The Effects of International Trade Show Marketing Strategies on Trade Show Performance: A Preliminary Analysis

Shi, Smith & Zhang    55th SWST IC Aug. 27-31, 2012 - Beijing, China
Outline

- Background and Justification
- Research Objectives
- Research Methodology
- Data Analysis and Findings
  - Trade show performance dimensions
  - Effects of trade show strategies on performance dimensions
- Conclusions and Contributions
- Future Activity and Research
Background & Justification

- **International trade show**

  - **Benefits**
    - International business network
    - Competitive intelligence gathering
    - Product sales
    - Corporate image/reputation building
    - Customer needs identification

  - **Challenges**
    - $$$
    - Which one to select? Exhibit mode? Booth?
Existing Trade Show Studies

U.S.
Western EU
Existing Trade Show Studies

Developed Markets

Emerging Markets

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Background & Justification

- **Developed vs. Emerging Markets**
  - Trade show utilization is different (Tafesse and Korneliussen 2011)
  - Trade show performance dimensions vary across counties and/or industries (Dekimpe et al. 1997; Hansen 2004; Kerin and Cron 1987)

- **Existing studies:**
  - Examine effects of TS strategies on single TS performance measure
  - Little knowledge on Chinese market
    - The relevant trade show performance dimensions?
    - What trade show strategies should exhibitor employ to optimal allocate the resource?
China: No. 1 furniture producer and exporter

Fig. 1. Chinese Furniture Production and Exports (2000 – 2009) (CNFA 2001-2010)
China: No. 1 furniture producer and exporter

Fig. 2. U.S. Hardwood [1] Exports to World and China (2006-2011) (USDA/FAS 2012)

[1] Hardwood exports include hardwood logs, lumber, veneer, chips, hardwood plywood and hardwood flooring.
Research Objectives

Investigate exhibitors’ trade show performance in an emerging market: China

Examine the differential effects of trade show strategies on exhibitors’ trade show performance
Survey Method

- Cross-sectional

- Population: CIFM '11 exhibitors
  - N=980 (International = 193; Domestic = 787)

- Census

- Data Collection – 2 language; internet (Survey Monkey);
  internet & phone follow-ups

- Response Rate = 32% (n=300/940)
Measures

Furniture Supply Trade Show Exhibitors Survey

3. Part II: TRADE SHOW ACTIVITIES

6. Please rate the performance of Your company at CIFM’11 on the following list of 16 activities (Check one alternative per statement from 1 to 7, where 1=very poor and 7=excellent):

<table>
<thead>
<tr>
<th>Very Poor 1</th>
<th>2</th>
<th>3</th>
<th>Neutral 4</th>
<th>5</th>
<th>6</th>
<th>Excellent 7</th>
</tr>
</thead>
</table>

Explore market opportunities in new regions
Maintain relationship with existing customers
Increase booth staff's trade show experience
Explore export opportunities in foreign market
Collect information about competitors' products
Meet key decision makers
Collect market information
Generate sales
Introduce new products
Train company's sales team
Benchmark competitive position
Gain an edge over competitors who are not exhibiting
Promote existing products
Enhance company's overseas image
Discover new prospects
Demonstrate your company's capability

6. 以下是有关贵公司参加此次展会的绩效评估，请对贵公司在各种展会活动上的成效作出评估，1=极差至7=非常成功，程度逐级递增。
Measures

Furniture Supply Trade Show Exhibitors Survey

4. Part III: TRADE SHOW STRATEGIES

Please provide us with the following detail about Your company’s trade show strategies at CIFM’11.

7. Please list Your company’s participation mode at CIFM’11.
   - Exhibitor with individual booth
   - Exhibitor with booth sponsored by industry association
   - Exhibitor with booth shared by individual firms

8. Please provide Your best estimates regarding Your costs.
   - Booth size used (in square meters):
   - Number of products exhibited:
   - Number of booth personnel:

9. Of all booth personnel Your company sent to CIFM’11, please:
   - Sales/Marketing department (%)
   - Engineering/Production department (%)
   - Other (%)
   (Please specify "Other")

10. Please rate the level of systematic trade show training.

11. Please rate the level of international trade show experience.

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Data Analysis and Findings

Respondent Profile

Principle Component Analysis on 16 trade show activities

Multiple Regression Analysis

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Respondent Profile

By Exhibitor Nationality

Exhibitors (n=300)

- Domestic: 67%
- International: 33%

By Industry Sector

Exhibitors (n=300)

- Woodworking machinery: 19%
- Raw material & Components: 25%
- Hardware & Other: 56%

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Data Analysis and Findings

Respondent Profile

Multiple Regression Analysis

Principle Component Analysis on 16 trade show activities

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Principle Component Analysis (PCA)

- Variable reduction method

- 16 TS activities resulted in **FOUR** components

<table>
<thead>
<tr>
<th>Component</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalues</th>
<th>Var. explained (%)</th>
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</thead>
<tbody>
<tr>
<td>Sales-Relational</td>
<td>0.815</td>
<td>3.50</td>
<td>21.8</td>
</tr>
<tr>
<td>Psychological-Related</td>
<td>0.842</td>
<td>3.16</td>
<td>19.7</td>
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<tr>
<td>Market-Exploring</td>
<td>0.832</td>
<td>2.36</td>
<td>14.7</td>
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<tr>
<td>Competitive-Intelligence</td>
<td>0.92</td>
<td>1.56</td>
<td>9.7</td>
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</tbody>
</table>
Data Analysis and Findings

Respondent Profile

Principle Component Analysis on 16 trade show activities

Multiple Regression Analysis
## Multiple Regression Analysis

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<th>Trade show performance dimensions</th>
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<tr>
<td></td>
<td>Sales-Relational</td>
</tr>
<tr>
<td>Visitor-attraction techniques</td>
<td>0.134*</td>
</tr>
<tr>
<td>Number of exhibited products</td>
<td>0.041</td>
</tr>
<tr>
<td>Booth size</td>
<td>0.253***</td>
</tr>
<tr>
<td>Booth staff number</td>
<td>0.179***</td>
</tr>
<tr>
<td>Booth staff training</td>
<td>0.096</td>
</tr>
<tr>
<td>Follow-up contacts</td>
<td>0.254***</td>
</tr>
<tr>
<td>R square</td>
<td>0.350</td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>0.335</td>
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</table>

* Significant at 0.10 level; ** significant at 0.05 level; *** significant at 0.001 level
Multiple Regression Analysis

Visitor-attraction techniques
Booth size
Booth staff number
Follow-up contacts

Sales-Relational TS Performance

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## Multiple Regression Analysis

### Indep. variables

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<tr>
<td>Visitor-attraction techniques</td>
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<td>0.058</td>
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<td>0.091</td>
<td>-0.174**</td>
<td>-0.045</td>
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<td>0.112*</td>
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<td>0.136**</td>
<td>0.2**</td>
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<tr>
<td>Booth staff training</td>
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<td>0.075</td>
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<tr>
<td>Follow-up contacts</td>
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<td>0.330</td>
<td>0.146</td>
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Multiple Regression Analysis

- Booth staff number
- Booth staff training
- Follow-up contacts

Psychological-Related TS Performance

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Multiple Regression Analysis

Booth staff number
Booth staff training
Follow-up contacts
Number of exhibited products

Market-Exploring TS Performance
### Multiple Regression Analysis

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Multiple Regression Analysis

Booth staff number

Booth staff training

Competitive-Intelligence TS Performance
Conclusions & Contributions

International TS utilization

• Emerging market exhibitors utilize as **multidimensional** mktg. tool

Broadening the scope of TS literature

• Exhibitors from a different cultural and national setting (i.e., China)
• Different industry sectors – Furniture supplying industries
• B2B environment

Applications for practitioners

• Marketers should set multiple objectives
• Develop strategies and plans for effective and successful trade show participation
Future Activity/Research

Future Activity

More analysis on how different TS strategies impact each dimension of TS performance

Future Research

Expand to other B2B venue in FP industries
Acknowledgement

- Co-authors
- Pretesting expert and industry panel
- Mattis Liang @ Koelnmesse Co., Ltd. (CIFM organizer)
- All participating exhibiting companies @ CIMF’11