying process at one location	Moriarty and Spekman (1984)
Creating awareness in new prospects	
Reinforcing existing customer relationships	
Providing product demonstrations for evaluation	
Establishing relationships between vendors and prospects	
Allowing sales of products on the spot	
Gathering competitor information	
Improving corporate morale	

Detractors are quoted saying that trade shows are a form of 'mass hysteria' or that everything is done for the show management not the exhibitors (Bonoma, 1983). For Sashi and Perretty (1992), the controversy centres around the inability of firms to quantify the return on their trade show investment. This occurs mostly at non-selling shows where the buying decision involves a large decision-making unit and the sales cycle is measured in months making it difficult to assess the contribution of each element of the promotion activity. This problem is common to most of the promotion tools that the firm uses, except of course if the firm has

only one promotion method (Blythe, 1999). Herbig *et al.* (1998) further reported that very few firms have properly set objectives before participating in a given trade show. They further report on the findings of a study whereby 40% of first time exhibitors failed to repeat their participation, the typical exhibit reached only 60% of its prospects, limited pre-show activities were engaged in, and return on investment functions were unexplored by most.

For trade show activities to be effective, an exhibitor must formulate the approach to be taken and then implement it at the different stages of the trade show event. The trade show literature has been focusing on three main stages of trade show participation from the perspectives of an exhibitor:

1. pre-show activities: identifying and formulating objectives, planning,
2. show activities: behaviour and quality of booth personnel, identifying buyer needs, recording buyer name and position, and
3. post-show activities: visiting or calling existing and potential customers identified at the show, assessing trade show performance (Belizzi and Lipps, 1984; Sashi and Perretty, 1992; O'Hara et al., 1993).

This study will focus on the pre-show activities for a trade show. Prior to the show, objective setting becomes important. It allows exhibitors to decide which shows to attend, what should be achieved at shows and how much of the promotion budget should be allocated for trade show expenses. Reports suggest that those who do are in the minority (Trade Show Bureau, 1983; Mee, 1988; Blythe, 1997). Failure to set objectives and to evaluate objectives cast doubts as to whether executives actually know about the effectiveness of the show. In addition, there is the difficulty of deciding whether the objectives set are realistic (Blythe, 1999). The essential objectives for exhibiting in trade shows are as depicted in Table II.

Table II: Selected References Citing Objectives for Exhibiting

Objectives for Exhibiting	Selected References
Making direct sales	Carman (1968)
Maintaining contact and image with former/new customers	
Introducing a new product line	
Demonstrating nonportable equipment	
Solving technical problems on the spot	
Finding new ideas or applications	
Building morale of local sales representatives	
Countering participation by competitors	
Recruiting personnel	
Fulfilling company's mission	Herbig et al., (1998)
Finding prime prospects	
Meeting target audience/Image building	
Obtaining competitive information	
New product introduction/evaluation	

Garnering leads/new contact	
Receiving sales orders	
Recruiting sales reps/intermediaries, Sales training	
Identifying prospects	Bonoma (1983) and Kerin and Cron (1987)
Servicing current accounts	
Introducing products	
Improving corporate image	
Gathering competitor information	
Selling	

Exhibitors nonetheless, frequently cite sales objectives as the main reason for exhibiting (Kerin and Cron, 1987; Shipley *et al.*, 1993; Blythe, 1997). In addition to objective setting, advanced planning is also central to any exhibition decision. Planning includes ensuring that all participating personnel are fully prepared to handle the event as long as it lasts; booth preparation in terms of lighting, décor, design, displays or support material; ensuring that there is adequate booth staff to answer visitors' queries, inviting customers to visit the stand and keeping records of visitors at the stand.

However, even if trade shows play a significant role in the marketing operations of many companies, they have been subjected to relatively little systematic examination (Hansen, 1999). As a result, more theoretical and empirical study is warranted. There is a managerial imperative as well. Managers with trade show responsibilities are repeatedly considering questions such as: What objectives should we set? Which trade shows should we attend? How should booth space and time be allocated? How much should we spend? In the absence of an accepted body of knowledge, answers to these questions are invariably based on personal judgement, usually reflecting trade show experience. Theoretical models relating to trade shows are a prerequisite that will provide practising managers with deeper insights. This should enable them to take more informed decisions, with the obvious benefit that their companies would earn better returns from their investments.

Accordingly, the study will aim to address the following concerns from the perspectives of exhibitors: the amount of work which goes into the planning of exhibitions and the extent to which objectives are identified and set prior to trade shows.

3. Methodology

After conducting a thorough review of the literature, a questionnaire was designed comprising of three parts- general trade show items, objective-setting and planning for trade shows and organisational demographics. The questionnaire was basically structured - consisting of a series of 5-point itemised, labelled, Likert type statements – to determine variations in extent. A pre-test of

the research instrument was conducted with two respondents through face-to-face interview. A few modifications were made on some response categories and directions.

Regarding the sampling units, 44 Mauritian textile firms having participated in overseas trade shows namely MIATEX (Mauritius International Apparel and Textile Exhibition) 1999 and MIATEX 2002 were considered. As information to the reader, the textile industry represents the second pillar of the Mauritian economy producing textile products for overseas markets. Out of the 44 firms, 32 respondents were willing to schedule a personal interview with the researcher, thus representing a response rate of 73 %.

4. Results

Responses from thirty-two respondents operating in the textile industry were gathered. The demographic characteristics of the sample are given in Table III.

Table III: Demographic Variables (n=32)

Demographic Variables	Percentage (%)
Number of Employees	
0 – 50	34.4
51 – 150	12.5
151 – 300	15.6
301 – 500	6.3
501 – 1000	15.6
1000+	15.6
Annual Turnover (Rs. m)	
Less than 100	46.9
101 – 500	21.9
501 – 1000	12.5
More than 1000	9.4
Confidential	9.4
Number of Years in Business	21.9
1 – 10	68.7
11 – 20	9.4
21 – 30	0.0
Over 30	
Number of Product Lines	
Less than 5	34.4
5 – 10	18.8
More than 10	46.8
Markets	
Europe	96.9
United States	65.6
Rest of the World	18.8

Affiliation	
Local	78.1
Foreign	15.6
Joint Venture	6.3
Position in Company	
Sales and Marketing	34.4
Research & Development	6.3
General Management	59.3

Table IV summarises the means and standard deviations relating to the importance of the different tools of the promotion mix for the respondents. The last column relates to the ranking of each element based on the value of the mean.

Table IV: Use of Different Promotional Tools

Promotional Tools	Mean	SD	Rank
On Site Visit to Customers	4.59	0.76	1
Trade Shows	3.59	0.84	2
Direct Mail	3.41	1.32	3
Trade Media Ads	2.72	1.14	4
Catalogue	2.72	1.22	4
Mass Media Ads	2.53	1.32	6
Telemarketing	1.91	1.30	7

Table IV shows that exhibitors rated onsite visits to customers as the most important element of the communications mix. In fact this item scored the highest mean at 4.59 on a scale of 1 to 5, where 1 is 'Least Important' and 5 is 'Most Important'. Telemarketing, on the other hand scored the lowest mean at 1.91 showing that textile firms did not really promote their products through the phone. In fact, respondents acknowledged that in such times of intense competition, face-to-face and personal contacts with large customers were most important, regardless of the high associated costs. Relationships were built with sellers thereby contributing to maintaining the existing customer base. To be noted however, is the fact that trade shows were of significant importance to textile firms. Indeed, they achieved a mean of 3.59, rating them as the second most important element in the business communications mix.

Table V shows the means and standard deviations of the importance of the reasons for participating in trade shows. The last column shows the rank of each statement based on the mean values.

Table V: Objectives for Participating in Trade Shows

Objectives for Participating in Trade Shows	Mean	SD	Rank
Identifying new customers	4.56	0.72	1
Enhancing company image and goodwill	4.44	0.62	2
Building and maintaining relationships with customers	4.28	0.85	3
Promoting existing products	4.22	0.66	4
Determining customer requirements	4.00	0.80	5
Keeping up with competition	3.81	1.03	6
Gathering information about industry trends	3.81	1.12	6
Servicing current customers	3.75	0.92	8
Launching new/modified products	3.75	0.92	8
Gathering information from competition	3.66	1.18	10
Gaining access to key decision makers	3.50	1.19	11
Meeting new distributors	3.50	1.14	11
Getting an edge on non-exhibitors	3.47	1.14	13
Testing new products/services	3.44	1.13	14
General market research	3.31	1.09	15
Interacting with existing distributors	3.16	1.11	16
Physical Display of non-portable products	3.09	1.47	17
Taking sales orders	3.09	1.35	17
Finding new sources of supply	2.84	1.27	19
Determining new applications for existing products	2.81	1.26	20
Selling at the show itself	2.34	1.15	21
Enhancing staff morale	2.34	1.13	21
Recruit new sales personnel	1.41	0.84	23

Table V shows that the most important objectives for participating in trade shows were: the identification of new customers (mean = 4.56), the enhancement of company image and goodwill (mean = 4.44), the building and maintenance of relationships with customers (mean = 4.28), the promotion of existing products (mean = 4.22) and the determination of customer requirements (mean = 4.00). In fact, they all had means at or above 4 which is considered high on a scale of 1 to 5, where 1 is 'Least Important' and 5 is 'Extremely Important'. In addition, such opinions seemed to be widely shared in that the standard deviations of these objectives were all less than one. Other listed trade show objectives were considered of moderate importance, with the recruitment of new sales personnel being the least important objective, having the lowest mean at 1.41. Sales at the show itself and the enhancement of staff morale were also rated low with means at 2.34 each.

Table VI shows the means and standard deviations of the extent to which exhibitors engaged in pre-show activities on a scale of 1 to 5 where 1 is 'Not at All' and 5 is 'To a Large Extent'.

Table VI: Engagement in Pre-Show Activities

Pre-Show Activities	Mean	SD	Rank
Identified and formulated objectives of participating in shows	4.16	0.77	1
Preparation of displays and support materials	4.05	0.78	2
Preparation of booth/stand (décor, lighting, etc.)	3.97	0.74	3
Personal Invitations by mail	3.75	1.27	4
Personally delivered invitations	3.38	1.13	5
Dramatic mail to key prospects	2.31	1.33	6
Training of booth personnel	2.25	1.02	7
Drop line in regular ads	2.13	1.01	8
Special ads at show	2.06	1.22	9
Free show tickets	1.88	1.52	10
Sticker in mail	1.84	1.30	11
Ads in special industry journals	1.78	1.26	12
Local newspaper ads in convention city	1.44	0.80	13
Radio or TV message in convention city	1.44	0.98	13
Outdoor advertising in convention city	1.34	0.75	15
Promise of special gift to those who stop by	1.31	0.64	16

Table VI shows that amongst the different types of pre-show activities, respondents mostly engaged in the identification and formulation of objectives of participating in trade shows (mean = 4.16), the preparation of displays and support materials (mean = 4.05), the preparation of booth/stand (mean = 3.97) and personal invitations by mail (mean = 3.75). To be noted is the fact that the last six pre-show activities, as they appear in the above table, had been consistently rated low by most respondents. This shows that exhibitors rarely engaged in promotional activities in the convention city where the exhibitions are held. Similarly, free gifts and show tickets were not offered as an incentive for visiting the show.

Further, statistical tests were performed to make deductions about the characteristics of the population based on that of the sample. Such tests provide statistical evidence that the data gathered were not the result of some random fluctuations in the sample. Because the literature suggests that larger companies (as measured by the number of employees and annual turnover), companies with more product lines and having been longer in business are likely to be more systematic, the following relationships were hypothesised.

Hypothesis 1: Large companies, with more product lines and higher number of years in business are more likely to set objectives.

Pearson's Correlation Coefficient was used to assess the strength and direction of relationship between the variables. Table VII lists the key statistics for Pearson's correlation coefficient, r .

Table VII: Relationship between Size of Company, Number of Product Lines, Number of Years in Business and Objective-Setting- Key statistics for Pearson's Correlation Coefficient (n = 32)

Variables/Constructs	OS	NE	AT	NPdt	Yrs
Objective Setting (OS)	1				
No. of Employees (NE)	-0.11	1			
Annual Turnover (AT)	-0.07	+0.45**	1		
No. of Product Lines (NPdt)	-0.08	+0.33	+0.27	1	
No. of Years in Business (Yrs)	0.25	+0.22	+0.24	-0.10	1

** significant at $p < 0.01$ level

Table VII shows that no significant relationships exist between objective-setting prior to trade show participation, size of firm (as measured through annual turnover and number of employees), number of product lines and the number of years in business. Therefore, it is deduced that objective-setting is not a function of the degree to which activities within business firms are systematic and well defined, as is usually the case in large business organisations. *Hypothesis 1 is therefore rejected.* To be noted however is the relatively high, positive value of Pearson's Correlation Coefficient r , between Annual Turnover and Number of Employees. This indicates that both variables are measuring size.

Hypothesis 2: The larger the company, the greater the number of product lines and the higher the number of years in business, the higher will be its likeliness to engage in pre-show activities.

Again, Pearson's Correlation Coefficient was used to assess the strength and direction of relationship between the variables. Table VIII lists the key statistics for Pearson's correlation coefficient, r .

Table VIII: Relationships between Size of Company, Number of Product Lines, Number of Years in Business and Engagement in Pre-Show Activities- Key statistics for Pearson's Correlation Coefficient (n = 32)

Variables/Constructs	PSA1	NE	AT	NP dt	Yr s
Pre-Show Activities (PSA1)	1				
No. of Employees (NE)	+0.03	1			
Annual Turnover (AT)	+0.10	+0.45*	1		
No. of Product Lines (NPdt)	+0.15	+0.22	+0.24	1	
No. of Years in Business (Yrs)	-0.14	+0.33	+0.27	-0.10	1

* significant at $p < 0.05$ level

Table VIII shows that correlation coefficients vary between the values -0.14 and +0.45. Most of these coefficients are however insignificant, with p values exceeding 0.05. Therefore, there does not exist any type of linear relationships between the extent to which firms engage in pre-show activities and the size of firms, number of product lines and number of years companies have been in business. The only significant relationship was that between number of employees and annual turnover ($r = +0.45$) as obtained earlier for the testing of Hypothesis 1. Hypothesis 2 was therefore rejected.

5. Discussion and Conclusion

Findings revealed that trade shows were ranked the second most important tool in the promotion mix just after on-site selling for Mauritian Textile firms. Most exhibitors did set objectives before participating in trade shows. Exhibitors' main objectives for participating in trade shows included the identification of new customers, the enhancement of company image and goodwill, the building and maintenance of relationships with customers, the promotion of existing products and the determination of customer requirements.

The effectiveness of trade shows could be improved in a number of ways. First and foremost, before any trade shows are selected or a trade show strategy prepared, the firm needs to consider whether its products match the advantages of shows and whether they are participating in the right shows. Clear objectives should then be formulated prior to trade shows. Companies must concentrate on a limited number of objectives and prioritise (Herbig *et al.*, 1997). Both selling and non-selling functions of trade shows exist (Kerin and Cron, 1987) and both should be screened for appropriate objectives.

Another area for improvement would relate to pre-show activities. Exhibitors can do much more to attract more and better prospects. Particularly, they should rely less on the organiser to do their promotion. Company clients and prospects should be informed through direct mail and other promotional activities well before the event. A variety of pre-show activities including radio, television, outdoor advertising, local newspaper ads and ads in special industry journals should be designed to create interest and bring the audience to the company booth.

The trade shows sales force must be carefully examined for maximum effective operations. Inexperienced booth personnel may mean that important customers present at the show are being missed out. The most successful salespeople at a show would be those that are oriented towards establishing a good image, supplying information to interested individuals, qualifying leads and obtaining industry information. Unfortunately though, findings revealed that booth personnel are barely trained, their behaviours at the show seldom monitored and hardly ever evaluated. Proper selection of booth personnel, right training and careful evaluation can make a profound difference on trade show results and effectiveness.

The study was bound by several limitations. First, since a single type of show was investigated, the findings may apply only to the Mauritian textile industry. Another limitation of the study is the small sample size. Therefore the findings cannot be generalised to trade shows as a whole. A future research area therefore will be to apply the study, using a larger sample size, to other industries so as to enhance the generalisability of the findings. Another major area for improvement in the research design will be the application of longitudinal design. Longitudinal design may facilitate stronger conclusions than cross sectional research does (Hansen, 1999).

Future research could look into the organisation of the trade show. For example, who should be responsible for and participate in developing the trade show programme and how does the interaction of marketing, sales, advertising and exhibit management influence trade show execution and performance?

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