Virtual Trade Fairs - here to stay? – antecedents and effect of virtual trade fair implementation and learnings for a hybrid future

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Abstract

The purpose of this paper is to propose a research design to evaluate exhibitor activity and performance at virtual B2B trade fairs resulting from covid-19 disruption of the business events industry. The study utilizes and adapts a widely intact research framework for trade fair marketing evaluation to gather insights at a unique time of transition from on-site to on-line and ultimately hybrid trade fairs. Exhibitors’ pre-show promotion, at-show selling and after-show follow-up activity at digital trade fair platforms are evaluated in conjunction with their capabilities and motives. Performance measurement with an enhanced scale to account for online potential of virtual trade fairs determines the merits and limits of online-only formats and practices. An outlook and first step to research of a hybrid trade fair future is expected.

Keywords: virtual trade fairs, hybrid business events, digital B2B platforms

1. Purpose of the research

Trade fairs with industry specific and confined market definitions have a solid position in B2B marketing said to be responsible for 46% of B2B marketing expenses of exhibiting companies (AUMA, 2019). The global Covid-19 pandemic however proved to be disruptive for trade fairs in the most extreme way. Traveling to show destinations and in-person meeting of exhibitors and visitors at trade fair venues were ceased abruptly and globally in early March 2020. With this, the core functions of meeting and interacting in this key marketing channel were disrupted and changed within weeks. Video conferences became a new reality of doing business, usually limited to existing contacts and scheduled for a defined purpose.

Trade fair organizers had to find solutions within months, to continue organizing trade fairs in their own business interest (Bauer & Borodako, 2019), with new technology and changed mechanisms to continue value generation for their exhibitor and industry attendee customers. Initial industry considerations to wait for it all to be over were soon obsolete facing the threat of competition from digital business models, particularly virtual marketplaces such as Alibaba.com. Digital trade fairs became a 2020/2021 reality.

The future of the industry is widely accepted to be hybrid (UFI, 2021). Blending the physical and virtual platforms suggests the emergence of a hybrid trade fair that capitalizes on the strengths of both platforms (Sarmento & Simões, 2019). A new era has begun, totally under-researched, as this kind of disruption could not be anticipated in any way.

While the possibility for virtual trade fairs has been discussed with pros and cons (Fenich, 2016; Geigenmüller, 2010; Gopalakrishna & Lilien, 2012), they were only a niche, but certainly not a reality for any of the most relevant and leading trade fairs in an industry. Recently published research agendas for event management do not even include any cues or discussion about researching a digital or hybrid future of events (Armbrecht, Lundberg, & Andersson, 2020; Getz, 2020).

As the state-of-the-art in digitalization research in a trade fair context, internet implementation and supporting functionality at pre-show, at-show and after-show stages have been discussed. Ling-yee (2010) offers one of the scarce research frameworks to describe exhibitor internet activity at each stage of a trade fair and yield findings of where IT usage helps achievement of trade fair objectives most. The outlook on a time that “one day” will allow online face-to-face meetings, interactive product demos, customized digital presentations and virtual on-site tours enhances the value of this ground-breaking research (Ling-yee, 2010). The day has come – the time of all-digital meetings is now.

2. Research approach and expected knowledge generation

Research on trade fair performance is well established for an at-show and post-show behavior for attendees (Bello, 1992; Kim, Kim, & Seol, 2013; Mair, 2012) and for exhibitor perspectives (Gopalakrishna & Lilien, 2012). Exhibitor marketing and management at trade fairs are the most researched aspects in trade fair literature (Park & Park, 2017).

But what is this research still worth at a time exhibitors and attendees cannot meet on-site? What if the fundament and underlying assumption of all these learnings changed?

The authors believe the research frameworks are widely intact, but anew evaluation needs to be conducted with adapted scales reflecting the new situation and fundament.

Following the general framework of Ling-yee (2010), enhancing it by a multi-dimensional approach of trade fair performance presented by Lee & Kim (2008), adding the performance potential of virtual events (Geigenmüller, 2010), and adapting the model to functionality and use cases of current web technology for digital trade fairs, this study develops the framework for all-digital contexts and yields results representative for the B2B industry at an early digital adoption stage.

Theoretical contribution is expected in opening research on fully digital platforms in their actual performance for exhibitors and attendees, to give a first exploratory direction on what drives achievement of objectives in an all-digital world and to generate an understanding for dynamics of a future hybrid trade fair industry. With this it follows a call for more research focused on information technology in event management overall (Park & Park, 2017). Clearly, the contribution to literature is applying theory and established models to explore a highly disruptive change in an industry essential for B2B marketing. The contribution is not focused on methodology, but on exploring a new era of trade fair interaction.

Practical contributions include establishment of a better understanding where exhibitors need to create capabilities to be successful in the era of virtual and hybrid trade fairs. This extends research of Gopalakrishna & Lilien (2012) and Lee & Kim (2008) of pre-show, at-show and post-show activities on trade fair performance in a context where the most influential determinants like booth size, booth location and staffing no longer matter or have to be defined differently. The context changed and new trade-off decisions between on-site and on-line participation and resource-allocation are on the way (Sarmento & Simões, 2019). Furthermore, direct practical contributions for exhibitors are expected in the digital trade fair platform use and how to contribute to higher achievements of different trade fair targets. Exhibitor outcomes are clearly considered as a prerequisite for show organizer outcomes

(Töppig & Moital, 2020). The question of what is the best mix of online and offline shows to be offered by trade fair organizers is still among the uncharted research topics in the field of a show management perspective (Gopalakrishna & Lilien, 2012).

A hybrid future is expected not only in side-by-side use of on-line tools and on-site meetings, but assigning roles and core areas of activity, e.g. identification and qualification of new leads or accepting recurring orders online vs. meeting in person with established contacts for networking purposes and/or understanding complex customer problems/ needs.

3. Adapted internet implementation model for virtual trade fairs

Digitalization overall is not a new territory in trade fair management. Exhibitors and attendees are players in pretty much all industries with increasingly tech-savvy customers demanding fast and seamless digital experiences and expecting immediate solutions to their needs (Kumar, Ramachandran, & Kumar, 2021).

Virtual trade fairs can be defined as “web-based platforms where customers, suppliers and distributors can get together virtually at any time and from any place” (Geigenmüller, 2010). Different platforms emerged including enhanced video conferences, streaming platforms, comprehensive web applications and 3D virtual environments.

Internet implementation for trade fairs can be described along the overall exhibitor marketing process at pre-show promotion, at-show selling and after-show follow-up stages (Lee & Kim, 2008; Ling-yee, 2010). Building on the theoretical model of antecedents and performance outcomes of internet marketing integration for trade fair markets (Ling-yee, 2010), the scales need to be adapted to adequately cover digital trade fair platform technology. The established theory behind the model is still valid as obviously pre-show promotion, at-show selling and after-show follow-up impact exhibitors’ achievements online as they do in live marketing environments. Marketing capabilities and motives are similar in digital and in-presence modes.

Hypotheses were adapted to reflect the more direct influence of (online) action on virtual attendees, as relationships, coincidence and habits are believed to play a less prominent role (moderating variables). Based on the literature, research framework development and resulting model of Ling-yee (2010), it is assumed that the usage of a digital trade fair platform functionality is closely connected to the market-oriented capabilities (user experience and market orientation) and the institutional motives of the exhibitors (legitimacy and efficiency motives). We propose that usage of show platforms at different stages (pre-show, at-show and

post-show) and hence proactive activity can enhance exhibitor performance at virtual trade fairs. Figure 1 summarizes our hypotheses.

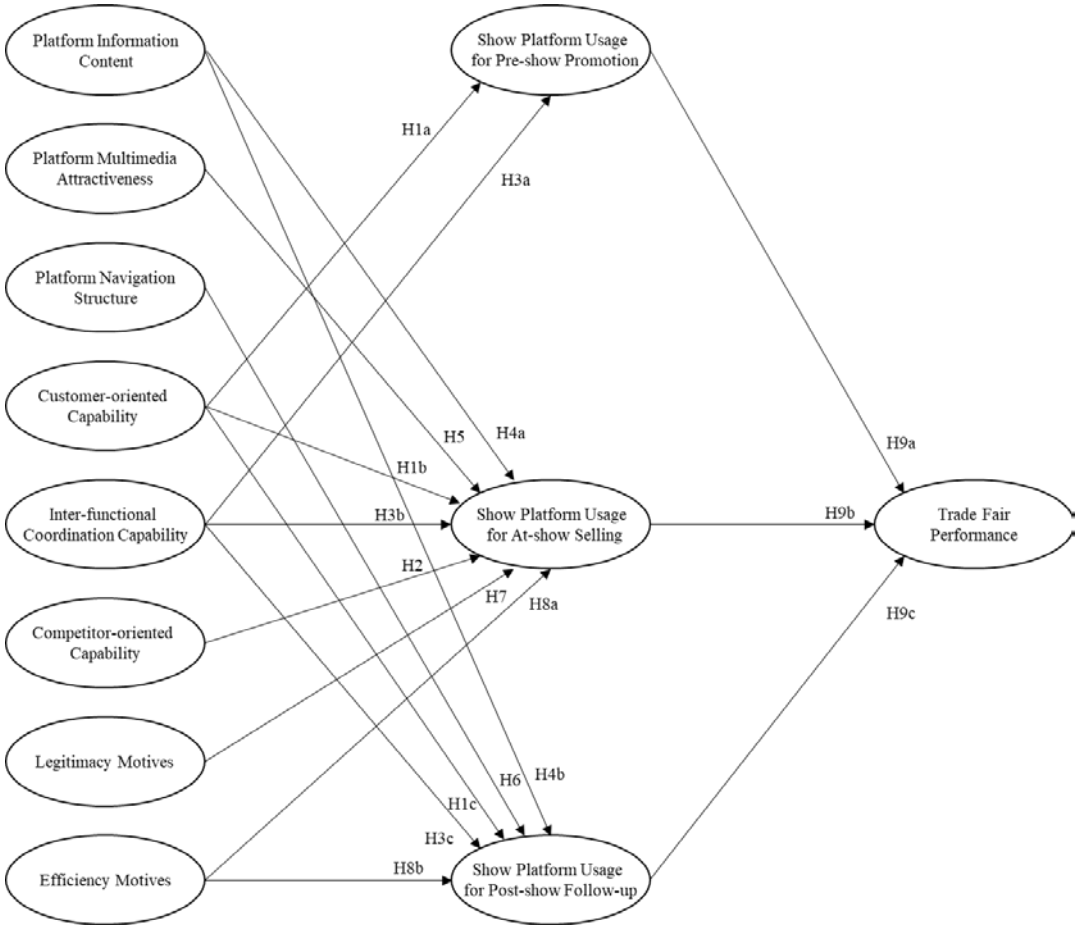

Figure 1. Theoretical model of antecedents and performance outcomes of digital trade fair participation based on Ling-yee (2010).

The development of effectiveness measurement scales for virtual trade fairs is made a priority for future research by Sarmento and Simões (2019). As physical trade fair performance measurement or impact assessment is an established topic described in literature, the authors suggest starting research with traditional scales. Following Ling-yee (2010), achievement of maintaining existing customer contacts, getting new customer contacts, promotion existing products and increasing sales orders can still be seen as key performance indicators of the digital world. Extension of this framework by image-building and information-gathering performance broadens the scope to allow room for horizontal qualitative targets along with vertical customer and sales oriented targets (Lee & Kim, 2008). Extending this framework by the most quoted benefits of online formats, the potential for higher cost-effectiveness and adding (geographical) reach (Geigenmüller, 2010), a multi-dimensional trade fair effectiveness scale is proposed.

Still, there is no doubt the scales will have to be enhanced again in the near future to account for the additional knowledge and data resulting from digital platforms with interactions, matchmaking and overall attendee behavior descriptives.

The degree of usage and active pursue of pre-show promotion, at-show selling and post-show follow-up activities is expected to enhance exhibitors' achievement of trade fair performance goals. So it is clearly hypothesized exhibitors are the architects of their own fortune on-line as they are on-site. The contribution of each activity might however be different.

In addition to the cited approach, moderating variables are assumed to have an impact in a disruptive market setting. We assume moderating variables in exhibitor characteristics and business practices relevant for trade fair success. Moderating variables are introduced to control for the overall impact of show platform usage vs. other determinants of digital trade fair performance (see Appendix for a list of proposed moderators). Overall, the theoretical model is designed to verify the hypotheses at hand but also to account for and explain heterogeneity from moderating variables.

4. Empirical study

4.1 Data collection method

The study planned has its population in exhibitors at three highly international B2B trade fairs considered the world's leading trade fairs for their industries. All shows are the 2021 second-time fully digital productions of the respective trade fairs. Choosing second-time virtual trade fairs makes sure we are not surveying among exhibitors surprised by the disruption, but among players with enough time to prepare their presence with respect to their motives and capabilities. While this sample is not necessarily representative for trade fair exhibitors overall, the approach clearly targets to derive learnings from activities and performance of the most experienced exhibitors available. Three different industries will make sure there is heterogeneity in case of industry related interaction behavior dynamics.

Exhibitors will be instructed to answer a questionnaire with multi-item scales to operationalize the variables. All responses on a nine-item scale are anchored by "strongly disagree" and "strongly agree". Measurement scales are used as proposed and anchored in theory by Ling-yee (2010) with adaptions to the virtual trade fair context.

Statistical analysis will be conducted using partial least squares (PLS) for the structural path model based on widely accepted strengths of PLS models (Fornell & Bookstein, 1982).

4.2 Targeted sample

A randomized sample of exhibitors is planned to be surveyed online by sending out an online questionnaire through the respective trade fair organizers. A minimum of 100 exhibitors per show and 450 exhibitors total in the survey is the targeted sample size. Each category of the moderating variables is targeted to be represented by at least 20% of sample size. Firm characteristics/demographics of industry, company size and private vs. public sector exhibitors will be surveyed to describe samples.

5. Outlook and research agenda

Results from this research approach at hand will tap into B2B trade fair marketing in fully digital show settings and create an understanding of pre-show promotion, at-show selling and post-show follow-up activity to be successful at virtual trade fairs. This knowledge will help exhibitors to plan trade fair promotion and activity. The study furthermore targets at strengths and limits of each the physical and digital worlds for insights and advice on how to combine exhibitor on-site and on-line activity in a future hybrid scenario. Particularly understanding the merits and limits of online-only trade fair activity will validate blended approaches (Sarmento & Simões, 2019). Active lead generation and identification of prospects might be advised to be conducted online to be more effective in conversations on-site. Choosing the right modes and packages for engagement tactics might be the next level of exhibitor marketing and trade fair organizers' value proposal. Changing the perspective from an on-site trade fair world discussing what digital enhancements might be helpful, to an on-line trade fair scenario discussing what features to keep in a hybrid future, is supposed to make exhibitors educated decision makers with an even enhanced role in determining organizers' services based on active feedback or even setting requirements.

Beyond online trade fair activity, the study will shed a first light on virtual trade fair performance. How will exhibitors evaluate their performance at a different cost benchmark and with an overall different configuration of staff, time investment and interaction toolset at hand? What does it mean for them to be successful at virtual trade fairs? What are the factors (moderators) facilitating virtual trade fair success?

The future will see research and practical need for new KPIs to watch for impact assessment online (Getz, 2019). At the same time, trade fair organizers need to develop digital products in line with new expectations and to facilitate the experiences and performance of exhibitors and attendees alike to secure their own role as the lynchpin of trade fairs. The

business models and features to implement in a new hybrid future are clearly the next steps on an agenda with increased urgency for research in a disrupted industry.

Appendix: Description of construct operational items proposed

Use of show platform for pre-show promotion

- Use of platform before show for providing customers with general information about company?
- Use of platform before show for enabling customers to locate and address the appropriate contact persons within the company.
- Use of platform matchmaking/ direct messages before show to attract customers to meet or visit the company booth.
- Use of platform before show for sending customers updates about new products or other new developments within your company.

Use of platform for at-show promotion

- Use of platform at show for live contributions (conference speech/ open tables)
- Use of platform for initiating direct contact to attendees
- Use of platform at show for provision of solution to customer problems

Use of platform for post-show follow-up

- Use of platform after show for providing solutions to customer problems.
- Use of platform for providing after-sales service to customers.
- Use of e-mail / personal message after show for follow-up.
- Use of platform after show for providing information in response to customer requests and questions.

Platform information content

- Information on our company profile is helpful/ reliable.
- Information on our company profile enhanced informed decisions.
- Information on our company profile is complete.

Platform multimedia attractiveness

- Our company profile can create personalized service offerings to our customers.
- Our company profile's graphic design/ multimedia layout is attractive.
- Our company profile's texts and graphics can be downloaded quickly.
- Our company profile provides interactive functions.

Platform navigation structure

- It is easy to move around the company profile using very few clicks.
- It is easy to find what I am looking for on the company profile.
- It is easy to remember the name of the company profile.

Customer-oriented capability

- In this company, we generate a lot of information concerning trends in our markets.
- We generate a lot of information in order to understand the forces that influence our customers' needs and preferences.
- We periodically review the likely effect of changes in our market environment.
- We periodically review our promises and commitment to customers.

Inter-functional coordination capability

- When a certain customer has special requests, the department involved would cooperate in order to fulfill the particular request.
- We discuss with other departments regarding customers' future needs.
- There is good coordination among different departments in this form.

Competitor-oriented capability

- We rapidly respond to competitive actions that threaten us in our markets.
- If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.
- We are quick to respond to significant changes in our competitor's price structures.

Legitimacy motives in using platform

- We were motivated to use the digital platform because we expect that it can bring along a high-tech image.
- We were motivated to use the digital platform because a large number of our competitors and business partners had already adopted the platform.
- We were motivated to use the digital platform because we expect that it can bring along company status and reputation.

Efficiency motives in using digital platform

- We were motivated to use digital platform because we expect that it can decrease the operation costs.
- We were motivated to use the digital platform because we expect that it can increase effectiveness.
- We were motivated to use the digital platform because we expect that it can simplify the operation processes.

Trade fair performance

- Achievement of maintaining existing customer contacts.
- Achievement of getting new customer contacts.
- Achievement of promoting existing products.
- Achievement of increasing sales orders.
- Achievement of image building.
- Achievement of information-gathering.
- Achievement of higher (geographic) reach.
- Achievement of cost-effectiveness.

Other variables to be considered (moderators):

- Experience in digital trade fairs
- Relationship network of company in the industry
- Coincidence of meetings relevant for company
- Habits of attendees relevant for company
- Separate digital platform available for the company
- Pursuit of off-platform activities
- Digital show considered a temporary activity or permanent feature for company

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