EVALUATING INTERNATIONAL TRADE SHOW PERFORMANCE
OF EXHIBITORS IN FURNITURE SUPPLYING INDUSTRIES

A Dissertation in

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by

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ABSTRACT

While prior research was largely centered on investigating Trade Show (TS) performance of exhibitors from developed markets, relatively little attention has been devoted to TS performance in emerging markets. With the globalization of the marketplace, the communication and promotion programs supporting these markets must also globalize. As the manufacture of both consumer goods and industrial products expands into the developing nations and international standards increasingly influence worldwide markets, trade shows are no longer confined to the western world. Exhibitions in emerging economies have gained more attention for marketers worldwide to achieve their marketing objectives. This is particularly true in the furniture supplying industries. With the rapid growth of the Chinese furniture industry, the supplying industries such as woodworking machinery, wood raw materials and components, and furniture hardware have provided tremendous market opportunities in China for manufacturers and suppliers in the furniture supplying industries around the world. Participation in the international furniture supply trade shows have been advised to be an important and effective avenue to achieve organizations’ marketing objectives.

However, most of the current International Trade Show (ITS) literature uses exhibitors from the developed markets. Less is known about the function of ITS exhibition in emerging markets and what kinds of exhibitors can benefit in which kind of ways from the ITSs in the emerging markets. The present study was designed to bridge the gap in the literature to provide empirical evidence of the use of ITSs in a major emerging market, China, in terms of exhibitors’ ITS performance dimensionality, the relationship between ITS marketing strategies and performance, and the comparisons between exhibitors from different cultural regions (i.e., Chinese versus non-Chinese) on their ITS strategies and performance evaluation. Some key research findings are highlighted as following:
1. A four-factor construct of ITS performance in the emerging market was developed including: sales-relationship development, motivation-image enhancing, competitive-intelligence gathering, and market exploring. Differences on the association of ITS performance variables with the performance dimensions were found compared with previous ITS performance dimensionality studies using exhibitors from developed markets;

2. The relationship between ITS marketing strategies and ITS performance was found to be moderated by the experience factors. The effects of international trade show marketing strategies on exhibitor performance differs for exhibiting firms with High versus Low international trade show experiences;

3. Several significant differences were found between exhibitors coming from different cultural regions: Chinese versus non-Chinese on their ITS marketing strategies and ITS performance evaluation, suggesting that foreign versus domestic exhibitors approach international trade shows differently.
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PREFACE

This dissertation begins with a chapter of an introduction of the current trade show studies and the difficulties that trade show practitioners are facing, which directs to the research objectives of this study (Chapter 1). Then a relevant literature review is provided to the readers with a broad overview of furniture supply industries, international furniture supply trade shows and their use as a promotional tool for manufactures. Moreover, literature from the marketing field is incorporated to illustrate the importance of trade show performance measurement and strategy-performance relationship in the context of international and emerging markets (chapter 2). The purpose of this chapter is to provide the readers an understanding of the concepts used in the study and is a reference if further background information is desired. It should be noted that each of the remaining article chapters are stand alone and the most relevant material cited in Chapter 1 is also seen within the remaining chapters.

Chapter 3 is provided to synthesize issues relating to the implemented methodology of the remaining chapters. Again, this chapter has been included as a reference for readers who wish to better understand the methodological techniques used in this study.

Chapters 4 through 7 provide results from the empirical data collected for this study. Because each chapter is written as a stand-alone manuscript, the reader will notice substantial redundancy between chapters – particularly in literature review and the methodology sections. Chapter 4, the first article, examines international market opportunities for American hardwoods through international furniture supply trade shows in China, and profiles the largest and most influential shows in terms of the number of attendees and exhibitors, and other relevant factors. Implications are made for show selection decisions for U.S. hardwood manufactures. Chapter 5 investigates dimensions of international trade show performance in an international, emerging market venue. The four-dimension construct of international trade show performance is
presented. Implications are made for future exhibiting planning and improvements based on the multidimensionality of international trade show performance. Chapter 6 analyzes the moderating effects of experience factors on the international trade show marketing strategy-performance relationship. The main effects of international trade show strategies on performance and the moderating effects of experience factors are discussed. Chapter 7 identifies differences in foreign (i.e., non-Chinese) exhibitors and domestic (i.e., Chinese) exhibitors in terms of their international trade show strategies and international trade show performance level.

Chapter 4 and 6 were written for a forest products industry audience, Chapters 5 and 7 were intended for a marketing audience.
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I would like to thank the hundreds of exhibiting companies at the CIFM’11 2011 who provided important data and value information on their trade show exhibition. Without them, this research would not have been completed. I hope that each one of the companies will benefit from the assembled results and new insights.

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Chapter 1

INTRODUCTION

This chapter was written to provide an overview of the problem statement and research objectives.
**Problem Statement**

Furniture supplying industries are an important comparative advantage factor in terms of production cost for the global furniture industry (Smith and West 1994). Enjoying the combination of plentiful skilled labor, access to capital, supportive supplying industries and favorable government policies, China has shifted from an obscure player in furniture production and trade to the largest furniture producer in the world (Castaño 2002; Hunter and Li 2007). Furniture supply trade shows, featuring furniture supplying industries, have grown rapidly in China as the Chinese furniture industry has developed. As China is in transition from “Furniture Manufacturer” to “Furniture Market”, the international furniture supply trade shows in China are attracting more attention worldwide. These shows, like furniture trade shows, are thought to be important to both furniture supplying industries and the furniture industry, with impacts ranging from determining what products are produced, what advanced technology is available, to the prices that consumer will pay for the products (Michael and Smith 1994). Despite the importance of these shows, there has been little research conducted in emerging markets to examine their use by exhibitors and how the exhibitors evaluate their performance at these shows.

In terms of the company’s marketing efforts, trade shows (TSs) are growing in importance as viable promotional and selling strategies (Smith et al. 2003). With the acceleration of globalization, International Trade Shows (ITSs) have increasingly represented a cost efficient and quick way to promote exports and to gain valuable information for market entry. In addition, ITSs offer an opportunity not just to obtain sales orders, but also to test product receptivity, find new prospects, acquire distributors, network with customers and keep on top of the competition. This important opportunity requires a considerable expenditure. It is estimated that TSs represent 10-15 percent of the business marketing communications budgets of the United States (U.S.) firms (Dekimpe et al. 1997; Bettis-Outland et al. 2010; Smith et al. 2003). Despite the emergence
of online marketing such as Twitter, Facebook, Google and other social media, the spending on TSs are still increasing. In 2006, TSs expenditure was forecasted to increase by 6.2% or $10.3 billion, and for the first time, the expenditure was projected to surpass business-to-business (B2B) magazine spending in 2009 (Lanigan 2006; Yuksel and Voola 2010). This high level of expenditure raises concerns about how to evaluate exhibitors’ TS performance, and develop effective exhibiting plans to generate superior TS performance.

A search of literature of both TS and furniture supply industry suggests that more empirical evidence is needed in other county and/or industry settings to advance the understanding of TS performance measurements, and factors critical for the success of TS performance (Dekimpe et al. 1997; Hansen 2004; Lee and Kim 2008). Researchers have commented that the TS performance construct differs across industries and/or countries (Dekimpe et al. 1997; Hansen 2004; Kerin and Cron 1987). Findings from the work of Tafesse and Korneliussen (2011) indicate that emerging market exhibitors tend to utilize the TSs somewhat differently from their developed market counterparts. Current available TS performance construct developed using exhibitors from developed markets may not be applicable to emerging markets. In addition, a large body of TS literature has focused on understanding the critical TS strategic success factors for exhibiting (Dekimpe et al. 1997; Gopalakrishna et al. 1995; Lee and Kim 2008; Li 2008; Li 2007; Smith et al. 2004; Tanner 2002). While these studies make a significant contribution to help TS practitioners develop effective strategies for successful TS exhibits, there is little evidence examining how TS practitioners learn from their exhibiting experiences of both company and booth personnel.
Research Objectives

Given the previous problem statement, this study has its objectives as following:

- Investigate the dimensions of international trade show performance by surveying exhibitors’ perception on numerous trade show activities they performed at the 2011 China International Woodworking Machinery and Furniture Raw Material Fair (CIFM’11).

- Examine the effects of international trade show strategies on exhibitors’ international trade show performance.

- Examine the moderating effects of experience factors (i.e., exhibiting company’s international trade show participation experience, and booth staff’s international trade show experience) on the international trade show strategy-performance relationship.

- Compare the international trade show strategies and performance of foreign (i.e., non-Chinese) and domestic (i.e., Chinese) exhibitors at the CIFM’11.
Literature Cited


This chapter is provided to give the readers broad background knowledge of the furniture supply industries in China, international trade shows in this industry, and issues of trade show use.
Emerging Market

As the manufacturing of both consumer goods and industrial products expands into the developing nations and international standards increasingly influence worldwide markets, trade shows are no longer confined to the western world. Exhibitions in Asian countries have gained more attention for marketers worldwide to achieve the marketing objectives. China, as a traditional emerging market, has also gained rapid growth on trade show exhibition. However, as China has overtaken Japan as the world’s second largest economy, people start to ask if China is still an “emerging market”.

The term of “emerging market economy” was first introduced in early 1980s by Antoine W. Agtmael of the International Finance Corporation of the World Bank (O’Neil et al. 2011). The group was promoting the first mutual fund investments in developing countries. Since then, references to emerging markets have become ubiquitous in the media, foreign policy and trade debates, investment fund prospectuses and multinationals’ annual reports, but definitions of the term vary widely (Khanna and Palepu 2010).

Below are some examples of definition of emerging markets.

- **International Monetary Fund** [IMF] Global Financial Stability Report (IMF 2011): Emerging markets are the developing countries’ financial markets that are less than fully developed, but are nonetheless broadly accessible to foreign investors.

- **Center for Knowledge Societies** Emerging Economy Report (EER 2012): Emerging Economies are the regions of the world that are experiencing rapid informationalization under conditions of limited or partial industrialization.

- **World Bank** (WorldBank 2010): The term emerging market is commonly used to describe an economy with a Gross National Income [GNI] per capital less than that of
“upper middle income” economies determined by the World Bank Development Indicators.

Given the loose definition, it is difficult to make an exact list of emerging markets. Heakal states that one key characteristics of the emerging market economy is an increase in both local and foreign investment (portfolio and direct) (Heakal 2009). A growth in investment in a country often indicated that the country has been able to build confidence in the local economy. Thus, the best guidelines tend to be investment information sources like The Economist and market index makers (e.g., Morgan Stanley Capital International, S&P, and Dow Jones). It is displayed that China appears in every list as an emerging market as data of 2010 (see Table 2-1).

**Chinese Furniture Supply Industries**

Comparative advantage for the global furniture industry has been discussed in terms of production factor cost advantages, such as availability of raw material, labor, adoption of new advanced technologies, design/marketing, other related supplying industries and government influences on trade (Smith and West 1994). The furniture supplying industries include industries such as forest cultivation, wood composite panel, furniture hardware, woodworking machinery, lighting and other auxiliary material providers (Wang and Qiu 2011). The Chinese furniture industry has achieved fast growth during the past two decades with the favorable support from these furniture supplying industries. Furniture manufacturers in China are also seeking new advantages through innovations in the areas of processing, products, and business system to maintain the competitiveness in the global marketplace (Anonymous 2009).

**Chinese furniture industry**

Driven by the increased flow of capital to developing regions, growing sophistication of manufacturing technology, and decreasing world trade barriers, China has shifted from an
obscure player in furniture production and trade to an increasingly dominant force in the global furniture markets (Castaño 2002; Hunter and Li 2007).

Since the mid-1990s, Chinese furniture production has experienced dramatic growth (Han et al. 2009; Robb et al. 2008), from ¥61.2 billion CNY ($7.37 billion USD\(^1\)) in 1996 to over ¥700 billion RMB ($102.5 billion USD\(^1\)) in 2009, with an average annual growth rate at 20.62% (Anonymous 2010; CNFA 2005; Han et al. 2009). In the global market, the combination of plentiful skilled labor, access to capital and advanced technology and favorable government policies (e.g., export tax rebate), has enabled China to provide furniture at highly competitive prices (Castaño, 2002). During the same period, the value of Chinese furniture exports increased more than 19-fold, to hit $25.96 billion USD in 2009 (CNFA 2005; CNFA 2010; Han et al. 2009).

Furniture manufacturing in China includes around 50,000 furniture firms and five million employees (Bryson et al. 2003; Cao et al. 2004; Castaño 2002; Han et al. 2009; Liu and Luo 2009) and is geographically centralized with four major furniture manufacturing clusters along the east coast in the south, east, north and northeastern parts of China. Over 80% of Chinese furniture firms are distributed in these four regions (Cao and Hansen 2006; Han et al. 2009) and, overall, the four geographic regions accounted for over 90% of the total furniture output in 2008 (Zhou and Xiao 2009) (Fig. 2-1).

China is now the largest furniture producer and exporter, and the United States (U.S.) represents China’s number one export market (Cao et al. 2004; Chen 2009). In 2009, the value of Chinese furniture exported to the U.S. reached $8.84 billion USD, accounting for approximately 35% of China’s total furniture exports (Lu 2010). Figure 2-2 displays the Chinese furniture production and exports in the period of 2000 to 2010. Due to the global economic recession, the

\(^{1}\) The conversions are based on: $1USD= ¥8.3 CNY (1996); $1USD= ¥6.83 CNY (2009).
furniture demand from developed markets decreased. As of 2010, the production output of the Chinese furniture industry reached approximately $140 billion US Dollars representing 34% of world furniture production (Troian 2011), of which about 25 percent ($33 billion US Dollars) was exported (CSIL 2011).

**Woodworking machinery**

With the rapid development of Chinese furniture industry, China’s woodworking machinery industry has experienced a fast growth as well, though Germany, Austria, Italy and Spain still remain world leaders. There are about 1200 companies in the woodworking and furniture making machinery industry with around 10 million employees and 10 billion ¥ RMB (about $1.45 billion US Dollars) industry output value (ITALIA 2011). About 200 companies dominated the market with approximately 80% of market share (ITALIA 2011). In the global market, China is reported to have become the largest buyer of woodworking machinery in Asian countries, accounting for over 60% of total Asian purchases (Anonymous 2009). The access to sophisticated technology has been one of the competitive advantages for Chinese furniture industry.

**Materials for furniture production**

Furniture can be mainly classified into four categories based on the materials: wooden furniture, upholstered furniture, metal furniture, glass furniture and bamboo and rattan furniture, where wooden furniture has attained the dominant role and represents the leading category in terms of production export value (Han et al. 2009). As the output of furniture products is increasing, the demand for raw materials is increasing as well. With the limited forest resources, China has become the worlds’ number one importer of roundwood (logs) (USITC 2008). China has been the leading U.S. hardwoods importing country for years and the growth in the future is
forecast to continue in order to supply furniture manufacturing. In 2010, China retained the largest export market for U.S. hardwoods accounting for 23.8% of total U.S. hardwoods exports ($2.54 billion US Dollars) (AHEC 2011; USDA/FIA 2007). The majority of hardwood in China are used for furniture, flooring and other secondary wood product industries such as wooden doors (Li 2010).

The wood composite panel industry also provides a significant support for furniture manufacturing in China. Interior wood composite panels (IWCPs) such as hardwood plywood (HWPW), medium density fiberboard (MDF), and particleboard (PB) are often used to construct furniture, cabinets, flooring, and wall panels for use in commercial and residential structures. There were approximately 5000 plywood manufacturers in 2007 producing nearly 35.6 million m$^3$ or about 40 percent of China’s total wood based panel production (WBPN 2008). That year, China produced nearly half the world’s total volume of HWPW or 23.4 m$^3$ and the US imported nearly $1 billion worth of HWPW from China which represented approximately 40 percent of US consumption (USITC 2008). Approximately 700 Chinese MDF producers accounted for 27.3 million m$^3$ of product, and over 800 particleboard manufacturers produced 8.3 million m$^3$ in 2007 (WBPN 2008).

**Chinese Furniture Supply Trade Shows**

**Distribution of Chinese furniture supply trade shows**

During the Chinese furniture industry’s globalization, specific type of trade shows - known as “furniture markets” - have played an influential role. Furniture markets are flourishing as a result of Chinese market liberation and Chinese furniture companies’ market orientation (Cao et al. 2004). These furniture markets are usually concurrently held with furniture supplies consisting of woodworking machinery, furniture material and components, hardware, and
accessories to serve a one-stop source for furniture manufacturers and other wood products producers. Chinese international furniture supply trade shows started in the early 1990s with very small scale, and have achieved rapid growth with the development of furniture industry.

The most important characteristic of Chinese international furniture supply trade shows are centered in China’s four furniture producing regions along the east coast in the south, east, north and northeastern China where over 80% of furniture firms are distributed and approximate 90% of total furniture output are accomplished in 2008 (Cao and Hansen 2006; Han et al. 2009; Zhou and Xiao 2009) (Fig. 2-1). In terms of scale and strength of exhibitions, Beijing, Shanghai and Guangdong have become China’s central regions/cities of furniture exhibition locations. Other important furniture market cities, such as Dalian, Qingdao, Ningbo and Chengdu are gaining ground.

**Major Chinese furniture supply trade shows**

By searching of a variety of sources, nine major Chinese international furniture supply trade shows are selected based on their relative size, international market breadth, and perceived importance to these industries (Table 2-2).

**CIFM**

Interzum Guangzhou/China International Woodworking Machinery and Furniture Raw Materials Fair (CIFM), concurrently held with China International Furniture Fair’s March show every year, has become one of the largest furniture production trade fairs in Asia since its first session in 2004, and the definitive one-stop platform for participants to meet buyers, manufacturers and suppliers from all vertical sectors of the furniture manufacturing, production and design industries (PRN 2007). The show offers various themes such as woodworking machinery; materials and components for furniture production; machines, materials and
components for upholstery and bedding; and interior works. One of the show’s highlight is that CIFM has always been the top choice for national pavilion organizer to showcase their members’ brands. According to the organizer, CIFM 2011 attracted groups of participants from Germany, Italy and U.S. to exhibit the international hall. And U.S. Hardwood States Export Group cooperated with American Hardwood Export Council to assist American hardwood supplier to exhibit in CIFM 2011 (HSEG, 2010). CIFM is the largest exhibition in terms of number of exhibitors and attendees in this field in China. As of 2011, CIFM attracted 980 firms ranging from designs, raw materials, woodworking machinery and process technologies and witnessed a reception of 50,514 attendees, among which about 30% of them were decision-makers (CIFM 2011).

**FMC&FMC Premium**

Furniture Manufacturing &Supply China and FMC Premium are two trade shows for furniture machinery and raw materials held together in Shanghai World Expo Exhibition and Convention Center in September every year. These two shows are recognized as one of best platform for new technology and equipment of woodworking machinery and furniture raw materials in China. The difference of FMC Premium is that it does not include woodworking machinery and allows for highly efficient vendor-buyer interaction in a highly enjoyable environment. Since the first launched in 1993, FMC has experience a rapid development. According to site statistics, FMC 2011 attracted over 745 exhibitors and a total of 30,327 attendees, where over 4,000 were from overseas (FMC 2011). Australia, Korea, Japan, Hong Kong, Taiwan and United States are the six major sources of overseas visitors.

**WMF & FAM**

Having been serving China's woodworking industry for over 25 years, The International Exhibition on Woodworking Machinery and Furniture Manufacturing Equipment (WMF) and
The International Exhibition on Furniture Accessories, Materials and Wood Products (FAM) are the most historical exhibitions of its kind in Asia (WMF, 2011). Through the display of highly cost-effective woodworking machinery for wood processing, furniture manufacturing, panel; and materials such as logs, panels, semi-finished wood products and decoration materials, the shows have been drawing the attention of global trade visitors in every edition. Held every two year, WMF & FAM 2011 received support by 600 exhibitors from fourteen countries and regions, together with 7 pavilions such as German, Italian and Taiwan, attracting 28,000 attendees, among which over 2,000 were from overseas (WMF 2011).

**WoodMac, FurniTek and WoodBuild China**

The show goes with three major themes: WoodMac for international forestry woodworking machinery and supplies, FurniTek for machinery and accessories for furniture production, upholstery and furnishings, and WoodBuild for timber and wood products for furniture and building industries. This show offers a wide range of forestry, panel board, furniture, wood flooring, window and door and other wood products manufacturing technology and material supplies. As a biannual event, WoodMac 2011 reported a 20% increase in area of showspace, attracting 360 exhibitors and 16,730 attendees, where 110 exhibitors and 1,950 attendees were from overseas (WFW 2011). The results from WoodMac, FurniTek and WoodBuild China 2011 showed the market information of woodworking technology that the demand of Chinese market for higher quality technology is back and growing fast again from the comments made by exhibitors and attendees, according to Brendan Jenning from China International Exhibitions.
A Summary of Trade Show Research

Trade shows (TSs) represent an effective marketing tool that boosts the firm’s ability to compete and success in the rapidly changing global business environment (Seringhaus and Rosson 1998). With the globalization of the marketplace, the communication and promotion programs supporting these markets also globalize. International trade shows can benefit exhibitors through connecting them to the global market opportunities by providing the much needed market and technological information in a cost effective way. The importance of TS has been increasingly documented and related research has been conducted from different points of views, in the trade show and marketing literature. Table 2-3 displays a summery of extant trade show research.

Trade show performance

Measuring Performance

TS is an important component of marketing communication promotional medium. In contrary to the increasing numbers of TSs all over the world, some marketers stated that one downside about trade show participation is the fact that it is problematic to measure the TS performance or effectiveness. Blythe (2000) found that post-evaluations were either not evaluated effectively or worse, not evaluated at all. In addition, few firms were either able or willing to consider their non-selling activities and most were unable to assess the selling activities at the trade show, and it is problematic to not evaluate such a costly and time-consuming activity. Academic researchers agree that TS evaluations are critical to companies for the future marketing plan.

The real issue tied to TS performance evaluation is to define the measurement. Previous research has provided different measures ranging from uni-dimension to multi-dimensions. In
several studies (Gopalakrishna and Lilien 1995; Smith et al. 1999), economic impact (or Return on Trade Show Investment) is considered as measure of TS effectiveness. Kerin and Cron (1987) use a subjective measure: how pleased managers were with the performance of the firm’s trade show efforts on a number of dimensions. They find that although the measure is subjective in nature, perceptions of success are important because the perceived achievement may affect future attitudes and motivations to TS participation. Table 2-4 provides a summary of trade show research that have developed measures to assess TS performance. This review helps to solidify our knowledge about TS performance and help us to adapt the proper measures for our study.

**Multi-dimensionality of TS performance**

Bonoma (1983) divided trade show functions into selling and non-selling activities. However, this dichotomy was not tested empirically. The early empirical study by Kerin and Cron (1987) confirmed the selling and non-selling dimensions of trade show marketing performance by surveying TS exhibit managers and senior marketing executives in 274 firms in U.S. They used a subjective measure: how pleased manager were with the performance of the firm’s TS effort on a number of dimensions which were grouped into three categories (Fig. 2-3): Industry or competitive forces; Trade show strategy; and Internal factors of the exhibitor (company). They found that though the measure was subjective in nature, perceptions of success are important since it is the concept of perceived achievement that may affect future attendees and motivations toward TS participation.

Similarly, Shoham (1992) proposed TS performance expectations that conform to the selling and non-selling dichotomy. Tanner (2002) examined the success factor of small business exhibitors where a distinction between promotional and selling performance expectations is made. The promotional expectations include activities related to introducing new products, entering new markets, informing customers about new products, gaining publicity and gathering
competitive intelligence. And the selling expectations include meeting key customers, identifying new prospects, generating sales leads and taking orders.

Gopalakrishna and Lilien (1995) and Gopalakrishna et al. (1995) approached exhibition performance from another angle. They modeled the effect of pre-show promotion, booth space, use of pre-show attention-getting techniques, competition, number and training of booth salespeople on the extent of attraction, contact, and conversion. A three-stage model of TS performance was suggested (Fig. 2-4), which measured the ratio of the target audience who visited the booth, the ratio of those attracted who were contacted, and the proportion of those attracted who became effective leads. It is noted that Gopalakrishna and Lilien developed their model purely on data obtained from a single TS and fail to discuss application of their results to other shows in the same industry or different industries.

Seringhaus and Rosson (1994; 1998) conducted a comparative analysis of the exhibitors at the international trade shows, looking at the company characteristics, international trade show management including staff training, visitor attraction activities, and special events, and the trade show performance. The multi-dimensional construct of performance criteria is displayed in Table 2-4 above. Hansen (1999) firstly conceptualized a five-dimensional framework for TS performance, consisting of sales related, information-gathering, image-building, motivation, and relationship-building activities. The dimensions of TS performance proposed by Hansen (1999) later were validated by Lee and Kim (2008) and Skallerud (2010). Most recently, Tafesse & Korneliussen (2011) analyzes previous studies and found no study has been done on TS performance in an emerging market milieu.

**Trade show strategies**

The fact that trade show strategies influence trade show performance effectiveness is well established in the trade show literature (Dekimpe et al. 1997; Gopalakrishna and Lilien 1995; Lee
and Kim 2008; Li 2007). A search of previous studies on TS strategies shows that researchers tend to employ quantitative variables to examine the relationship of TS strategies and TS performance or effectiveness (Lee and Kim 2008; Seringhaus and Rosson 2004; Seringhaus and Rosson 1998).

**Pre-show Attention-getting techniques**

The exhibit must be able to attract the right kind of attendees that are potentially interested in the firm’s product(s), not just anyone attending the show (Gopalakrishna and Williams 1992). It is important to meet as many customers as possible to create sales leads (Hatch 1991), visitor attraction tactics while planning a trade show participation could generate visitor traffic. The study of Bello and Barksdale (1986) shows that the best result achieved when there is a close match between booth staff and visitor characteristics and their needs.

The pre-show attention-getting techniques are used to achieve a variety of objectives: attract the target audience to the booth (Gopalakrishna and Lilien 1995; Li 2007); invite specific customers and/or prospects to the booth (Tanner and Chonko 2002); announce new products to be show at booth; announce new programs to be introduced at booth (Tanner and Chonko 2002) and so forth. Seringhaus and Rosson (2004) group companies into high and low performance groups based on the number of contacts and total number of qualified leads and find that the use of attention-getting methods is significant between these two groups. Eight attraction methods were included in their survey: invitation letters, product brochures with invitation, pre-trade show telephone or fact contact, publicity materials, free entry vouchers, contact by local dealer/agent, free-away items, and ads in trade publication. Later in Lee and Kim (2008)’s study, it is reported that pre-show promotion including using attention-getting methods has significantly positive effect on image-building, information-gathering, and relationship-improvement dimensions of TS performance.
Booth size

Gopalakrishna and Lilien (1995) presented that resources related to booth space, booth location are positively related to selling performance efficiency. An increase in booth size results in a greater number of visitors attracted from the potential audience (Gopalakrishna and Lilien 1995). Dekimpe et al. (1997) used the square root of a booth’s surface as measure of booth size to avoid statistical artifacts and demonstrate that it has a positive effect on attraction effectiveness. Attracting more attendees to the booth enables exhibitors to perform various marketing activities such as products introduction, company image and brand building, customer needs identification, new prospects discovery, and train their own booth staff.

Booth staffing

Once booth traffic is generated, the booth staff starts to work on establishing personal contact with attendees and screening out the “real” customers. Staffing practices, including the number of booth staff and type of staff, are very important to TS success (Chonko et al. 1994). Booth staffs are the personnel who provide the explanation about the company, product demonstrations, and promotional materials; help to build and improve relationships with attendees; collect information about potential prospects’ needs; and make the sales orders. More booth staff can make more contacts with the visitors attracted to the booth and also have a higher degree of persistence of selling effort, resulting in a greater number of leads (Gopalakrishna and Lilien 1995). Also, more number of booth personnel can have more opportunities to communicate directly and improve the relationships with visitors (Lee and Kim 2008).

Since trade show brings a number of attendees as well as competitors, the competition for attracting attendees is fierce. One important factor is whether the booth staff could delivery what the attendees want. Tanner (1995) suggested that companies should staff the booth with sufficient numbers of personnel including sales personnel, engineering, management and other relevant
areas to handle the many different needs that attendees bring to the booth. Gopalakrishna and Lilien (1995) reported the number of salespeople is an important determinant of the second-stage conversion effectiveness, which is an index of sales-related performance. Based on this, Dekimpe et al. (1997) used personnel density expressed as the number of salespeople relative to the area of the booth space to examine its effect on attraction effectiveness, and the findings support the hypothesis that personnel density has a positive effect on attraction effectiveness. Tanner and Chonko (2002) demonstrated that companies whose primary products in different life cycle stage staff the booth with different personnel. Companies that products are in decline stage are more likely to staff the booth with salespeople, while those in introduction stage are more likely to have marketing people at the booth. This reveals that the different situation that the company is facing shape the make-up the booth staff.

Another important determinant that previous studies have addressed regarding staffing practices is training of booth staff. Gopalakrishna and Lilien (1995) reported that well-trained booth staff can analyze and size-up quality of sales leads and determine the amount of follow-up effort required. Through proper training, it enables booth staff to distinguish a “buyer” quickly and carry out their mission effectively (Lee and Kim 2008). It is reported that booth staff training has significantly positive impact on image-building, information-gathering, and relationship-improvements dimensions of TS performance (Lee and Kim 2008).

**After-show follow-ups**

After-show follow-ups are used to extend the impact of the event over a longer period of time and strengthen the resulting connections with customers and prospects attracted to the booth (Li 2008; Stevens 2005). It can be a personal e-mail thank-you note, a personalized letter with further information requested at the show, a reprint of company’s press coverage or another
article relating to the TS, a reminder of the final expiration data for the TS special offer and so forth (Stevens 2005).

It is reported in Tanner (2002) that over half of the very successful exhibitors track sales due to after-show efforts. Smith et al. (2004) also found that overall sales productivity and profits are greater when the trade show is used in conjunction with optimal level of “follow-up sales effort after the show”. Li (2007) stated that after-show follow-up is one of significant factors affecting TS performance in terms of achievement of TS objectives. Later in Lee and Kim (2008)’s study, it is found that follow-up has valid influence on sales-related dimension of TS performance.

**Experience effects**

The “experience effect” has been widely recognized in the business strategy and management literature. Growing out the dynamic capability perspective (Teece et al. 1997), experience is considered as firm-specific assets which are difficult to transfer or replicate among companies because the assets may contain tacit knowledge, and contribute to competitive success occurrence (Teece et al. 1997). It is suggested that organizational experience leads to habitual routines that reinforce existing practices and impede adaptation (Gersick 1989; Hackman 1990). Superior experience in the practice might constitute a distinctive capacity influencing company’s strategy and business performance (Barkema et al. 1996; Day 1994; Reed and DeFillippi 1990). Delios and Beamish (2001) found that a firm’s host country experience contributes to the development of new knowledge and capabilities, and this development influences firms’ strategy and performance.

On the other hand, individual experience is considered as a valuable asset that more like to lead to success when it is bundled with other assets in a complementary fashion (Barney 1992; Teece et al. 1997). Carpenter et al. (2001) presented their findings on the CEO’s international
assignment experience effects on multinational firm performance suggesting that U.S. multinationals performed better with CEOs with international assignment experience at their helms. Sambhary’s study (1998) revealed that executives’ international experience would likely contribute to firm performance through better 1) management development, 2) coordination and control of international operations, and 3) information coordination and processing between parent firms and foreign affiliates and among affiliates. The findings confirm that executives’ international experience was positively related to the company’s internationalization.

However, little evidence of experience effects can be found in the context of TSs. With only one exception, Seringhaus and Rosson (2001) argued that prior ITS exhibiting experience shapes practice and performance. They used ITS usage to identify two groups - “heavy users” and “light users”, and found that exhibit planning and management practices, as well as performance level differed between heavy and light ITS users. This study advances the idea of the experience shapes the behavior, fosters learning about best practices and facilitates skill enhancement, and that these in turn lead to superior firm performance at ITSs.

**International considerations**

International studies have also lent validity to the TS performance dimensions. Sharland and Balogh (1996) note that “… information acquisition at international trade shows, such as exchanging information, building relationships and assessing partners, is a cost-effective and prompt way to meet competitive challenges and adapt to changes in international business environments”. Their study also suggests that non-selling may be more important than selling activities at trade shows where international business is typically more complex. Shipley et al. (1993) surmised differences may exist between findings in the U.S. and those in U.K in terms of exhibiting practices, which few differences were found. Dekimpe et al. (1997) caution that
attendees in different countries seem to behave in different ways and suggest different
performance criteria need be used when participating in TS overseas.

Other research looking at international show characteristics reflect the benefits and
opportunities these ITS can bring, however, it need be cautious on the universal application of
measures. Motwani et al. (1992) state “Trade shows deliver a high quality target audience to
exhibitors in an extremely efficient manner. This is particular important in an overseas context
where it is even more expensive to communicate with a customer or a potential customer and
where other forms of promotion may be restricted”. Reeder et al. (1991) reveals that TS play an
increasingly more important role in international marketing due to the number of contacts which
are able to be reached in one venue, and the relatively quick comparison of products which TS
afford. On the other hand, motives for company exhibiting at TS might be competitive pressure
(i.e. we have to because of competitors’ participation), or customer expectation (i.e., demonstrate
the company’s capability to customer) (Barczyk et al. 1999).

Seringhaus and Rosson (1998) help to frame the ITS concept and analyzed various
element of strategy, activity and performance of Canadian companies exhibiting at ITS in terms
of those associated with government sponsored stands and those with independent stands. They
suggest in their conclusions that longitudinal ITS, industry sector, and studies employing multi-
dimensional construct of performance and behavior will do much to advance the understanding of
ITS in a global business environment. Another observation by Tafesse and Korneliussen (2011)
also reveal the TS performance dimensions in an emerging market are different from that of
developed market. A noteworthy point for this study is that it has incorporated some elements
suggested by the literature: chooses a different industry sector (i.e., furniture supplying
industries), and selects an ITS in an emerging market (i.e., China).
Figure 2-1. Chinese furniture industrial distribution 2008
Figure 2-2. Chinese furniture production and exports (2000-2010)
Figure 2-3. Variables affecting trade show performance (Kerin and Cron 1987)

- **Industrial Influences**
  - Number of total competitors
  - Number of new competitors
  - Stages in the industrial life-cycle

- **Trade show strategy influences**
  - Number of national shows
  - Number of regional shows
  - Emphasis on vertical shows
  - Existence of trade show objectives
  - Number of products exhibited

- **Company Influences**
  - Annual sales volume
  - Number of customers
  - Customers concentration
  - Technical complexity of products

- **Trade show performance**
  - Selling function
  - Non-selling function
Figure 2-4. Three-Stage model of industrial trade show performance (Gapalakrishna and Lilien 1995)
### Table 2-1. Emerging market by each group of analysts

<table>
<thead>
<tr>
<th>List</th>
<th>Description of the Analyst</th>
<th>China as emerging market?</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank (WorldBank 2010)</td>
<td>World Bank Development Indicators determine the countries with Gross National Income per capital less than ceiling on “Upper Middle Income” as emerging economies. FTSE list distinguishes between advanced and secondary emerging markets on the basis of their national income and the development of their market infrastructure. MSCI examines each country’s economic development, size, liquidity and market accessibility in order to be classified in a given investment universe. The S&amp;P Global Broad Market Index, comprised of the S&amp;P 500, is a comprehensive, rule-based index measuring global stock market performance. All countries are classified as either developed or emerging. Dow Jones Total Stock Market Indexes includes thousands of indexes at various levels of granularity, offering investment professionals the ability to precisely pinpoint any corner of the market.</td>
<td>Yes</td>
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<tr>
<td>FTSE Group (FTSE 2010)</td>
<td>Yes</td>
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<td>MSCI (MSCI 2010)</td>
<td>Yes</td>
<td></td>
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<td>S&amp;P (S&amp;P 2010)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Dow Jones (DowJones 2010)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Name</td>
<td>Location</td>
<td>Recent Show(s)</td>
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<td>--------------------------------------------------------</td>
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</tr>
<tr>
<td>1. CIFM/interzum guangzhou</td>
<td>Guangzhou, Guangdong</td>
<td>Mar.27-30, 2012</td>
</tr>
<tr>
<td>2. Furniture Manufacturing &amp;Supply China [FMC]</td>
<td>Shanghai</td>
<td>Sept.11-14, 2012</td>
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<tr>
<td>4. Trade Fair for Materials, Accessories and Supplies for Furniture Manufacturing [FurniSup]³</td>
<td>Guangzhou, Guangdong</td>
<td>June 15-17, 2012</td>
</tr>
<tr>
<td>6. International Famous Furniture Woodworking machinery &amp;Material Fair [IFM]</td>
<td>Dongguan, Guangdong</td>
<td>Mar.16-20; Sept.5-9, 2012</td>
</tr>
<tr>
<td>7. Asia International Furniture Material Expo [AIFME]</td>
<td>Shunde, Guangdong</td>
<td>Mar.17-20; Sept.6-9, 2012</td>
</tr>
<tr>
<td>8. International Furniture Components &amp; Raw Material Exhibition [IFME]</td>
<td>Dalian, Liaoning</td>
<td>June 8-11, 2012</td>
</tr>
</tbody>
</table>

¹ Data obtained from Mr. Liang, Koelnmesse Co, Ltd., Guangzhou Branch, November, 2011.
² Data obtained from Miss Li, Shanghai UBM Sinoexpo International Exhibition Co., Ltd., November, 2011.
³ Shows are not concurrently held with furniture trade shows.
⁴ Data estimated by Miss Lin, Adsale Exhibition Services Limited, Beijing Office, March, 2012.
⁵ # of attendees estimated by Miss Chen, Guangdong Furniture Chamber of Commerce, October, 2011.
⁶ # of attendees includes furniture supply PLUS furniture halls total; IFME was unable to separate these attendees.
<table>
<thead>
<tr>
<th>Research focus</th>
<th>Exhibitors’ perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade show objectives</td>
<td>Bonoma (1983)</td>
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<tr>
<td></td>
<td>Barczyk, Glisan, and Lesch ((1989)</td>
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<tr>
<td></td>
<td>Bello and Barczak (1990)</td>
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<td></td>
<td>Rosson and Seringhaus (1991)</td>
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<td></td>
<td>O'Hara, Palumbo, and Herbig (1993)</td>
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<td></td>
<td>Shipley and Wong (1993)</td>
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<td></td>
<td>Sharland and Balogh (1996)</td>
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<tr>
<td></td>
<td>Barczak, Bello, and Walla (1992)</td>
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<tr>
<td></td>
<td>Gopalakrishna and Williams (1992)</td>
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<tr>
<td></td>
<td>Williams, Gopalakrishna, and Cox (1993)</td>
</tr>
<tr>
<td></td>
<td>Gopalakrishna et al. (1995)</td>
</tr>
<tr>
<td>Evaluating trade show performance/effectiveness</td>
<td>Banting and Blenkhorn (1974)</td>
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<tr>
<td></td>
<td>Cavanaugh (1976)</td>
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<tr>
<td></td>
<td>Bellizzi and Lipps (1984)</td>
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<td></td>
<td>Kerin and Cron (1987)</td>
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<td></td>
<td>Barczak, Bello, and Walla (1992)</td>
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<td>Gopalakrishna and Williams (1992)</td>
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<td>Williams, Gopalakrishna, and Cox (1993)</td>
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<td>Gopalakrishna et al. (1995)</td>
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<td></td>
<td>Banting and Blenkhorn (1974)</td>
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<td>Cunningham and White (1974)</td>
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<td></td>
<td>Faria and Dickinson (1985)</td>
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<td></td>
<td>Kerin and Cron (1987)</td>
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<td>Solberg (1991)</td>
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<td>Bello and Barczak (1990)</td>
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<td></td>
<td>Gopalakrishna and Williams (1992)</td>
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<td></td>
<td>Kijewski et al. (1993)</td>
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<td>Herbig et al. (1994)</td>
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<td></td>
<td>Gopalakrishna and Lilien (1995)</td>
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<td>Dekimpe et al. (1997)</td>
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<td>Shoham (1999a)</td>
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<td>Seringhaus and Rosson (2004; 2001)</td>
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<td></td>
<td>Tanner (2002)</td>
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<td></td>
<td>Lee and Kim (2008)</td>
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<td>Li (2007; 2008)</td>
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<td>Skallerud (2010)</td>
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</tbody>
</table>
Table 2-4. Performance measures used in the trade shows literature

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selling activities:</strong></td>
<td></td>
</tr>
<tr>
<td>• Introducing new products</td>
<td>Kerin and Cron (1987)</td>
</tr>
<tr>
<td>• Selling at the show</td>
<td></td>
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<tr>
<td>• New products testing</td>
<td></td>
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<tr>
<td><strong>Non-selling activities:</strong></td>
<td></td>
</tr>
<tr>
<td>• Identifying new prospects</td>
<td>Gopalakrishna et al. (1995)</td>
</tr>
<tr>
<td>• Servicing current customers</td>
<td>Gopalakrishna &amp; Lilien (1995)</td>
</tr>
<tr>
<td>• Enhancing corporate image</td>
<td></td>
</tr>
<tr>
<td>• Gathering competitive information</td>
<td></td>
</tr>
</tbody>
</table>

Attraction effectiveness:
- Proportion of target audience attracted to the booth
- Proportion of visitor at the booth contacted
- Proportion of visitor contacted whom became leads

Return on Investment of Trade Show [RITS]
- Smith et al. (1999)

Visitor attraction:
- Proportion of target audience (based on stated product category interest) who actually visited the booth to talk or obtain literature

Quantitative and Qualitative real-time and delayed measures:
- Marketing impact
- Objective achievement
- On-site sales (%)
- Qualified leads (No.)
- Contacts (No.)
- Sales within 12 months (%)
- Main decision maker reached (%)
- Lead Conversion (12 months)(%)
- Time laps to sales (months)
- Share of new leads (%)
- Contact staff effectiveness (No. leads/contact staff)

Trade show performance
- Sales related
- Information-gathering
- Image building
- Relationship-building
- Motivational

Trade show dimensions applicable to emerging market
- Competitive-intelligence
- Market-scanning
- Image-building
- Relational-sales

Seringhaus & Rosson (1998)

Hansen (1999)

Lee & Kim (2008)

Skallerud (2010)

Tafesse & Korneliussen (2011)
Literature Cited


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Chonko, L.B., J.F. Tanner, and J. McKee (1994), "Behind the booth: matching staff to prospects helps companies maximize their trade show investment," Marketing Management, 3 (1),


Herbig, P., F. Palumbo, and B. O'Hara (1996), "Differences in trade show behavior between manufacturers and service-oriented firms," Journal of Professional Services Marketing,


Seringhaus, F.H. R. and P. J. Rosson (2004), "An analysis model for performance measurement of international trade fair exhibitors," Problems and Perspectives in Management, 4, 152-


Chapter 3

RESEARCH METHODOLOGY

This chapter was written to provide a better understanding of data collection and analysis methodology used in this study.
Type of Research

This study is a cross-sectional design, in which data on a sample of respondents chosen to represent a particular target population are gathered at essentially one point in time (Singleton and Straits 2010). Data was collected from exhibitors at the China International Woodworking Machinery and Furniture Raw Materials Fair 2011 (CIFM’11), the largest international trade shows in this industry sector in China. This show is an annual event and is commonly attended by major manufactures and suppliers of the industry. CIFM’11 attracted 980 firms ranging from designs, raw materials, woodworking machinery and process technologies and witnesses a reception of 50,514 attendees, among which about 30% of them were decision-makers (CIFM, 2011).

Unit of Analysis and Population

The unit of analysis in this study is a business unit, (i.e. the exhibitor at the show, not the exhibiting booth). Analysis will include domestic (i.e., Chinese) and foreign (i.e., non-Chinese) exhibitors, which are defined by the origin of establishment-investment. In this case, domestic exhibitors are companies established within China by Chinese investment (excluding Hong Kong and Taiwan), otherwise they are foreign exhibitors.

The population includes all exhibitors at the CIFM ’11 in China. The official directory of exhibitors was obtained from the CIFM exhibition organizer, Koelnmesse Co., Ltd. The organizer designs the exhibition hall plan for different exhibiting product categories and exhibiting companies from different countries. The hall plan for CIFM ’11 is displayed in Figure 3-1. Three product categories are included at this show: woodworking machinery, wood raw materials and components, and hardware and others for furniture production. This directory included nearly 1,000 exhibiting companies.
Sampling

Since the cooperation from the organization or individual becomes more difficult (Bright and Smith 2002; Sudman and Blair 1999), adequate responses must be ensured as much as possible to conduct the analysis and to make inferences. For this reason, a census of exhibiting firms at CIFM'11 (n=980) was included in this survey.

In addition, this study aimed to investigate the dimensions of exhibitors' ITS performance in the emerging market (i.e., China) by performing factor analysis on exhibitors’ ITS marketing activities. Factor analysis is a multivariate statistical technique for data reduction, which can be used to examine the underlying patterns or relationships for a large number of variables and to determine whether or not the information can be condensed or summarized in a smaller set of factors or components (Hair et al. 1995). One important issue of factor analysis is the sample size. It is widely understood that the use of larger samples in applications of factor analysis tends to provide results such that sample factor loadings are more precise estimates of population loadings and are also more stable (MacCallum et al. 1999). A wide range of recommendations regarding sample size in factor analysis has been proposed. These guidelines typically are stated in terms of either the minimum necessary sample size, or the minimum ratio of sample size to the number of variables being analyzed (MacCallum et al. 1999). Comrey and Lee (1992) offered a rough rating scale for adequate sample size in factor analysis: 100=poor, 200=fair, 300=good, 500=very good, 1,000 or more=excellent. Considering recommendations for the ratio, Everitt (1975) recommended that the ratio of sample size to number of variables should be at least 10. Given the number of variables involved in this study (16), minimum usable sampling of 160 respondents for an approximate 16% response rate needs to be obtained. The response rates from previous trade show studies vary from 10% to over 40% (Hansen 2004; Kerin and Cron 1987; Li 2007; Tafesse...
and Korneliussen 2011). Therefore, a census was used to get adequate samples size in order to run the analysis and make inferences.

**Data Collection**

A primary data collection instrument using an online survey methodology was used to collect data from the sample of exhibitors at CIFM’11. The online survey was developed on SurveyMonkey®. Based on the preceding review of trade show literature, a preliminary questionnaire with two languages (i.e., Chinese and English) for exhibitors at CIFM’11 was developed (Appendix A and B) following the principles suggested by Scheaffer et al. (2011). The questionnaire includes four parts: exhibiting firms’ background, ITS marketing activities, ITS marketing strategies, and ITS experience and intention. All the variables are extracted from the literature.

Before administering the survey, pretesting was performed with both an expert panel and an industry panel drawn from the database of exhibitors at CIFM’11 to assess the applicability of the online instrument and the precision of language translation and interpretation. The finalized surveys were sent to all exhibitors at CIFM’11 (n=980) with customized messages (in Chinese and English) (Appendix C and D) in Spring 2012. Following the principles for internet survey proposed by Dillman (2000), a modified data collection process was developed. The flow chart (Fig. 3-2) represents the procedure that was followed for data collection.

**Response Rate and Non-response Bias**

After the initial emailing, responses began arriving which were saved on SurveyMonkey® and were available for downloading. During the initial efforts, delivery failures and/or bounced email addresses reduced the total population to 940. The initial pool of responses was 239 (218 completed). Two weeks after the initial emailing, a systematic random sample of
160 non-respondents received follow-up phone calls, which further increased the number of respondents by 61 while also providing an opportunity to examine non-response bias. A total of 300 responses were obtained, after accounting for non-deliverable and bounced email addresses, an adjusted response rate of 31.9% was obtained.

A well-accepted extrapolation method to examine the possible existence of non-response bias is to compare responses between early and late respondents (Armstrong and Overton 1977). To assess potential non-response bias, those exhibitors that responded to the initial survey (early respondents) were compared to those who responded after follow-up phone calls were made (late respondents). The variables used for this comparison are years been in business, exhibiting mode, booth size, booth staff number, performance ratings on “introduce new products” and “generate sales”. No significant differences (at p= 0.05 level) were found between the early and late respondent groups on their mean of those 6 variables.

**Analysis Techniques**

In this study, Factor Analysis (FA), Multiple Regression Analysis, sub-group analysis, chow test and t-test were used to analyze the collected exhibitor’s data on their ITS marketing strategies and performance evaluation. FA was performed on the exhibitors’ ITS marketing activities abstract from literature to investigate the dimensions of ITS performance. To examine the moderating effects of conditional variables (i.e., organizational ITS experience and individual ITS experience) on the ITS marketing strategy-performance relationship, multiple regression analysis was performed, where the ITS marketing strategies were used as independent variables, three firm-specific objective variables (i.e., years been in business, firm size, and exhibition mode) were entered as control variable, and ITS performance construct was used as dependent variable in the model. T-test was conducted to examine the difference between foreign and domestic exhibitors on their ITS marketing strategies and ITS performance dimensions.
Figure 3-1. Hall plan for CIFM ’11
Figure 3-2. Flow chart of collecting data
Literature Cited


Chapter 4

EXPLORING MARKET OPPORTUNITIES FOR AMERICAN HARDWOODS THROUGH CHINESE INTERNATIONAL FURNITURE SUPPLY TRADE SHOWS

This paper, by Wenping Shi and Paul M. Smith, has been published in Forest Products Journal Vol. 62, No. 2, 2012: 80-89.
Abstract

Global competition is increasingly impacting business organization and practice, which is forcing US hardwood manufacturers to become more efficient in manufacturing, distribution, and marketing. At the international marketing level, firms must target their promotional mix more effectively and efficiently toward relevant buyers from around the world. International trade shows have long been considered a cost-efficient and quick way to promote exports or gain valuable market information for entry. China is now the world’s largest furniture producer and exporter and the leading importer of US hardwoods. As such, it is important to better understand mechanisms for cost-effective participation in this huge hardwood market. This study was conducted to increase awareness of the importance of US–Chinese hardwood trade and knowledge of Chinese international furniture supply trade shows (IFS-TSs). In 2011, US hardwood lumber exports to China totaled US$506 million or two-thirds of the US$775 million worth of all hardwood product exports that year. A total of 27 Chinese IFS-TSs were identified through a two-part process: a review of secondary sources and personal communication with key trade show informants in China. This article also profiles the largest and most influential Chinese IFS-TSs ($n = 9$) in terms of the number of attendees and exhibitors, and other relevant factors. A better understanding of these trade shows will help US hardwood manufactures make show participation decisions.

Introduction

The US hardwood industry is now facing globalization, whereby “Political forces have ‘flattened’ the world permanently, for both better and worse with globalized trade, outsourcing, and supply-chaining” (Friedman 2007). The acceleration of global competition is dramatically impacting business organization and practice (Friedman 2007), thus forcing US hardwood
manufacturers to become more sophisticated and efficient in manufacturing, distribution, and marketing. At the international marketing level, firms must target their promotional mix more effectively toward increasingly sophisticated buyers from around the world. International trade shows have long been considered a cost-efficient and quick way to promote exports or gain valuable market information for entry (Motwani et al. 1992, Rice 1992, Shoham 1999).

During the recent global recession, US domestic demand for hardwoods decreased while exports gained in importance. In particular, China’s booming economic development and rapidly growing furniture industry has resulted in increasing demand for US hardwoods. Between 2006 and 2011, US hardwood log and lumber exports to China grew at an annual rate of 11.2 and 13 percent, respectively (US Department of Agriculture Foreign Agricultural Service [USDA/FAS] 2012). China is now the number 1 export customer of US hardwood products totaling nearly US$775 million in 2011 (USDA/FAS 2012).

Over the last two decades, researchers have addressed the development of the Chinese forest products industry in terms of forest resources, production and consumption, domestic supply, and imports (Zhang et al. 1997, 1998; Sun et al. 2004; Jiang 2007; Yang et al. 2010). One of the earliest efforts (Zhang et al. 1998) addressed the change in Chinese wood product import preference from softwoods in the 1980s to hardwoods in the 1990s. Zhang et al. (1998) further explained the major competitive advantages of US wood products in Chinese markets in terms of product quality, service, and reputation and the keys to accessing the Chinese markets as flexible credit terms, joint venture options, and effective promotional activities.

The growing Chinese furniture industry and furniture exports have also garnered increased research attention, including profiles of the Chinese furniture industry (Sun and Hammett 1999, Cao et al. 2004), manufacturing strategies (Robb and Xie 2003), innovation (Cao and Hansen 2006, Yu et al. 2011), supply chain practices and operational performance (Robb et al. 2008), and competitive forces (Hunter and Li 2007, Han et al. 2009). Sun and Hammett (1999)
interviewed 26 wood furniture manufacturers in China regarding their wood use and identified red oak as the most popular US temperate hardwood species. More recently, Wang et al. (2010) surveyed 50 potential and current US hardwood buyers in China to better understand distribution, sources of supply, product types, species, and the market opportunity for US hardwoods.

Competing in today’s marketplace requires global communication and promotion programs. International furniture supply trade shows (IFS-TSs) have long served as an important venue for hardwood suppliers to communicate with target audiences in both domestic and international markets. These IFS-TSs feature furniture supplying industries such as wood raw materials, woodworking machinery, hardware, and other furniture accessories. As a result of Chinese market liberation and the subsequent rapid growth of the Chinese furniture industry, IFS-TSs in China have grown in international importance and prestige, attracting increasing numbers of exhibitors and attendees from around the world. Hardwood suppliers now have a wide variety of IFS-TSs in China to consider, thus contributing to the complexity of the trade show selection decision.

This article provides an overview of the US–China hardwood trade and insight into Chinese IFS-TSs to assist decision makers who may consider participation as an exhibitor or attendee. The largest and most important Chinese IFS-TSs are further discussed in terms of location, dates, and the number of attendees and exhibitors. A limited amount of secondary data was available from both Chinese and US official sources. Therefore, personal communication with trade show experts in China was required to obtain the IFS-TSs information contained in this article.

**U.S. Hardwood Industry**

Under a longstanding tradition of sustainable forest management, US forests continue to thrive and expand. The US Forest Service has reported that the volume of American hardwoods is
90 percent larger than it was 50 years ago, and nearly twice as much hardwood resource now grows and is harvested every year (Roddis Lumber and Veneer Co. 2010). Today, the United States is the largest producer of sawn hardwood in the world, comprising nearly one-quarter of global production, and the number one temperate hardwood exporter (Panels and Furniture Asia 2009, American Hardwood Export Council 2011). According to the USDA Forest Service, approximately 90 percent of existing hardwood stock is contained in the eastern portion of the country (USDA Forest Inventory and Analysis 2007). The U.S. hardwood industry is highly fragmented and populated by thousands of small- to medium-sized operations (French 2007, Hardwood Market Report 2011), which are located in close proximity to timber supply regions, most notably the Appalachian region (Manchester et al. 2009).

The major Business-to-Business (B2B) customers of hardwood products are value-add manufacturers of finished goods including furniture, pallets, cabinets, millwork, and flooring (Bowe et al. 2001). Historically, furniture, flooring, cabinets, and millwork comprised the largest share of hardwood markets. However, due to weakness in US housing markets, industrial commerce and shipping materials (i.e., pallets, railroad ties, and timbers) have achieved a larger share of hardwood markets (Manchester et al. 2009, Espinoza et al. 2011). Specifically, the pallet industry increased from 37 percent of total hardwood consumption in 2008 to 47 percent in 2009 (Fig. 4-1; Manchester et al. 2009).

**U.S. Hardwood Industry**

Temperate hardwood markets are increasingly becoming global in scope (Buehlmann et al. 2007). With the increasing transfer of manufacturing offshore, US domestic furniture, flooring, and other secondary wood product industries have declined (Buehlmann et al. 2007). However, the demand for U.S. hardwoods in rapidly growing offshore markets has somewhat

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1 Throughout this article, hardwood refers to hardwood logs, lumber, veneer, chips, hardwood plywood, and hardwood flooring.
mitigated the reduced US demand. Figure 4-2 illustrates the growing share of U.S. hardwood exports from 1999 through 2008 (Snow 2010).

**U.S. hardwood exports to China**

China’s key role as a customer of US hardwoods is shown in Figure 4-3. U.S. hardwood products (lumber, logs, veneer, and plywood) have been the preferred raw material fueling China’s increasing production of furniture, cabinets, flooring, etc. (Urban 2002, Lesprom 2005, Wang et al. 2010). In 2011, China accounted for 30 percent of total U.S. hardwood products exports or US$775 million, up from 23.7 percent (US$604 million) in 2010 (Fig. 4-3; USDA/FAS 2012).

Lumber, logs, and veneer are the major US hardwood products imported by China, with hardwood lumber sales growing the most rapidly since 2008 and totaling US$506 million or 65.3 percent of U.S. hardwood imports in 2011 (Fig. 4-4). From 2010 to 2011, U.S. hardwood lumber and log exports to China increased by 41 and 11 percent, respectively (USDA/FAS 2012). This dramatic demand growth for U.S. hardwoods was due largely to a robust Chinese economy and appreciation of the Chinese Yuan vis-à-vis the US dollar.

In terms of U.S. hardwood lumber exports to China by species, a wide variety of species are in demand, led by red and white oak, yellow poplar, western red alder, and ash (Fig. 4-5). U.S. log exports to China are primarily red and white oak and walnut (Fig. 4-6; USDA/FAS 2012).

**U.S. hardwood market demand drivers**

The United States has been the dominant source of Chinese temperate sawn hardwood imports due to the perception of higher quality and better consistency versus hardwoods from other regions (Hardwood Review Weekly 2010, Petry et al. 2010, United Nations Economic
China’s imports of temperate sawn hardwood were projected to exceed 2 million m$^3$ during 2011, with over half coming from the United States (UNECE 2011). The majority of China’s hardwood imports are used in the subsequent value-added manufacturing of furniture, flooring, and other secondary wood product industries such as wooden doors (Li 2010). Factors affecting increased US hardwood sales to China include the growth of commercial construction, housing privatization initiatives, the rise of consumer disposable income, and growing demand by Chinese value-added industries, in particular, the high-end interior furnishing and decoration category (Lesprom 2005, Snow 2010).

The most important hardwood demand sector in China is the furniture industry that has increased production at an annual rate of 20 percent during the period of 2000 to 2009 (Fig. 4-7). China is now the largest furniture producer and exporter in the world. Despite the reduction in Chinese furniture exports in 2009 resulting from the global recession, total Chinese furniture production continued to increase in response to growing Chinese domestic consumption (Fig. 4-7; Chinese National Furniture Association [CNFA] 2001–2010).

**IFS-TSs as Promotional Tools**

Decreased domestic demand has driven a growing emphasis on international markets by US hardwood manufacturers. This, in turn requires increased scrutiny of a firm’s promotional mix expenditures and a need to more efficiently target a wide array of domestic and international markets. International trade shows provide a wide array of benefits for exhibitors and attendees, including but not limited to international business network development, competitive intelligence gathering, product sales, corporate image/reputation building, and customer needs identification. In order for US hardwood suppliers to successfully access the huge and complex Chinese market, quality information and assistance are needed. Chinese IFS-TSs provide cost-effective venues to U.S. hardwood producers to efficiently gain access to this important demand sector. The
following section profiles Chinese IFS-TSs to help US hardwood manufacturers determine the cost-effectiveness and suitability of these venues within their promotional mix.

**Major Chinese IFS-TSs**

The Chinese furniture industry’s rise to international prominence over the last two decades has been accompanied by an attendant boom in China’s IFS-TSs. Most of these Chinese IFS-TSs are concurrently held with furniture trade shows, thus serving as one-stop events for both attendees and exhibitors.

**IFS-TS background**

A dearth of published information regarding Chinese IFS-TS is available. Therefore, in order to better understand these shows, a two-step research process was deployed. First, we obtained all relevant secondary data from both Chinese and US official sources, including journals and magazines in the wood products industry (i.e., *China Wood Industry Journal*, *Furniture and Interior Design*, *Wood Processing Machinery*, *China Wood-Based Panel and Furniture Today*). To supplement data acquired from these secondary sources, we developed qualitative questions for subsequent personal communications (phone interviews) with Chinese trade show experts between April 2011 and March 2012. Interviewees included personnel from trade show organizations, staff from *China Wood Industry Journal*, and Beijing Forestry University faculty. The two-step process resulted in the identification of 27 Chinese IFS-TSs. All Chinese IFS-TSs are horizontal and typically include various combinations of woodworking machinery, wood raw materials (e.g., lumber, components and parts, veneer, wood-based panels), hardware, and/or furniture. As shown in Figure 4-8, the largest nine shows are denoted with a star, sized according to show size (in square meters), and the remaining 18 shows with a diamond. Of the nine largest IFS-TSs, seven are held concurrently with international furniture
trade shows as indicated in Figure 4-8 with a framed star. Table 4-1 provides further profile data regarding these nine Chinese IFS-TSs, ordered according to the number of exhibitors.

One important characteristic of Chinese IFS-TSs is that they are located along the east coast within China’s four furniture producing regions: south, east, north, and northeast (Fig. 4-8). These four regions contain over 80 percent of China’s furniture manufacturing firms and over 90 percent of the total furniture output in 2008 (Cao and Hansen 2006, Han et al. 2009, Zhou and Xiao 2009).

Figure 4-8 and Table 4-1 illustrate the huge importance of Guangdong and Shanghai to Chinese IFS-TSs as seven of the nine largest shows are located in these two regions. The South China region of Guangdong contains four of the largest IFS-TSs and is the largest furniture producing and exporting region, accounting for 30 percent of China’s total furniture production and half of its exports in 2008 (Zhou and Xiao 2009). The East China region of Shanghai, China’s economic trading and shipping center, is adjacent to the second largest furniture production region of Zhejiang. These two regions rely on the advantageous geographic proximity to two of the world’s busiest ports in Shanghai and Hong Kong (World Port Source 2012). IFS-TSs in the Guangdong and Shanghai areas create synergy for more efficient and cost-effective exhibitor and attendee participation.

Summary

China has become a juggernaut in furniture manufacturing and exporting. As a result, demand for U.S. hardwood products has grown dramatically. The accelerating competition among global supply chains in raw material sourcing, manufacturing, distribution, and sales has prompted U.S. hardwood producers to more fully examine the effectiveness of their marketing and sales activities on a worldwide scale. The relative ease with which hardwood suppliers can utilize Chinese IFS-TSs to reach potential customers makes this an important topic for research.
This article provides an overview of U.S.–China hardwood trade and key information regarding Chinese IFS-TSs to potential exhibitors and attendees who may consider using these shows to better understand the booming Chinese furniture market. In particular, U.S. hardwood suppliers may benefit through a better understanding of these cost-effective venues in China for selling and nonselling activities. Detail of Chinese IFS-TSs regarding show timing, location, and size may help U.S. hardwood marketers to better understand and utilize these shows as part of their marketing efforts and help guide their show selection decision. This information also has implications for suppliers and buyers from furniture and other related furniture supply sectors, such as woodworking machinery, wood-based panel products, hardware, etc., who may consider participation in Chinese IFS-TSs.
Figure 4-1. U.S. Hardwood consumption in 2009 by value (Manchester et al. 2009)
Figure 4-2. Exports as a percent of U.S. hardwood production (1999 – 2008) (Snow 2010)
Figure 4-3. U.S. hardwood exports to world and China (2006-2011) (USDA/FAS 2012)
Figure 4-4. U.S. hardwood exports to China by product (2006 – 2011) (USDA/FAS 2012)
Figure 4-5. U.S. hardwood lumber exports to China by species (USDA/FAS 2012)
Figure 4-6. U.S. hardwood log exports to China by species (USDA/FAS 2012)
Figure 4-7. Chinese furniture production and exports (2000 – 2009) (CNFA 2001-2010)
Figure 4-8. Distribution of Chinese international furniture supply trade shows (IFS-TSs)

[NOTE: The 9 largest shows are denoted with a star, sized according to size (in m^2 of show space); the remaining 18 shows are denoted with a diamond. Of the 9 largest IFS-TSs, 7 are held concurrently with international furniture trade shows as indicated with a framed star.]
### Table 4-1. Profile of 9 largest Chinese international furniture supply trade shows in 2011

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Recent Show(s)</th>
<th>Frequency</th>
<th>Space (sqm.)</th>
<th># of Exhibitors</th>
<th># of Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CIFM/Interzum Guangzhou</td>
<td>Guangzhou, Guangdong</td>
<td>Mar. 27-30, 2012</td>
<td>Annual</td>
<td>110,000</td>
<td>1,023</td>
<td>50,514&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>2. Furniture Manufacturing &amp; Supply China [FMC]</td>
<td>Shanghai</td>
<td>Sept. 11-14, 2012</td>
<td>Annual</td>
<td>59,000</td>
<td>745</td>
<td>30,327&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>3. International Exhibition on Woodworking machinery, Furniture</td>
<td>Beijing</td>
<td>Mar. 12-15, 2012</td>
<td>Biannual</td>
<td>60,000</td>
<td>600&lt;sup&gt;3&lt;/sup&gt;</td>
<td>28,000</td>
</tr>
<tr>
<td>Accessories, Materials and Wood Products [WMF] &amp; [FAM]&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Trade Fair for Materials, Accessories and Supplies for Furniture</td>
<td>Guangzhou, Guangdong</td>
<td>June 15-17, 2012</td>
<td>Annual</td>
<td>40,000</td>
<td>500</td>
<td>30,000&lt;sup&gt;5&lt;/sup&gt;</td>
</tr>
<tr>
<td>Manufacturing [FurniSup]&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. International Famous Furniture Woodworking machinery &amp; Material</td>
<td>Dongguan, Guangdong</td>
<td>Mar. 16-20; Sept. 5-9,</td>
<td>Semiannual</td>
<td>20,000</td>
<td>354</td>
<td>29,668</td>
</tr>
<tr>
<td>Fair [IFM]&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2012</td>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Asia International Furniture Material Expo [AIFME]</td>
<td>Shunde, Guangdong</td>
<td>Mar. 17-20; Sept. 6-9,</td>
<td>Semiannual</td>
<td>30,000</td>
<td>300</td>
<td>NA</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. International Furniture Components &amp; Raw Material Exhibition [IFME]</td>
<td>Dalian, Liaoning</td>
<td>June 8-11, 2012</td>
<td>Annual</td>
<td>45,000</td>
<td>264</td>
<td>37,347&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>1</sup> Data obtained from Mr. Liang, Koelnmesse Co, Ltd., Guangzhou Branch, November, 2011.
<sup>2</sup> Data obtained from Miss Li, Shanghai UBM Sinoexpo International Exhibition Co., Ltd., November, 2011.
<sup>3</sup> Shows are not concurrently held with furniture trade shows.
<sup>4</sup> Data estimated by Miss Lin, Adsale Exhibition Services Limited, Beijing Office, March, 2012.
<sup>5</sup> # of attendees estimated by Miss Chen, Guangdong Furniture Chamber of Commerce, October, 2011.
<sup>6</sup> # of attendees includes furniture supply PLUS furniture halls total; IFME was unable to separate these attendees.
Literature Cited


Chapter 5

EVALUATION OF TRADE SHOW PERFORMANCE IN AN INTERNATIONAL, EMERGING MARKET

This paper, co-authored by Wenping Shi and Paul M. Smith, was written for submission to Journal of Global Marketing.
Abstract

While prior research was largely centered on investigating Trade Show (TS) performance of exhibitors from developed markets, relatively little attention has been devoted to TS performance in emerging markets. With the globalization of the marketplace, the communication and promotion programs supporting these markets must also globalize. As the manufacture of both consumer goods and industrial products expands into the developing nations and international standards increasingly influence worldwide markets, trade shows are no longer confined to the western world. Exhibitions in emerging economies have gained more attention for marketers worldwide to achieve their marketing objectives.

Given the importance of International Trade Show (ITS) exhibitions in emerging markets, the development of comprehensive knowledge with regard to the function of ITS exhibition, that is, the dimensionality of ITS performance is warranted. The present study is designed to bridge the gap in the literature to provide empirical evidence of ITS performance dimensions in a major emerging market, China. A factor analysis was performed on sixteen chosen performance variables resulting in a four-factor construct of ITS performance in the emerging market: sales-relationship development, motivation-image enhancing, competitive-intelligence gathering, and market exploring. The findings show that exhibit managers can assess their ITS efforts at different dimension levels to identify key problem areas for improvement in future shows. Findings may also be used as a guide for future ITS exhibit planning.
Introduction

Companies who conduct their marketing activities must decide where to best apply their resources for these business elements. In terms of marketing efforts, trade shows (TSs) are growing in importance as viable promotional and selling strategies (Smith et al. 2003). Scholars have long been conducting research to identify effective and productive ways for exhibitors to evaluate the outcomes of exhibiting (Gopalakrishna and Lilien 1995; Gopalakrishna and Williams 1992; Hansen 1999; Kerin and Cron 1987). As a promotion communication medium, the importance of TSs have been well recognized in the developed markets in terms of show expenditure levels (Dekimpe et al. 1997; Harriette et al. 2010; Skallerud 2010; Yuksel and Voola 2010). The extant studies suggest that measuring TS performance begins with evaluating exhibitor’s performance on multiple TS activities (Hansen 2004; Kerin and Cron 1987; Lee and Kim 2008; Tafesse and Korneliussen 2011). Previous TS performance frameworks have been deployed, ranging from simple uni-dimensional measures, for instance sales only (Gopalakrishna and Lilien 1995; Gopalakrishna et al. 1995; Gopalakrishna and Williams 1992; Smith and Smith 1998), to more comprehensive multi-dimensional models (Bonoma 1983; Hansen 2004; Hansen 1999; Kerin and Cron 1987; Shoham 1999). However, a review of the current trade show literature reveals a narrow set of TS context, that is, majority of TS research have conducted using exhibitors from developed economies. With only few exceptions (Li et al. 2011; Tafesse and Korneliussen 2011), studies on ITS performance dimensions in emerging economies have been rare. As Dekimpe et al. (1997) and Hansen (2004) suggest, differences on TS performance dimensions are likely to exist across different counties and/or industries. With respect to the company resource level, marketing capabilities, management structures, and the motives for TS exhibiting, exhibitors from developed and emerging economies are different, implying that TS performance dimensions observed in the current literature have limited generalizability to
emerging market exhibitors. Differences among developed and emerging country international trade shows are also shown in a later study of Tafesse and Korneliusen (2011), where a different TS performance construct from the dimensions proposed in the developed economies is found in an emerging economy, Ethiopia.

With the acceleration of globalization, international marketing has become an important domain (Dekimpe and Lehmann 2004), and one of the most important promotional mediums, International trade shows (ITSs), have increasingly represented a cost efficient and quick way to promote exports and to gain valuable information for market entry (Hansen 1996; Shi and Smith 2012). Exhibitors who are considering exhibiting at ITSs, especially outside of their home country, need to have knowledge on what roles the shows play for exhibiting companies, and then make sound decisions on their ITSs planning. Given the importance of global marketing, more evidence is needed to help marketers understand the function of ITSs on an international basis, rather than staying “in the relatively security of our own backyards” (Dekimpe and Lehmann 2004).

The present study investigates the dimensions of ITS performance in a major emerging market, i.e. China. ITSs blend multiple marketing elements including sales-related and other promotional and relational activities. In this paper, empirical data on self-reported performance on ITS marketing activities that exhibitors pursue at the ITSs are obtained to examine the dimensions of ITS performance. By doing so, this study contributes new empirical evidence of the ITS performance construct beyond those established in previous TS literature. Managerial implications are also provided regarding opportunities to leverage ITSs in an emerging market.

This paper is organized as follows. First, we briefly discuss what constitutes emerging markets and a review of relevant TS literature. Then the methodology used in this study is presented, followed by the results of the research. Finally, we provide conclusions and implications.
Literature Review

Emerging markets

The term “emerging market” was first introduced in early 1980s by Antoine W. Agtmael of the International Finance Corporation of the World Bank. There are plenty of country classification schemes and the definition of the term “emerging markets” has been inconsistent in the marketing literature and practice (Batra 1997; Burgess and Steenkamp 2006; Peng 2001).

Institutions distinguish between emerging markets and developed countries based on various basis for their defined criteria. For instance, Morgan Stanley defines developed countries on the basis of income per capita, a stable and responsible macroeconomic policy, and the market capitalization of publicly traded company (Burgess and Steenkamp 2006). The World Bank (2006) developed a classification of countries based on gross national income per capital (GNI), adjusted for currency fluctuation. This classification focuses on available monetary resources in a country so it is more directly relevant for marketing. According to the World Bank’s definition, China is included in their list of emerging markets.

Evaluation of trade show performance

TSs have typically been evaluated based on their ability to enhance key trade show activities set by senior marketing managers such as lead generation, customer relationship building, competitor intelligence gathering, image building, and motivation (Bello 1992; Bonoma 1983; Hansen 2004; Kerin and Cron 1987; Kijewski et al. 1993). Academic research has produced a handful of conceptual frameworks to provide insights and propositions concerning TS performance (Dekimpe et al. 1997; Gopalakrishna and Lilien 1995; Hansen 2004; Seringhaus and Rosson 2001; Tanner 2002), however, most of these studies used exhibitors from developed markets.
Bonoma (1983) divided trade show functions into selling and non-selling activities after discussing with a variety of exhibit managers. The selling performance expectations include customer assurance, new market development, on site sales, customer servicing access to key decision makers and product information dissemination. The non-selling performance expectations compose maintaining company image, competitive intelligence, market information gathering, boosting employee morale and testing new products. This selling and non-selling dichotomy of TS performance was later presented by Shoham (1992) as well. However, this dichotomy presented by Bonoma (1983) and Shoham (1992) was not tested empirically.

Later, Shipley et al. (1993) proposed a three-dimension construct of TS exhibitors performance expectations consisting of short-term sales expectation (taking sales orders), long-term sales expectations (meet new customers, promote existing products and launch new products), and non-selling performance (enhance company image, get competitor intelligence and market research). Hansen (1999) then conceptualized a five-dimensional framework for TS performance based on the marketing literature’s outcome- and behavior-based control system taxonomy, which includes sales related, information-gathering, image-building, motivation, and relationship-building activities.

In addition to these conceptual contributions, researchers have also conducted empirical studies for more valid measures of TS performance, although empirical studies regarding the dimensionality of TS performance is generally scarce. The early empirical study by Kerin and Cron (1987) confirmed the selling and non-selling dimensions of trade show marketing performance by surveying TS exhibit managers and senior marketing executives in U.S. firms. The selling dimension includes marketing activities related to introducing new products, new product testing and on site sales. The non-selling dimension consists of identifying new prospects, enhancing corporate image, servicing customers, and gathering competitive information.

A feature of most of the current studies is the quest for better conceptual foundations, more empirical evidence and more attention on emerging markets. This paper continues in this vein by providing empirical evidence from a major emerging market, China. This study also offers managerial recommendations to exhibitors who are considering participating in ITSs in China.

**Research Methodology**

To investigate the dimensionality of exhibitors’ trade show performance in the Chinese market, this study examined exhibitors of the largest IFS-TS in China, the Chinese International Woodworking Machinery and Furniture Raw Material Fair that took place in March, 2011 (CIFM’11). CIFM is an annual event in Guangzhou, China which regularly attracts exhibitors worldwide. The 2011 event attracted nearly 1000 exhibitors and over 50,000 attendees from 24 nations (Shi and Smith 2012).

The following section briefly discusses the research instrument, sample frame, data collection techniques and respondent profile.
Research instrument

A list of sixteen key trade show activities exhibitors commonly carry out was developed from the trade show literature (Hansen 2004; Li 2007; Tafesse and Korneliussen 2011) (Table 5-1) to measure trade show performance. Respondents were asked to rate their performance on these sixteen trade show activities at CIFM’11 on a seven-point scale ranging from 1=very poor, to 7=excellent. This measure of trade show performance was incorporated into the demographic measures including: industry sector, years in business, and the number of employees.

The research instrument was thoroughly pretested to check for biased, misleading, or confusing questions and to verify the quality and quantity of information received (Dillman 2000). Pretests included six trade show experts and ten exhibiting firms drawn from the database of exhibitors at CIFM’11. After administering the questionnaire to the pretest panel, several changes were made to reflect needed simplification, instruction clarity, question wording and the precision of language translation and interpretation. The final instrument contained approximately 20 questions.

Sample frame and data collection

The official directory of exhibitors through the CIFM exhibition organizer, Koelnmesse Co., Ltd. was used as sample frame and a census was conducted to ensure adequate responses for further analysis and inferences. Online surveys were developed in two languages (English and Chinese) using SurveyMonkey®. To establish translation equivalence, the original English-version instrument was translated into Chinese and re-checked by bilingual experts. Observed discrepancies were addressed and resolved.

The finalized surveys were sent to all exhibitors at CIFM’11 (n=980) with a customized message. Delivery failures reduced the total population to 940. Two weeks after the initial online surveys, a systematic random sample of 160 non-respondents from the initial survey received
follow-up phone calls, which further increased the number of respondents by 61 while also providing an opportunity to test for potential non-response bias. A total of 300 responses were obtained, resulting in a response rate of 31.9%, of which 267 respondents completed all questionnaire items related to trade show performance. A well-accepted extrapolation method to examine the possible existence of non-response bias is to compare responses between early and late respondents (Armstrong and Overton 1977). Non-response bias check was performed on key demographic variables and selected TS performance variables resulting in no significant differences (at the p=0.05 level) between early and late respondents.

**Respondent profile**

Characteristics of respondents were categorized according to nationality of exhibitor (Chinese/Non-Chinese), industry sector, size of company (number of employees), and company’s business experience (number of years in business) (Table 5-2).

**Results**

**Data analysis technique**

To develop the multi-dimensional constructs of TS performance, Factor Analysis (FA) with principle component extraction method was performed on the identified 16 performance variables using SPSS 19.0. FA is a multivariate technique which determines the structure of measured variables by specifying condensed sets of dimensions with minimal loss of information, and is used to understand the dimensions of the data and to identify a smaller set of salient variables from a larger set of data (Fabrigar et al. 1999; Hair et al. 2010).

Since the analytical process of FA is based on a matrix of correlations between the variables, sufficient correlations between data matrix must be ensured (Hair et al. 2010). Bartlett’s test of sphericity and Kaiser-Meyer-Olkin (KMO) test were employed to justify the
application of FA. Bartlett’s test of sphericity provides the statistical probability that the correlation matrix has significant correlations among at least some of the variables. KMO test quantifies the degree of inter-correlations among the variables and the appropriateness of FA. The value of KMO ranges from zero to one, reaching above 0.7 indicating satisfactory level of inter-correlations (Hair et al. 1995). The obtained data on the 16 TS performance variables generated a KMO value of 0.743 and significant Bartlett’s test of sphericity (p=0.000), which suggest that it is appropriate to perform FA on these variables.

Reliability and validity check

In this study, the criteria suggested by Hair et al. (1995) that only the component having eigenvalues greater than 1 are considered significant was employed to determine the relevant number of factors. After Varimax rotation, FA analysis resulted in a reduction of the 16 TS activities into four factors. Table 5-3 provides the resulting component loadings, the community estimates of TS performance variables, and the eigenvalue of each extracted component. The four component solution explains around 66.4% of the total variance in the original data. Cronbach’s alpha checking the reliability of each component ranging from 0.82 to 0.92, suggesting strong satisfaction of internal reliability (Nunnally and Nunnally 1994).

As a further validity check, the sample was split randomly into halves and the Cronbach’s alphas were recalculated for the variables on each subsample. Alphas continued to be excellent with a range of 0.80 to 0.91.

Components interpretation

The factors resulting from FA are assumed to represent distinct dimensions within the data (Hair et al. 2010). To address our research objective of investigating the dimensionality of the trade show performance, Table 5-3 shows a 4-factor solution with each factor representing an
explicit aspect of exhibitors’ TS performance. Based on the nature of the trade show performance variables associated with each factor and previous literature, the four factors are assigned names. Previous empirical studies on the multidimensionality of TS performance are summarized in Table 5-4 for ease of comparison to findings of the present study.

**Sales-relationship development**

Factor 1 consists of six variables: generate sales, promote existing products, introduce new products, discover new prospects, meet key decision makers, and maintain relationships with existing customers. The first three variables represent exhibitors’ efforts to generate revenue using TSs as a selling event (Bonoma 1983; Tanner 2002; Tanner Jr and Chonko 2002). The remained three variables are intended to develop relationships with potential new customers, get connected to the decision makers in the buying circle, and strengthen existing relationship with customers (Hansen 2004; Kerin and Cron 1987; Shipley et al. 1993). As suggested in some relationship marketing literature, relationship management has a strong effect on customer behavior and financial performance of the organization (Palmatier 2008). This could explain this alignment shown in this first factor, that is, that exhibitors believe relationships developed at the show influences sales outcomes.

This alignment of sales-related and relationship-building activities is in line with the finding of Tafesse and Korneliussen (2011) in the Ethiopia market. Therefore, factor 1 is assigned name of “sales-relationship development” to reflect the two aspects of TS performance, customer relationship and sales-related, are represented in one component.

However, our finding in factor 1 departs from Tafesse and Korneliussen’s work in that the variable, introduce new products, is associated with sales-relationship development dimension rather than market scanning dimension. Introducing new products at a TS may also be aimed at learning about a customer’s reaction to new products and to gauge the commercial potency of new products (Bello and Barczak 1990), which in turn contributes to the sales outcomes. This
difference again demonstrates that exhibitors may utilize TSs differently across industries and countries (Dekimpe et al. 1997).

**Motivation-image enhancing**

Factor 2 is a composite of five TS performance variables: increase the staff’s trade show experience, train the sales team, enhance the company’s overseas image, gain an edge over competitors who are not exhibiting, and demonstrate the exhibiting company’s capability. The first two variables capture activities related to maintaining and enhancing the motivation of employees. The remained three variables reflect activities related to building corporate image and reputation.

In the previous work, Bonoma (1983) included maintaining the company image with competitors, customers, and the industry as a marketing communication function served by TSs. Barczyk et al. (1989) also identified creating or solidifying corporate image and reputation as one of the motives for exhibiting. In the early constructs of TS performance, the variables of enhanced company’s overseas image, gain an edge over competitors who are not exhibiting, and demonstrate a company’s capability are grouped with one dimension of “image-building” (Hansen 2004; Lee and Kim 2008; Tafesse and Korneliussen 2011). Another two variables: increase the staff’s trade show experience and train the sales team were grouped into a separate dimension of “motivation” to capture activities related to boosting and keeping up employee morale (Hansen 2004). It is suggested in an ITS context, that the motivation dimension may be more explicit compared with regional or national TSs (Hansen 1999). Barczyk et al. (1989) indicated that one motive for exhibiting at TSs is sales force morale, and TSs can be used to train or motivate the sales force (Witt and Rao 1989).

Therefore, our findings differ from literature in that two seemingly distinct activities, motivation and image-building, are associated with a single dimension rather than two dimensions. The name of “motivation-image enhancing” is assigned to Factor 2.
**Competitive-intelligence gathering**

Factor 3 consists of three variables: collect market information, benchmark competitive position, and collect information about competitors. These three activities are aimed at analyzing an exhibiting firm’s competitive position in order to produce actionable insights for decision making, essentially, gathering competitive intelligence.

Competitive-intelligence is defined as “a systematic, targeted, timely and ethical effort to collect, synthesize, and analyze competition, markets and the external environment that can affect company’s plans, decisions and operations (Fleisher 2008). As part of the company’s integrated marketing communication, Fahey (1977) suggested that effective competitive-intelligence leads to more insightful market-based actions that will eventually result in enhanced financial performance. Trade shows represent excellent indicators for companies to predict their competitors’ future actions in general (Kight 1992) and provide opportunities for knowledge management and competitor intelligence gathering (Klaus 2010). Looking back, Bonama (1983), Sharland and Balogh (1996), Shipley et al. (1993) and Tanner (2002) identified competitive-intelligence as part of the non-selling function of TSs, and Tafesse and Korneliussen (2011) represented competitive intelligence as one dimension of TS performance, plus the three variables capture some aspects of the competitive intelligence gathering activity, factor 3 is labeled “Competitive-intelligence gathering”.

**Market exploring**

Factor 4 consists of two variables: exploring export opportunities and explore new market opportunity in new region. The conceptual community evident in these two activities is market exploring. Sustained growth is the key to long term success in today’s competitive global market. Marketing in new region and across national boundaries has become imperative for long-term
company survival and profitability (Cavusgil et al. 2004). Market exploring is the process of identifying, analyzing and finding ways to gain sustained growth.

Examination of the two variables: exploring export opportunities and explore new market opportunity in new region, elucidates the relationship between factor 4 and the market exploring activities. Shi and Smith (2012) note that ITSs have represented a venue to promote exports and to gain valuable information for market entry. This suggests that exhibitors utilize TS as a means to explore opportunities in the export market and/or new market. The two variables loading on factor 4 are activities related to searching prospective market opportunities for an exhibiting company to gain sustained growth in the future. In essence, these two variables represent two aspects of market exploring activities, so factor 4 is labeled as “market exploring”.

**Discussion and Implications**

This study differs from previous studies in several ways. First, it provides one of the few empirical investigations of the dimensionality of international trade show (ITS) performance in a major emerging market, China. A four-factor construct of ITS performance is developed based on the empirical data collected from a horizontal ITS in China, representing sales-relationship development, motivation-image enhancing, competitive-intelligence gathering, and market exploring. This confirms that exhibitors in emerging market utilize ITSs as multidimensional marketing tools (Tafesse and Korneliussen 2011).

Second, differences on the association of ITS performance variables with the performance dimensions of “sales-relationship development” and “moral-image building” are found in the present study: 1) variable of “introduce new products” is found to be associated with sales-relationship development dimension rather than market scanning dimension from Tafesse and Korneliussen (2011); 2) two seemingly distinct activities, motivation and image-buildings (see Table 5-4 Hansen’s study), are found to be loaded on a single dimension in this study. These
differences again demonstrate that exhibitors utilize TSs differently across industries and countries (Dekimpe et al. 1997).

Third, this study adds one previously overlooked ITS performance dimension of “market exploring”. Shi and Smith (2012) noted that ITSs have represented a venue to promote exports and to gain valuable information for market entry. Given the tremendous market opportunities offered by the Chinese market, both Chinese and non-Chinese firms use ITSs as an important venue to reach the target audience that is usually hard to reach through other communication mediums. This is particularly true when firms exhibit at an overseas trade show to seek export opportunities.

Managerial implications

The results point to the fact that ITSs are a multidimensional marketing and promotion tool. First, a major implication for exhibitors is that they can assess their ITS performance at a dimensions level. The evaluation on different dimensions would enable TS managers to understand the extent to which the exhibiting has achieved their objectives on different aspects of ITS performance and, more importantly, to identify potential problem areas of the exhibit strategy.

Second, ITS managers could use the findings to guide their exhibit planning, including setting objectives, booth staffing, booth space and other design elements. Viewing exhibiting at ITSs as a platform for various opportunities such as gathering competitive intelligence, exploring markets in different regions, and increasing exposure at new markets, ITS managers may consider setting multiple objectives when planning their exhibits. ITS managers may also consider staffing the exhibits with different expertise to improve the performance on key dimensions. That is, deploy a variety of booth staff to provide company and product demonstrations, help to build and improve relationships with attendees, collect information about potential prospects’ needs, and
take orders/make sales. (Chonko et al. 1994). Therefore, staffing the booth according to the firms’ exhibiting objectives would be more likely to achieve better performance. Similarly, for other elements of ITS planning, ITS managers can allocate resources to improve certain aspects of ITS performance based on their evaluation of the relative importance of different dimensions.

Limitations

This study attempts to investigate the dimensionality of ITS performance in a major emerging market and provide empirical evidence to the extant TS literature. However, as noted in previous research (Dekimpe et al. 1997; Hansen 2004), data collected from a single show in one market setting has limited generalizability. As such, refinement and replication on additional data sets is encouraged.

This study aggregates data across three industry sectors. It is possible that management structures, motives for exhibiting, and firm resources vary across sectors. Therefore, specific shows (vertical shows) warrant future investigation in the emerging markets.
<table>
<thead>
<tr>
<th>Measure</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>(V1) Generate sales</td>
<td>Bonoma (1983) and Hansen (2004)</td>
</tr>
<tr>
<td>(V2) Promoting existing products</td>
<td>Hansen (2004)</td>
</tr>
<tr>
<td>(V3) Introduce new products</td>
<td>Hansen (2004)</td>
</tr>
<tr>
<td>(V5) Meet key decision makers</td>
<td>Tafesse and Korneliussen (2011) and Hansen (2004)</td>
</tr>
<tr>
<td>(V6) Maintain relationship with existing customers</td>
<td>Hansen (2004) and Li (2008)</td>
</tr>
<tr>
<td>(V7) Train the sales team</td>
<td>Hansen (2004)</td>
</tr>
<tr>
<td>(V8) Increase staff’s trade show experience</td>
<td>Hansen (2004)</td>
</tr>
<tr>
<td>(V9) Enhance company’s overseas image</td>
<td>Li (2008)</td>
</tr>
<tr>
<td>(V10) Gain an edge over competitors who are not exhibiting</td>
<td>Hansen (2004) and Li (2007)</td>
</tr>
<tr>
<td>(V15) Explore export opportunities</td>
<td>Tanner (2002) and Tafesse and Korneliussen (2011)</td>
</tr>
<tr>
<td>(V16) Explore market opportunities in new region</td>
<td>Seringhaus and Rosson (1994)</td>
</tr>
</tbody>
</table>
Table 5-2. Responding exhibitors profile

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nationality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign (Non-Chinese)</td>
<td>99</td>
<td>33.0</td>
</tr>
<tr>
<td>Domestic (Chinese)</td>
<td>201</td>
<td>67.0</td>
</tr>
<tr>
<td><strong>Industry sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodworking machinery</td>
<td>57</td>
<td>19.0</td>
</tr>
<tr>
<td>Raw material and components</td>
<td>168</td>
<td>56.0</td>
</tr>
<tr>
<td>Hardware and other</td>
<td>75</td>
<td>25.0</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-99</td>
<td>99</td>
<td>33.0</td>
</tr>
<tr>
<td>100-299</td>
<td>156</td>
<td>52.0</td>
</tr>
<tr>
<td>300-599</td>
<td>34</td>
<td>11.3</td>
</tr>
<tr>
<td>Over 600</td>
<td>11</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Years in business</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;15</td>
<td>171</td>
<td>57%</td>
</tr>
<tr>
<td>15-30</td>
<td>110</td>
<td>36.7%</td>
</tr>
<tr>
<td>&gt;30</td>
<td>19</td>
<td>6.3%</td>
</tr>
</tbody>
</table>
Table 5-3. Factor analysis results of 16 trade show performance variables

<table>
<thead>
<tr>
<th>Performance variables</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Communality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales- relationship development</td>
<td>Motivation-image enhancing</td>
<td>Competitive-intelligence gathering</td>
<td>Market exploring</td>
<td></td>
</tr>
<tr>
<td>V1 Generate sales</td>
<td>0.722</td>
<td>-0.040</td>
<td>0.089</td>
<td>-0.002</td>
<td>0.53</td>
</tr>
<tr>
<td>V2 Promoting existing products</td>
<td>0.762</td>
<td>-0.026</td>
<td>-0.072</td>
<td>0.011</td>
<td>0.587</td>
</tr>
<tr>
<td>V3 Introduce new products</td>
<td>0.714</td>
<td>0.063</td>
<td>0.045</td>
<td>0.059</td>
<td>0.514</td>
</tr>
<tr>
<td>V4 Discover new prospects</td>
<td>0.808</td>
<td>0.024</td>
<td>0.030</td>
<td>0.092</td>
<td>0.663</td>
</tr>
<tr>
<td>V5 Meet key decision makers</td>
<td>0.740</td>
<td>0.063</td>
<td>0.045</td>
<td>0.059</td>
<td>0.558</td>
</tr>
<tr>
<td>V6 Maintain relationship with existing</td>
<td>0.632</td>
<td>-0.028</td>
<td>0.065</td>
<td>0.020</td>
<td>0.405</td>
</tr>
<tr>
<td>V7 Train the sales team</td>
<td>0.014</td>
<td>0.826</td>
<td>0.113</td>
<td>0.083</td>
<td>0.702</td>
</tr>
<tr>
<td>V8 Increase staff’s trade show experience</td>
<td>-0.022</td>
<td>0.820</td>
<td>-0.008</td>
<td>-0.025</td>
<td>0.673</td>
</tr>
<tr>
<td>V9 Enhance company’s overseas image</td>
<td>0.066</td>
<td>0.795</td>
<td>0.004</td>
<td>0.031</td>
<td>0.638</td>
</tr>
<tr>
<td>V10 Gain an edge over competitors not</td>
<td>-0.086</td>
<td>0.785</td>
<td>0.058</td>
<td>-0.032</td>
<td>0.629</td>
</tr>
<tr>
<td>V11 Demonstrate company’s capability</td>
<td>-0.013</td>
<td>0.758</td>
<td>-0.065</td>
<td>0.049</td>
<td>0.581</td>
</tr>
<tr>
<td>V12 Collect market information</td>
<td>0.002</td>
<td>-0.018</td>
<td>0.891</td>
<td>0.016</td>
<td>0.795</td>
</tr>
<tr>
<td>V13 Benchmark competitive position</td>
<td>0.097</td>
<td>0.099</td>
<td>0.872</td>
<td>0.162</td>
<td>0.805</td>
</tr>
<tr>
<td>V14 Collect information about competitors</td>
<td>0.085</td>
<td>0.003</td>
<td>0.825</td>
<td>0.091</td>
<td>0.696</td>
</tr>
<tr>
<td>V15 Explore export opportunities</td>
<td>0.072</td>
<td>0.035</td>
<td>0.112</td>
<td>0.954</td>
<td>0.916</td>
</tr>
<tr>
<td>V16 Explore market opportunities in new</td>
<td>0.044</td>
<td>0.046</td>
<td>0.137</td>
<td>0.945</td>
<td>0.930</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>3.48</td>
<td>3.24</td>
<td>2.35</td>
<td>1.56</td>
<td></td>
</tr>
<tr>
<td>Variance explained (%)</td>
<td>20.31</td>
<td>20.00</td>
<td>14.43</td>
<td>11.65</td>
<td></td>
</tr>
<tr>
<td>Cronbach’s alpha</td>
<td>0.815</td>
<td>0.851</td>
<td>0.832</td>
<td>0.920</td>
<td></td>
</tr>
</tbody>
</table>

1 Bold type indicates the variables used to form the factor construct.
### Table 5-4. Summary of empirical research on multi-dimensions of trade show performance

<table>
<thead>
<tr>
<th>Source</th>
<th>Sample frame</th>
<th>Industry</th>
<th>Market: Developed/Emerging</th>
<th>Performance dimensions</th>
</tr>
</thead>
</table>
| Kerin and Cron (1987)  | List of Trade Show Bureau member organizations     | --                              | United States: Developed   | • Selling  
• Non-selling                                               |
| Hansen (2004)          | Exhibitors at international food shows (SIA and ANUGA) | Food industry                   | French & German: Developed | • Sales-related  
• Information gathering  
• Relationship building  
• Image building  
• Motivation                                               |
| Lee and Kim (2008)     | Directory of three trade show exhibitors           | Medical equipment; broadcast and lighting equipment | Korea: Developed          | • Sales-related  
• Information gathering  
• Relationship improvement  
• Image building                                               |
| Tafesse and Korneliussen (2011) | Directory of Addis Chamber international trade fair | Agricultural, industrial, commercial and service rendering | Ethiopia: Emerging         | • Relational-sales  
• Competitive-intelligence  
• Market-scanning  
• Image-building                                               |
| This study             | Directory of CIFM’11                              | Furniture supplying industries  | China: Emerging            | • Sales-relationship development  
• Motivation-image enhancing  
• Competitive-intelligence gathering  
• Market exploring                                               |
Literature Cited


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Business Research, 57 (1), 1-13.


Klaus, Solberg Søilen (2010), "Boosting Innovation and Knowledge through Delocalization: Market Intelligence at Trade Shows," Problems and Perspectives in Management, 8 (3), 200-08.


Chapter 6

EFFECTS OF INTERNATIONAL TRADE SHOW MARKETING STRATEGIES ON TRADE SHOW PERFORMANCE: DOES EXPERIENCE MATTER?

This article was written by Wenping Shi and Paul M. Smith for submission to the Wood and Fiber Science.
Abstract

A growing body of academic and practitioner literature in the trade shows has highlighted the relationship between international trade show marketing strategies and international trade show performance. Such accumulation of knowledge is expected to imbue practice with an improved understanding of international trade show performance and therefore, to enhance the benefits of trade show exhibiting. However, the effect of experience on the international trade show marketing strategy-performance relationship has not been addressed in literature. This study extends the literature by examining the moderating effects of organizational and individual international trade show experiences on the international trade show marketing strategy-performance relationship. Empirical evidence obtained via email surveys of exhibitors at the largest international furniture supply trade show in China, the China International Woodworking Machinery and Furniture Raw Materials Fair (CIFM) held March 27-30, 2011, supports the moderation effects model presented in this paper. The effects of international trade show marketing strategies on exhibitor performance differs for exhibiting firms with High versus Low international trade show experiences. Managerial implications for international trade show exhibitors suggest the need to adjust strategic planning efforts according to the company and booth staff experience level.
Introduction

The acceleration of global competition is dramatically impacting business organization and practice (Friedman 2007). The intensified competition within an industry has also been noted as a force which places great pressure and importance on a company’s promotional mix (Burnett 1988), thus forcing wood products marketers seek more sophisticated and efficient communication and promotion programs. However, manufacturers can not increase the effectiveness of their marketing efforts without a better understanding of the relationship between marketing promotional strategy and performance, and the critical conditional factors that affect the relationship.

Globalization has shaped the world’s wood product industry supply chains. In the last two decades, the Chinese furniture industry has experienced dramatic growth to become the largest producer and exporter in the world (Chen 2009; CSIL 2011). The supporting industries for Chinese furniture manufacturing includes woodworking machinery, wood raw materials (logs, lumber, panels, components, and parts), furniture hardware, and other furniture supplying industries have also seen rapid growth. U.S. hardwood and panel producers are examining potential market opportunities in China to offset decreased domestic demand.

International furniture supply trade shows (IFS-TSs) have increasingly served as an important venue for furniture suppliers to communicate with target audience in both domestic and international markets. Trade show literature also suggests that international trade shows (ITSs) represent a cost efficient and quick way to promote exports and to gain valuable information for market entry (Motwani et al. 1992; Rice 1992; Shoham 1999). Thus, an increased understanding of how Chinese ITS exhibitors’ use of this key promotional element may help firms develop more efficient and effective offshore exhibiting strategies.
In the wood products industry, several studies have provided insight into suppliers’ (i.e., manufacturers) and customers’ use of trade shows in the furniture industry. Michael and Smith (1994; 1996) showed furniture trade shows are highly important for manufacture-to-retailer promotions. In woodworking machinery trade shows, Smith et al. (1999; 2004) provided quantitative evidence of the effectiveness of trade shows and their contribution to other marketing efforts. Finally, Smith et al. (2003) provided attendees’ perspectives on domestic and offshore ITSs in building products industry. However, no wood products industry studies were found examining ITSs use in China.

In general, the trade show marketing literature has focused on understanding critical strategic exhibitor success factors to enable more efficient and effective exhibit plans (Dekimpe et al. 1997; Gopalakrishna et al. 1995; Lee and Kim 2008; Li 2008; Li 2007; Smith et al. 2004; Tanner 2002). While these studies make significant contributions to help TS practitioners develop effective strategies, only one study was found which examined how trade show practitioners benefit from the experiences of exhibiting firms (Seringhaus and Rosson 2001). Seringhaus and Rosson (2001) examined the impacts of prior ITS experience on ITS practices and performance of Canadian companies and compared the differences between “heavy users” and “light users”, where ITSs usage (i.e., number of shows exhibited) was used as proxy for experience. The differences between “heavy users” and “light users” on ITS selection practices, exhibit planning and management practices, and performance levels advances the idea that experience shapes behavior and in turn, impacts performance. However, how the experience factor affects behavior-performance relationship remains unknown. Brush and Artz (1999) argued that contingencies exist between resource, capabilities, and performance which might make the same resources valuable in some contexts and not in others. Therefore, ITS marketing strategies implemented to achieve exhibitor success might differ by the relative degree of ITS experience. However, the literature has not yet addressed this issue.
The present study attempts to close the gaps discussed above by presenting findings from an empirical research study examining the moderating effects of ITS experience of exhibiting firm and booth personnel at the largest international furniture supply trade show in China - China International Woodworking Machinery and Furniture Raw Materials Fair (CIFM) in March, 2011.

**Literature Review**

**Industry overview**

China’s furniture industry enjoys a combination of plentiful skilled labor, access to capital, supportive supplying industries, and favorable government policies. As a result, China has shifted from a relatively obscure player to the largest furniture producer and exporter in the world (Castaño 2002; Hunter and Li 2007). As of 2010, the production output of the Chinese furniture industry reached approximately $140 billion US Dollars representing 34% of world furniture production (Troian 2011), of which about 25 percent ($33 billion US Dollars) was exported (CSIL 2011) (Fig. 6-1). China’s furniture industry consists of approximately 50,000 furniture manufacturers employing five million employees (Han et al. 2009; Liu and Luo 2009), and is geographically centralized with four major manufacturing clusters along the east coast in the south, east, north, and northeast parts of China (Fig. 6-2).

Using primarily imported materials, China’s domestic furniture supplying industries represent an important competitive advantage to the Chinese furniture industry juggernaut (Smith and West 1994). The rapid growth of Chinese IFS-TSs have provided synergy to the furniture industry and contributed a wide array of benefits to both industries. In addition, China’s IFS-TSs provide exhibitors and attendees with enhanced international business networks, competitive intelligence, products and service promotion, and customer need recognition. The last decade has witnessed a rapid growth in international importance and prestige to China’s IFS-TSs, with the
attraction of increasing numbers of exhibitors and attendees worldwide. For example, China’s largest IFS-TS, CIFM located in Guangzhou attracted 1,023 exhibitors and 50,514 attendees in 2011 from around the world (Shi and Smith 2012).

**Model development and hypotheses**

The effective exhibition at ITS requires an effective and proactive strategy. Previous studies have identified salient trade show marketing strategies critical for enhancing trade show performance (Dekimpe et al. 1997; Gopalakrishna and Lilien 1995; Li 2008; Seringhaus and Rosson 2004). However, Dekimpe et al. (1997) suggested that trade show strategies such as booth size and booth stuff number may or may not enhance performance because different show visitors have different objectives, knowledge and readiness to buy.

Some studies have encouraged future research to examine the moderating conditions under which trade show marketing strategies affect performance (Li 2007) since exhibiting companies obtain both valuable information and experience that may be used to improve the performance at subsequent trade shows (Seringhaus and Rosson 2001). Seringhaus and Rosson (2004) suggested that good marketing and project management skills are required if a ITS exhibit is to achieve its goals, and that these skills can be developed through experience (Carpenter et al. 2001). Thus, this paper develops and empirically tests a proposed model (Fig. 6-3) whereby ITS marketing strategies-performance relationship are moderated by ITS experiences to address the following important questions: Are effective ITS marketing strategies sufficient for achieving high ITS performance or is high ITS performance conditional upon the level of ITS experiences?

**ITS performance and ITS marketing activities**

There is no consensus regarding trade show performance measurement in the extant trade show literature (Hansen 2004; Li 2007). Firms pursue different marketing activities at trade shows and the measurement should reflect this diversity (Hansen 2004; Kerin and Cron 1987;
Tafesse and Korneliussen (2011). Many exhibitors consider activities like image enhancement, competitive information gathering, and improving corporate morale as equal to, if not more important than, selling (Bonoma 1983; Hansen 1999; Hansen 2004; Kerin and Cron 1987). Thus studies used objective performance indicators such as sales leads (Gopalakrishna and Williams 1992), leads conversion compared to major competitors (Dekimpe et al. 1997), and Return On Trade Show Investment (ROTSI) (Smith et al. 1999) do not account for the performance of other activities. A more subjective approach to measuring exhibitors' performance based on their evaluation of trade show marketing activities has been argued to be more comprehensive (Li 2007; Li et al. 2011). ITS performance in this study is measured against exhibitors’ perceived performance on a variety of ITS marketing activities undertaken at the CIFM’11 in Guangzhou, China.

Effects of ITS strategies on ITS performance

The literature has suggested that trade show strategies relating to exhibitor’s booth characteristics have been shown to affect trade show performance in terms of visitor generation, and lead conversion (Dekimpe et al. 1997; Gopalakrishna and Lilien 1995; Seringhaus and Rosson 2004). ITS marketing strategies on the exhibitors' booth characteristics may take the forms of booth size, location, booth staff number, and booth staff training (Kerin and Cron 1987; Li 2008). These strategies aim to attract visitors from the potential trade show attendee audience (Gopalakrishna and Lilien 1995), create positive interaction with visitors, increase persist of selling efforts and, ultimately, contribute to lead conversion (Gopalakrishna and Lilien 1995).

In addition, tactical strategies, such as attention-getting techniques can generate visitor traffic (Gopalakrishna and Lilien 1995; Tanner and Chonko 2002) and after-show follow-ups can increase overall sales productivity and profits (Li 2008; Seringhaus and Rosson 2004; Smith et al. 2004). It is thus hypothesized:
Hypothesis $H_1$: ITS marketing strategies (i.e., booth size, booth staff number, booth staff training, attention-getting techniques, and follow up contacts) are positively related to ITS performance.

**Moderating effects of ITS experiences**

Based on the theoretical model presented in this paper, the moderating effects of exhibiting firms and booth staff’s ITS experiences on a firm’s ITS marketing strategies - performance relationship are examined (Fig. 6-3).

**Organizational ITS experience**

From the dynamic capability perspective (Teece et al. 1997), experience is considered to be a firm-specific asset which is difficult to transfer or replicate among companies because the assets may contain tacit knowledge, and contribute to competitive success. High ITS experience, therefore, might constitute a distinctive capacity influencing a firm’s strategy and business performance (Barkema et al. 1996; Day 1994; Reed and DeFillippi 1990). According to Seringhaus and Rosson (2001), when a firm possesses enough ITS experience, namely the number of previous exhibiting and attending occurrences at ITSs, it then has better tacit production and organizational knowledge about the shows and is more familiar with all ITS tasks. Seringhaus and Rosson (2001) found that “heavy ITS users” allocated more budget on exhibits, staffed more booth personnel, used more visitor attraction techniques, and placed stronger emphasis on analyzing contacts. In terms of performance level, “heavy ITS users” made more contacts and qualified leads and generated higher sales from the ITSs than “light ITS users”. This experience translates to improved show selection, better exhibit planning, and superior performance (Seringhaus and Rosson 2001).

When the exhibiting firms have high organizational ITS experience, more company resources are allocated to the booth resulting in a more optimal booth size and booth staff
number. This booth optimization leads to increased booth attractiveness and superior customer networking (Gopalakrishna and Lilien 1995). In addition, high experience exhibitors place stronger emphasis on booth staff training, attention-getting techniques, and after-show follow-ups to increase ITS performance (Seringhaus and Rosson 2001). Thus, we expect that the effects of ITS marketing strategies on ITS performance will be greater for exhibitors having high organizational ITS experience.

Hypothesis H2a-e: The effects of (a) *booth size*, (b) *booth staff number*, (c) *attention-getting techniques usage*, (d) *after-show follow-ups*, and (e) *booth staff training* on ITS performance are greater for exhibitors having high rather than low organizational ITS experience.

**Individual ITS experience**

Individual experience effects have been widely recognized in the business strategy and management literature, where experience is considered as a valuable asset that more likely leads to success when it is bundled with other assets in a complementary fashion (Barney 1992; Teece et al. 1997).

Booth staff often travel in advance to conduct a number of exhibit activities including networking with visitors, prospect identification, competitive intelligence gathering, and selling products (Gopalakrishna and Lilien 1995; Stevens 2005). Prior ITS experience would develop key skill sets along with personal and professional ties among booth staff and, thus, contribute to the firm’s overall ITS exhibiting success. When exhibiting firms have booth staff with high individual ITS experiences, these booth staff are then considered to have a high level of “boothmanship”. These staff with high boothmanship typically possesses improved familiarity with trade show tasks and greater knowledge of the impacts of ITS marketing strategies on ITS performance. It is thus expected that the effects of ITS marketing strategies on ITS performance will be greater for exhibiting firms having booth staff with high individual ITS experience.
Hypothesis H3a-e: The effects of (a) booth size, (b) booth staff number, (c) attention-getting techniques usage, (d) after-show follow-ups, and (e) booth staff training on ITS performance are greater for exhibitors having booth staff with high rather than low individual ITS experience.

Research Methodology

Data collection method and sample profile

The population for this study is defined as all exhibiting firms at the largest IFS-TS in China in 2011, the Chinese International Woodworking Machinery and Furniture Raw Material Fair (CIFM’11). The official CIFM directory of exhibitors was used as the sample frame and a census was conducted to ensure adequate responses for further analysis since use of larger samples in the application of factor analysis tend to provide results such that sample factor loadings are more precise estimates of population loadings and are also more stable (MacCallum et al. 1999). Online surveys were developed in two languages (English and Chinese) using SurveyMonkey® and pretested by six academic researchers and ten exhibitors drawn from the CIFM’11 directory. To establish translation equivalence, the original English-version instrument was translated into Chinese and verified by an independent bilingual expert. Observed discrepancies were then addressed and corrected.

The survey instrument was administered to all 980 CIFM’11 exhibiting firms in February and March, 2012 utilizing the Dillman et al. (2008) “Tailored Design Method”. A customized cover letter was included with each email survey. The original sample was reduced by 40 for delivery failures, resulting in an adjusted sample frame of 940. Two weeks after the initial surveys, a systematic random sample of 160 non-respondents to the initial survey received follow-up phone calls, which further increased the number of respondents by 61 while also providing an opportunity to examine non-response bias. Ultimately, 300 responses total was
obtained, resulting in a response rate of 31.9%, of which 267 respondents completed all questionnaire items. Non-response bias check was performed on key demographic variables and selected ITS performance variables resulting in no significant differences (p=0.05 level) between early and late respondents.

Respondents represented three major industry sectors, consisting of woodworking machinery, wood raw materials, and hardware and others. One-third of the respondents were exhibitors from outside of China (i.e., foreign exhibitors) and the rest (67%) were domestic exhibitors (Table 6-1). Among the respondents, nearly two-thirds of foreign (65%), but only about half (52%) of domestic firms were in the wood raw materials category. Slightly over half of both domestic and foreign exhibitors were medium-sized firms; however, more foreign firms were categorized as large or very large (26%) versus domestic exhibitors (9.5%) (Table 6-1).

Measures

The scales used to measure ITS marketing strategies were taken directly from the literature and included booth size, booth staff number, use of attention-getting techniques, after-show follow-ups, and booth staff training (Table 6-2). ITS experience is broken into two parts: (1) organizational ITS experience; and (2) individual ITS experience. Organizational ITS experience simply added the number of ITSs the firm participated in over the past 2 years (Seringhaus and Rosson 2001). Individual ITS experience was measured with a Liker-type question (where 1=none, and 5=very high) (Table 6-2). ITS performance was measured using a scale developed by Hansen (2004), consisting of 10 Likert-type items (from 1=very poor to 7=excellent) to evaluate exhibitor performance on 10 ITS marketing activities. The specific operational terms used for ITS performance are included in Table 6-3.
Results

Effect of ITS marketing strategy on ITS performance

Before multiple regression analysis, factor analysis was performed on the 10 ITS marketing activities to develop the ITS performance construct. The correlation matrix for the ten ITS performance items is shown in Table 6-3. Table 6-4 presents the measurement characteristics of ITS performance construct. Then ITS performance was regressed on ITS marketing strategies to test the ITS marketing strategy-performance relationship. To control the effects of objective firm factors on ITS marketing strategies, such as “years in business”, “firm size” (number of employees), and “exhibition mode” (1= independent exhibitor, 2= company booth sponsored by industry association, or 3= company booth shared by firms), these three variables were entered as control variables into the regression analysis prior to hypotheses testing.

In multiple regression analysis, Variance Inflation Factors (VIF) were calculated in this study to detect multicollinearity among independent variables to ensure confidence on the model (Mendenhall and Sincich 2003; Schroeder et al. 1990). The VIF values for the five ITS marketing strategy variables were in the range of 1.03 to 1.724 (< 5), suggesting that multicollinearity is not an issue (Kutner et al. 2004).

Table 6-5 represents the main effects of ITS marketing strategies on ITS performance construct. The strategy variables (i.e., booth size, booth staff number, use of attention-getting techniques, after-show follow ups, and booth staff training) were confirmed to be positively related to ITS performance. These findings support Hypothesis H₁ that the increases of ITS marketing strategies allocation lead to higher ITS exhibiting performance.

Effects of moderator variables

To test for the moderating effects of ITS experience factors on the ITS strategy-performance relationship at the CIFM’11, subgroup analysis was used. As suggested by Arnold
(1982), moderation can be detected by looking for significant difference in regression coefficients across subgroups. For the moderator variable of organizational ITS experience, exhibitor responses ranged from 2 to 56 ITS in the past 2 years. The mean response of 20 ITSs was used to divide exhibitors into “high” (> 20 ITSs) and “low” (≤20 ITSs) subgroups. In terms of individual ITS experience, exhibitors were divided into two subgroups following the procedures suggested by Li (2007). Firstly, the sample was sorted in ascending order based on moderator variables, then broken into three groups: the top and bottom 35% of the cases were selected to reflect the high and low scores of the moderator; and the middle 30% were omitted to improve the contrast between subgroups and statistical tests power (Li 2007). The Chow test (1960) was used to assess the statistical significance difference in regression coefficients across subgroups to test the moderating effects of ITS experiences.

**Moderating effects of organizational ITS experience**

As shown in Table 6-6, the organizational ITS experience moderates the ITS marketing strategies-performance relationship based on the Chow test (F=2.005, p<0.05). Regression coefficients for “booth size”, “pre-show attention-getting techniques”, and “after-show follow-ups” are 0.298 (p<0.001), 0.166 (p<0.05), and 0.358 (p<0.001), respectively, for exhibitors having high organizational ITS experience, and support $H_{2a}$, $H_{2c}$, and $H_{2d}$. The coefficient for “booth staff number” is 0.199 (p<0.01) and 0.15 (p<0.1) for high and low organizational ITS experience subgroups, respectively, which provides support to $H_{2b}$. It is noted that the coefficient for the “booth staff training” is 0.204 (p<0.1) and 0.048 (p>0.1) for low and high organizational ITS experience subgroups, respectively, which does not provide support to $H_{2e}$. These regression coefficients and their statistical significances suggest the following key findings:

- **The increases of booth size, booth staff number, attention-getting techniques, and after-show follow-ups have a stronger significantly positive impact on ITS performance for exhibitors with high organizational ITS experience.** These
findings highlight Hackman’s idea (1990) that superior organization experience leads to routines that reinforce existing practices and ultimately expedites adaptation to achieve better business performance.

- **A unit increase in booth staff training has stronger positive impact on ITS performance is stronger for exhibitors with low organizational ITS experience.**

  The possible explanation is that extra booth staff training provides non-redundant information contributing to success of exhibits for exhibitors possessing low ITS experience.

*Moderating effects of individual ITS experience*

Individual experience appears to moderate the ITS marketing strategies-performance relationship based on the Chow test ($F=10.523$, $p<0.001$) (Table 6-6). The regression standardized coefficients for “booth staff number”, “attention-getting techniques”, and “after-show follow-ups” are 0.169 ($p<0.05$), 0.362 ($p<0.001$), and 0.212 ($p<0.05$), respectively for the subgroup of exhibiting firms having booth staff with high ITS experience, and support $H_{2b}$, $H_{2c}$, and $H_{2d}$. The coefficient for “booth size” is 0.258 ($p<0.01$) versus 0.206 ($p<0.01$) for exhibitors having booth staff with high and low ITS experience, respectively, which supports $H_{2a}$. Variable of “booth staff training” is not related to ITS performance for two subgroups (at the $p=0.1$). However, the coefficient for “booth staff training” is 0.131 and 0.112 for the subgroup of exhibitors having low and high experienced booth staff, respectively, which does not support $H_{2e}$.

These statistics suggest key findings as follows:

- **The increases of booth size, booth staff number, attention-getting techniques, and after-show follow-ups have a stronger significantly positive impact on ITS performance for exhibitors with high individual ITS experience booth staff.**

Consistent with the dynamic capability theory (Teece et al. 1997), high individual
experience leads to superior trade show performance when it is bundled with other strategies.

- **A unit increase in booth staff training has a stronger positive impact on ITS performance for exhibiting firms having booth staff with low experience.** One possible explanation is that highly experienced booth staff may have had sufficient training for their prior ITS participation, thus additional training provides less contribution to the firm’s ITS performance.

**Conclusions and Implications**

**Conclusions**

The present study reinforces the main effects of ITS marketing strategies on ITS performance and most importantly, reveals the important moderating effects of organizational and individual ITS experience on the ITS strategy-performance relationship, thus validating the proposed theoretical framework.

As the ITS experiences bring familiarity with best practices and facilitate skills and knowledge enhancement, the strategy-performance relationship is affected by the level of ITS experiences. High organizational ITS experience helps to reinforce existing effective ITS exhibiting practices and expedites adaptive learning to achieve higher performance. High individual ITS experience of booth staff helps to enhance capability in coordinating ITS marketing strategies and contributes to superior ITS performance when it is bundled with other strategic efforts. The interpretation of the moderating effects of experience (high vs. low) on the ITS strategy-performance relationship is less clear for booth staff training. Results show that booth staff training has stronger positive impact on ITS performance for exhibiting firms with low organizational and individual ITS experience, which implies that less-experienced exhibiting
firms are more likely to rely on trained booth staff in implementing ITS activities to contribute to higher ITS performance.

Managerial implications

The manufacturing and trade in the furniture supplying industries have become global in nature, with the marketing of products augmented by the use of international furniture supply trade shows. Examination of the relationship between ITS marketing strategy and ITS performance, and the effects of conditional factors on this relationship are important to help marketers develop efficient ITS exhibition plans and increase the effectiveness of their promotion programs. Our findings from the largest Chinese furniture supply trade show provide the following two important implications: First, marketers using international furniture supply trade shows can achieve superior ITS performance through ensuring sufficient booth size, booth staff personnel, pre-show attention-getting techniques (e.g., email/phone call invitations to potential visitors, announcement on the social media, and free entry voucher), and after-show follow-ups (e.g., thank-you email, phone calls, and reminder of trade show special offer).

And second, marketers tasked with exhibit planning need to consider their ITS marketing strategies allocation by ITS experience factors. Findings of this study underscore the benefits derived from prior ITS exhibiting experience. If firms have high ITS experience, then they may capitalize on strategies like booth size, booth staff number, pre-show attraction-getting techniques, and after-show follow-ups to achieve superior ITS performance, and less emphasis should be given to booth staff training level. Conversely, for firms with low ITS experiences, their strategic efforts on booth staff training should be emphasized.

The results of this study provide valuable assistance for furniture supplying industries who are interested in exhibiting at ITSs. Exhibitors must keep in mind that the level of organizational and individual ITS experience has a profound impact on the ITS strategy-
performance relationship. Having a cost-effective and efficient trade show strategic plan is especially important for the firms exhibiting offshore, due to the high costs of ITS participation.
Figure 6-1. Chinese furniture production and exports (2000-2010) (CSIL 2011)
Figure 6-2. Chinese furniture industrial distribution in 2008
Figure 6-3. A proposed model of ITS experiences as moderators on the relationship of ITS strategy and performance
Table 6-1: Respondent profile

<table>
<thead>
<tr>
<th>Category</th>
<th>Exhibitors</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Foreign N (%)</td>
<td>Domestic N (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>99 (33%)</td>
<td>201 (67%)</td>
</tr>
<tr>
<td><strong>Industry sector</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodworking machinery</td>
<td>21 (21.2%)</td>
<td>36 (17.9%)</td>
<td></td>
</tr>
<tr>
<td>Wood raw materials</td>
<td>64 (64.6%)</td>
<td>104 (51.7%)</td>
<td></td>
</tr>
<tr>
<td>Hardware and other</td>
<td>14 (14.2%)</td>
<td>61 (30.4%)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-99 (small)</td>
<td>22 (22.2%)</td>
<td>77 (38.3%)</td>
<td></td>
</tr>
<tr>
<td>100-299 (medium)</td>
<td>51 (51.5%)</td>
<td>105 (52.2%)</td>
<td></td>
</tr>
<tr>
<td>300-599 (large)</td>
<td>19 (19.2%)</td>
<td>15 (7.5%)</td>
<td></td>
</tr>
<tr>
<td>Over 600 (very large)</td>
<td>7 (7.1%)</td>
<td>4 (2%)</td>
<td></td>
</tr>
<tr>
<td><strong>Years been in business</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;15</td>
<td>61 (61.6%)</td>
<td>110 (54.7%)</td>
<td></td>
</tr>
<tr>
<td>15-30</td>
<td>36 (36.4%)</td>
<td>74 (36.8%)</td>
<td></td>
</tr>
<tr>
<td>&gt;30</td>
<td>2 (2%)</td>
<td>17 (8.5%)</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>Scale description</td>
<td>Source</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td><strong>Booth size</strong></td>
<td>Booth space used in square meter</td>
<td>Dekimpe et al. (1997)</td>
<td></td>
</tr>
<tr>
<td><strong>Booth staff number</strong></td>
<td>Number of booth staff used</td>
<td>Gopalakrishna and Lilien (1995)</td>
<td></td>
</tr>
<tr>
<td><strong>Attention-getting techniques</strong></td>
<td>Total number of techniques used</td>
<td>Seringhaus and Rosson (2004)</td>
<td></td>
</tr>
<tr>
<td><strong>After-show follow-ups</strong></td>
<td>Total number of follow-up contact tools used</td>
<td>Seringhaus and Rosson (2004)</td>
<td></td>
</tr>
<tr>
<td><strong>Booth staff training</strong></td>
<td>Five-point Likert scale with endpoints as 1= none and 5=very high</td>
<td>Li (2008)</td>
<td></td>
</tr>
<tr>
<td><strong>Organizational experience</strong></td>
<td>Total number of international trade shows participated in the last two years</td>
<td>Seringhaus and Rosson (2001)</td>
<td></td>
</tr>
<tr>
<td><strong>Individual experience</strong></td>
<td>Five-point Likert scale with endpoints as 1= none and 5=very high</td>
<td>PretestingPanel (2012)</td>
<td></td>
</tr>
<tr>
<td><strong>Performance on 10 identified ITS activities (Table 6-3)</strong></td>
<td>Seven-point Likert scale with endpoints as 1=very poor and 7=excellent</td>
<td>Hansen (2004)</td>
<td></td>
</tr>
</tbody>
</table>
### Table 6-3. Correlation matrix of 10 ITS performance items

<table>
<thead>
<tr>
<th></th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
<th>V5</th>
<th>V6</th>
<th>V7</th>
<th>V8</th>
<th>V9</th>
<th>V10</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>-</td>
<td>0.49</td>
<td>0.41</td>
<td>0.48</td>
<td>0.34</td>
<td>-0.05</td>
<td>-0.06</td>
<td>0.01</td>
<td>0.03</td>
<td>0.09</td>
</tr>
<tr>
<td>V2</td>
<td>0.49</td>
<td>-</td>
<td>0.61</td>
<td>0.44</td>
<td>0.40</td>
<td>-0.07</td>
<td>-0.01</td>
<td>0.06</td>
<td>0.12</td>
<td>0.16</td>
</tr>
<tr>
<td>V3</td>
<td>0.41</td>
<td>0.61</td>
<td>-</td>
<td>0.38</td>
<td>0.32</td>
<td>-0.14</td>
<td>-0.07</td>
<td>-0.03</td>
<td>0.03</td>
<td>0.07</td>
</tr>
<tr>
<td>V4</td>
<td>0.48</td>
<td>0.44</td>
<td>0.38</td>
<td>-</td>
<td>0.55</td>
<td>-0.07</td>
<td>0.01</td>
<td>0.01</td>
<td>0.05</td>
<td>0.07</td>
</tr>
<tr>
<td>V5</td>
<td>0.34</td>
<td>0.40</td>
<td>0.32</td>
<td>0.55</td>
<td>-</td>
<td>0.69</td>
<td>0.02</td>
<td>0.41</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>V6</td>
<td>-0.05</td>
<td>-0.07</td>
<td>-0.14</td>
<td>-0.07</td>
<td>-0.08</td>
<td>-</td>
<td>0.69</td>
<td>0.47</td>
<td>0.02</td>
<td>-</td>
</tr>
<tr>
<td>V7</td>
<td>-0.06</td>
<td>-0.01</td>
<td>-0.07</td>
<td>0.01</td>
<td>0.02</td>
<td>0.69</td>
<td>-</td>
<td>0.47</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>V8</td>
<td>0.01</td>
<td>0.06</td>
<td>0.10</td>
<td>-0.03</td>
<td>0.01</td>
<td>0.41</td>
<td>0.47</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>V9</td>
<td>0.03</td>
<td>0.12</td>
<td>0.03</td>
<td>0.05</td>
<td>0.07</td>
<td>-0.02</td>
<td>-0.01</td>
<td>0.02</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>V10</td>
<td>0.09</td>
<td>0.16</td>
<td>0.07</td>
<td>0.10</td>
<td>0.10</td>
<td>0.07</td>
<td>0.04</td>
<td>0.18</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.72

Bartlett’s Test of Sphericity = 688.94, significance = 0.000
Table 6-4. ITS performance measurement characteristics

<table>
<thead>
<tr>
<th>Measure Items</th>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1. Introduce new products</td>
<td>V7. Increase staff’s trade show experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V2. Discover new prospects</td>
<td>V8. Enhance company’s overseas image</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V3. Promote existing products</td>
<td>V9. Explore opportunities in new region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V5. Maintain relationship with existing customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V6. Gain edge over non-exhibitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

International trade show performance 4.37 0.46 0.65

1 Cronbach’s alpha to check for internal consistency, value of 0.65 suggests acceptable reliability (Nunnally and Bernstein 1994)
Table 6-5. Multiple regression analysis of ITS marketing strategies effects on ITS performance

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variable: ITS performance construct</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ITS marketing strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Booth size</td>
<td>0.233****</td>
</tr>
<tr>
<td>Booth staff number</td>
<td>0.156***</td>
</tr>
<tr>
<td>Attention-getting techniques</td>
<td>0.125**</td>
</tr>
<tr>
<td>After-show follow-ups</td>
<td>0.227****</td>
</tr>
<tr>
<td>Booth staff training</td>
<td>0.124*</td>
</tr>
<tr>
<td><strong>Control variables</strong></td>
<td></td>
</tr>
<tr>
<td>Years been in business</td>
<td>0.091*</td>
</tr>
<tr>
<td>Firm size</td>
<td>0.096*</td>
</tr>
<tr>
<td>Exhibition mode</td>
<td>0.039</td>
</tr>
<tr>
<td>R square</td>
<td>0.358</td>
</tr>
<tr>
<td>Adjust R square</td>
<td>0.338</td>
</tr>
</tbody>
</table>

* Significant at 0.10 level; ** significant at 0.05 level; *** significant at 0.01 level; **** significant at 0.001 level.
### Table 6-6. Regression coefficient effects on ITS performance by high/low levels of moderator

<table>
<thead>
<tr>
<th></th>
<th>Organizational international trade show experience</th>
<th>Individual international trade show experience</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (n=139)</td>
<td>Low (n= 128)</td>
</tr>
<tr>
<td>Booth size</td>
<td>0.298****</td>
<td>0.103</td>
</tr>
<tr>
<td>Booth staff number</td>
<td>0.199***</td>
<td>0.15*</td>
</tr>
<tr>
<td>Attention-getting techniques</td>
<td>0.166**</td>
<td>0.042</td>
</tr>
<tr>
<td>After-show follow-ups</td>
<td>0.358****</td>
<td>0.127</td>
</tr>
<tr>
<td>Booth staff training</td>
<td>0.048</td>
<td>0.204*</td>
</tr>
<tr>
<td>Adjusted R$^2$</td>
<td>0.485***</td>
<td>0.214***</td>
</tr>
<tr>
<td>F statistics</td>
<td>2.005**</td>
<td>10.523****</td>
</tr>
</tbody>
</table>

* Significant at 0.10 level; ** significant at 0.05 level; *** significant at 0.01 level; **** significant at 0.001 level.
Literature Cited


PretestingPanel (2012), "International furniture supply trade show survey instrument pretesting."

Pretesting results from the academic and industry experts panel.


Chapter 7

STRATEGY AND PERFORMANCE OF INTERNATIONAL TRADE
SHOW EXHIBITORS FROM DIFFERENT CULTURAL REGIONS:
FOREIGN VS DOMESTIC

This article was written by Wenping Shi and Paul M. Smith for submission to the Journal of International Marketing/ Journal of Business and Industrial Marketing.
Abstract

The trend towards globalization of markets lends increasing relevance to the study of international trade shows; however, the comparative research on how exhibiting firms from different cultural regions use international trade show is still lacking. Empirical data obtained from the largest international furniture supply trade show in China were used to examine the differences between Chinese (i.e., domestic exhibitors) and non-Chinese exhibiting firms (i.e., foreign exhibitors) on their international trade show marketing strategies and performance evaluation. Foreign exhibitors staffed the booth with more personnel, used more pre-show attention-getting techniques, and conducted more after-show follow-ups. No significant difference was found regarding the number of exhibited products between domestic and foreign exhibitors. With respect to international trade show performance, foreign (non-Chinese) exhibitors rated their performance higher on sales-relationship development, competitive-intelligence gathering, and market exploring activities, and rated their international trade show exhibit performance lower on motivation-image enhancing dimension versus domestic (Chinese) exhibiting firms. The findings suggest that foreign versus domestic exhibitors approach international trade shows differently. International exhibitors overcome their physical distance and cultural trade show exhibit challenges by allocating more resources and devoting more effort toward achieving successful performance outcomes.
Introduction

With the globalization of the marketplace, foreign markets are becoming increasingly attractive. Among marketing programs, International Trade Shows (ITSs) have emerged as a valuable vehicle for firms to gain access to market information and decision makers quickly in both domestic and international markets (Kirchgeorg et al. 2010; O'Hara et al. 1993; Rice 1992). According to the Paris-based, Global Association of the Exhibition Industry (UFI) which represents nearly 600 trade show organizers and convention centers in 84 countries around the world, nearly half (46%) of the global growth of exhibitions between 2006 and 2011 took place in China (UFI 2011). Strong domestic demand for exhibitions have stemmed from the strong Chinese economy and high levels of international trade. Approximately 5,000 exhibitions were held in China in 2012 (IBISWorld 2012). As China remains the largest manufacturing country in the world, Chinese-based trade shows will continue to be in high demand. Additionally, with increasing disposable income, the discretionary spending power of approximately 1.3 billion Chinese consumers is substantial. This makes the Chinese market even more attractive.

ITSs bring domestic and offshore exhibiting firms together during a short span of time to network with customers, improve corporate image, and gather critical marketing related data such as competitive reactions, product development, pricing and distribution structures (Palumbo et al. 1998; Rizzo 1982). Participation at foreign ITSs is costly and difficult to organize (Seringhaus and Rosson 1998). Domestic exhibiting firms typically enjoy advantages such as lower costs, streamlined logistics, and easier communication. To successfully compete at ITSs, both domestic and foreign exhibiting firms should have efficient ITSs exhibition management and marketing strategy plans.

However, the strategic approach to exhibiting and perceived exhibit performance at ITSs between exhibiting firms from the home country where the show is held (i.e., domestic
exhibitors) versus firms from overseas (i.e., foreign exhibitors) is less certain. Increasing participation rates at the Chinese ITSs provides an impetus for studies to extend knowledge regarding how domestic and foreign exhibitors use Chinese ITSs.

**Literature Review**

The purpose of this study is to compare and contrast the ITS strategies and performance of domestic and foreign exhibitors. The literature shows a limited number of empirical studies on this issue. The theoretical stepping stone of this study are, therefore, a review of the international trade show (ITS) literature discussing those aspects of exhibitors in general.

**International trade shows**

That trade shows are considered important in the international marketing activity of many organizations seems not to be in question (Seringhaus and Rosson 1998; Shi and Smith 2012; Smith et al. 2003). For both domestic and foreign exhibitors, ITSs provide firms with the opportunity to create sales; establish relationship with agents and distributors that can lead to more permanent distribution in foreign markets; cultivate new customers for small and mid-sized businesses; collect competitive intelligence; and cut the entry time for exporting (Bello and Barksdale 1986; Rizzo 1982; Seringhaus and Rosson 2001; Seringhaus and Rosson 1998). Since ITSs are attended by exhibitors and attendees from many countries, opportunities exist for social interaction to take place within a multi-cultural environment.

However, the fact that ITS attracts thousands of domestic and foreign attendees also brings some downside: “A trade show is a crowded, cluttered and confusing environment, and both buyers and sellers must cope with a lot of competing and conflicting marketing noise…” (Konopacki 1985). Such a chaotic environment may inhibit effective communication between exhibitors and attendees (Bello and Barksdale 1986). These challenges are borne mainly by
foreign exhibitors. Rice (1992) also noted that there are two “cultural distance” variables in the process of establishing cross-cultural business links at the multi-cultural ITSs: institutional distance (e.g., political uncertainty) and psychic distance (e.g., language and communication barriers). Institutional distance will affect the firm’s logistical and financial decisions associated with ITS participation. For foreign exhibitors participating at the overseas ITSs, higher costs occur because of such additional expenses as overseas shipping, insurance, products storage, and long distance communication during the transportation resulted from physical/geographic distance to the ITS market. On the other hand, psychic distance is associated with the communicative problems of interacting with foreign attendees (Rice 1992). Bello and Barksdale (1986) found that the communicative and transactional difficulties that U.S. exhibitors encounter while selling to foreign attendees were influenced by the export knowledge of the exhibitor. A cross-cultural study (Tse et al. 1988) found that cultures matter in marketing decision making between Chinese and Canadian executives. At a ITS, understanding of the cultures and likely purchasing strategies of the various attendees is essential for success (Rice 1992). Compared with foreign exhibitors, domestic exhibitors enjoy advantages such as better understanding of the ITS market and business cultures; better knowledge about attendees’ purchasing strategies; lower logistics cost; and easy communication. These differences may be reflected in differing business practices such as the ITS marketing strategies and performance evaluation.

**International trade show comparative studies**

Several comparative studies of international trade show strategy and performance have been conducted. Shipley et al. (1993) compared British engineering firms who only exhibit at TSs in the UK versus firms who participated in both UK and overseas exhibiting, and reported significance differences on exhibiting objectives and exhibition selection criteria between these two groups. Dekimpe et al. (1997) built a model that captures differences in trade show
effectiveness across industries, companies, and two countries: U.S. and UK, to generalize about the effect of TS strategy variables on observed TS performance. Palumbo et al. (1998) observed that “domestic exhibitors” who exhibited at a domestic (i.e., U.S.) TS during the particular time frame and “international exhibitors” who had exhibited overseas differ on TS performance evaluation and the use of post-show follow up tactics.

Another comparison by Seringhaus and Rosson (1998) found that exhibitors who participate in ITSs with export assistance (i.e., government stand exhibitors) and those without (i.e., independent stand exhibitors) differ on the pre-show visitor attraction efforts, in-show promotion activities, and ITS performance. Later, Skallerud (2010) replicated Seringhaus and Rosson’s study (1998) in the food and beverage industry and broadened the scope of “joint booths” that are not limited to government booths only, but include all kinds of joint booths such as regional, government, regional-industry specific, government-industry specific, booths sponsored by industry associations, and booths voluntarily shared by individual firms. His findings suggest that joint booth exhibitors differ from independent exhibitors on ITS participation strategies and ITS performance (Skallerud 2010).

With the acceleration of the globalization, more and more firms have been advised and urged to make use of ITSs to improve their marketing performance. None of the aforementioned papers cited offered any empirical evidence of the how ITSs are used by exhibitors from different cultural regions. It would be valuable to discover the similarities and differences of ITSs marketing strategies and performance evaluation between exhibitors from different cultural regions. Thus, this study makes an attempt to examines Chinese (domestic) versus non-Chinese (foreign) exhibitors in terms of their ITS strategy and perceived ITS performance using empirical data obtained from the largest international furniture supply trade show in China. This research provides both current and potential exhibiting firms and ITS service providers with deeper
insights to enable them to make more informed decisions about marketing expenditures and their general ITS planning.

**Research Methodology**

**Data collection methods**

The directory of exhibitors at the largest IFS-TS in China in 2011, the Chinese International Woodworking Machinery and Furniture Raw Material Fair (CIFM’11), was used as sample frame. The total population included 980 exhibitors, of which 193 were international and 787 were domestic exhibitors. The show organizer defined the exhibitor nationality by the origin of establishment: domestic exhibitors are companies established in China (excluding Hong Kong and Taiwan), exhibitors come from outside China are defined as foreign exhibitors. CIFM is an annual ITS for the international furniture supply industries (i.e., woodworking machinery, wood raw material, hardware and others) held in the Chinese city of Guangzhou. The 2011 event attracted more than 50,000 visitors around the world (Shi and Smith 2012).

A census was conducted to ensure adequate responses for further analysis since use of larger samples in the application of factor analysis tend to provide results such that sample factor loadings are more precise estimates of population loadings and are also more stable (MacCallum et al. 1999). Online surveys were developed in two languages (English and Chinese) using SurveyMonkey® and pretested by six academic researchers and ten exhibitors drawn from the CIFM’11 directory. To establish translation equivalence, the original English-version instrument was translated into Chinese and verified by an independent bilingual expert. Observed discrepancies were then addressed and corrected.

The survey instrument was administered to all 980 CIFM’11 exhibiting firms utilizing the Dillman et al. (2008) “Tailored Design Method”. A customized cover letter was included with each email survey. Of the 980 sampled exhibitors, 40 were listed with an incorrect email contact.
From the remaining pool of 940 exhibitors, 300 exhibitors responded during a three-week collection period, of which 61 responses were added via follow-up phone call efforts two weeks after the initial survey, resulting in a response rate of 31.9%. Non-response bias check was performed on key demographic and ITS performance variables resulting in no significant differences (p=0.05 level) between early and late respondents.

**Sample profile**

The profiles of domestic (Chinese) and foreign (non-Chinese) exhibitors are shown in Table 7-1. Respondents represented three major industry sectors consisting of woodworking machinery, wood raw materials, and hardware and others. One-third of the respondents were foreign exhibitors, and the rest (67%) were domestic exhibitors (Table 7-1). Among the respondents, nearly two-thirds of foreign (65%), but only about half (52%) of domestic firms were in the wood raw materials category. Slightly over half of both domestic and foreign exhibitors were medium-sized firms; however, more foreign exhibitors were categorized as large or very large (26%) versus domestic exhibitors (9.5%) (Table 7-1).

**Measures**

Exhibitor ITS marketing strategies were captured by means of single-item measures taken from the trade show literature. The four strategy measures are booth staff number, exhibited products, attention-getting techniques, and after-show follow-ups (Table 7-2).

The multidimensional ITS performance scale developed by Hansen (2004) is adapted to measure performance in this study. A set of 16 ITS marketing activities was used to enable the key informants to evaluate their performance on a 7-point Likert-scale (1=very poor to 7=excellent). Factor Analysis with principle component extraction method is performed on the 16 performance variables using SPSS 19.0, resulting in four factors labeled as sale-relationship
development, motivation-image enhancing, competitive-intelligence gathering, and market exploring. The calculated Cronbach’s alpha of the summated scales ranges from 0.82 for sale-relationship development to 0.92 for the market-exploring, suggesting strong satisfaction of internal reliability (Nunnally and Nunnally 1994). Table 7-3 summarizes the measurement statistics for the ITS performance constructs and scale items for each of the performance dimensions, the detailed description of the ITS performance items is displayed in the Appendix I.

**Analysis technique**

The differences between domestic and foreign exhibitors were analyzed with a t-test. The t-test is robust under violation of parametric assumption (Zimmerman 1987). However, given the unequal sample size in this study (n=99 foreign vs. n=201 domestic), the inequality of variances could have a pronounced effect on significance levels. Therefore, before performing t-test, the assumption of homogeneity of variance was checked on the strategies and performance constructs between these two sub-samples exhibitors. The check suggests equal variances on all measures between two sub-groups. Thus, t-test was performed on the 4-factor ITS performance construct and selected ITS exhibitor marketing strategies between foreign vs. domestic exhibitors. In order to address the multiple testing problem, adjusted alpha level was employed using Bonferroni’s correction. Bonferroni’s correction is to establish a new alpha level, or p-value for determining statistical significance using the formula: new alpha=old alpha/n, where n is the number of comparisons reported in the study (Lang and Secic 2006).

**Results**

**ITS exhibitor marketing strategies**

Table 7-4 presents the ITS marketing strategies of domestic (Chinese) and foreign (non-Chinese) exhibitors. Several significant differences between the domestic and foreign exhibitors
were found. Foreign exhibitors staffed more personnel, employ significantly more pre-show attention-getting techniques and after-show follow-up contact tools. As to have been expected, domestic exhibitors had a slightly higher average number of exhibited products (5.72 vs. 5.26) compared with foreign exhibitors. As mentioned earlier, higher logistics costs may occur because of the geographical distance between foreign exhibitor and the ITS market, which may inhibit foreign exhibitors from transporting and displaying more products at the show.

**ITS exhibitors performance**

The performance of domestic and foreign exhibitors is shown in Table 7-5. The performance assessments on sales-relationship development, competitive-intelligence gathering, and market exploring dimensions are rated significantly higher among foreign exhibitors; while domestic exhibitors perceived their performance on motivation-image enhancing activities as higher. Notably, the best perceived performance for both groups is related to competitive-intelligence gathering activities.

**Conclusions and Implications**

**Conclusions**

This study provides a benchmark to examine differences in ITS strategy and performance between exhibitors coming from different cultural regions (Chinese versus non-Chinese). Several significant differences were found between the two exhibiting groups, suggesting that foreign versus domestic exhibitors approach international trade shows differently.

Foreign (non-Chinese) exhibitors at the CIFM’11 staffed the booth with more booth personnel, used more pre-show attention-getting techniques and conducted more after-show follow-ups versus domestic (Chinese) exhibitors. No significant differences were found on the number of exhibited products among the two groups with domestic having slightly higher average
number of exhibited products. Overall, the results demonstrate that foreign exhibitors allocated more ITS resources compared to domestic exhibitors. This is not surprising given the significant benefits that ITSs offer to foreign exhibitors, such as effective communication with hard-to-reach customers, making high quality, cost-effective sales contacts (Vanderleest 1994), and gathering valuable multi-cultural information through overseas experience and personal contacts (Motwani et al. 1992; O’Hara et al. 1993).

Domestic (Chinese) exhibitors assessed their motivation-image enhancing performance as higher, which may suggest that exhibiting at home country provides benefits for firms to train their sales team through ITS experience and personal contacts with visitors around the world, build its reputation, and also enhance company’s image. On the other three performance dimensions of sale-relationship development, competitive-intelligence gathering, and market exploring, foreign (non-Chinese) exhibitors rated their performance as higher vs. domestic (Chinese) exhibitors. ITSs attract thousands of foreign attendees and provide an environment rich in export stimuli. It is suggested that these attendees are often highly placed decision makers who attend the ITS to locate new suppliers, examine products not available from the domestic suppliers, and are often accustomed to making significant expenditures (Bello and Barksdale 1986). Besides the considerable number of key decision makers, ITSs also bring in major industry players who are targeted by foreign exhibitors. In addition, these ITS venues also provide a great venue for exhibiting firms to make contacts with existing and potential customers, observe the competition, gather marketing research data, and test the export waters. As more firms consider global markets, ITSs will no doubt play a more prominent role in their overseas marketing mix.

**Future research implications**

The trend towards greater globalization of markets and competition suggests that more studies of ITS are in order. However, to date, comparative studies of ITS across nations is still
lacking in the extant literature. This study compared the ITS marketing strategies and perceived performance of exhibiting firms from the home country vs. overseas exhibitors. This empirical research is limited to exhibitors at a single international furniture supplies show, which limits the generalization power. The findings should be cross-validated in future research in other industries to test the extent to which the findings can be generalized effectively across multiple industries.

Significant differences regarding aspects of ITS strategies and dimensions of ITS performance were found between exhibitors from different cultural regions. Beyond culture, other factors may result in the differences between domestic and foreign exhibitors, for instance, the extent of export commitment and the degree of internationalization of the company. Further research may examine these and other factors which may interact with the cultural effects in the ITS context.
Table 7-1. Profile of domestic (Chinese) and foreign (non-Chinese) responding exhibitors at the CIFM’11

<table>
<thead>
<tr>
<th>Category</th>
<th>Exhibitors N (%)</th>
<th>Foreign: Non-Chinese</th>
<th>Domestic: Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>99 (33%)</td>
<td>201 (67%)</td>
</tr>
</tbody>
</table>

| Industry sector           |                  |                      |                  |
|---------------------------|                  |                      |                  |
| Woodworking machinery     | 21 (21.2%)       | 36 (17.9%)           |                  |
| Wood raw materials        | 64 (64.6%)       | 104 (51.7%)          |                  |
| Hardware and other        | 14 (14.2%)       | 61 (30.4%)           |                  |

| Number of employees       |                  |                      |                  |
|---------------------------|                  |                      |                  |
| 1-99 (small)              | 22 (22.2%)       | 77 (38.3%)           |                  |
| 100-299 (medium)          | 51 (51.5%)       | 105 (52.2%)          |                  |
| 300-599 (large)           | 19 (19.2%)       | 15 (7.5%)            |                  |
| Over 600 (very large)     | 7 (7.1%)         | 4 (2%)               |                  |

<p>| Years been in business   |                  |                      |                  |
|--------------------------|                  |                      |                  |
| &lt;15                      | 61 (61.6%)       | 110 (54.7%)          |                  |
| 15-30                    | 36 (36.4%)       | 74 (36.8%)           |                  |
| &gt;30                      | 2 (2%)           | 17 (8.5%)            |                  |</p>
<table>
<thead>
<tr>
<th>Measure</th>
<th>Scale description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booth staff</td>
<td>Number of booth staff used</td>
<td>Gopalakrishna and Lilien (1995)</td>
</tr>
<tr>
<td>Exhibited products</td>
<td>Number of products exhibited at the booth</td>
<td>Kerin and Cron (1987)</td>
</tr>
<tr>
<td>ITS Exhibitor Marketing Strategies</td>
<td>Total number of pre-show attention-getting techniques used: mail invitation; pre-show email contact; pre-show telephone contact; publicity materials; free entry vouchers; contact by local dealer/salespeople; Ads in trade publication; and Ads in social media</td>
<td>Seringhaus and Rosson (2004)</td>
</tr>
<tr>
<td>ITS Performance (Appendix I)</td>
<td>Total number of follow-up contact tools used: a personal email thank-you note; a personalized letter with further information requested at the show; follow-up phone call; reminder of a trade show special offer; and thank-you note on social media</td>
<td>Seringhaus and Rosson (2004)</td>
</tr>
<tr>
<td>ITS Performance (Appendix I)</td>
<td>Seven-point Likert scale with endpoints as 1=very poor and 7=excellent</td>
<td>Hansen (2004)</td>
</tr>
</tbody>
</table>
Table 7-3. Measurement statistics for the international trade show performance construct

<table>
<thead>
<tr>
<th>Performance dimension</th>
<th># of items</th>
<th>Mean</th>
<th>SD</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales-relationship development</td>
<td>6</td>
<td>4.14</td>
<td>0.69</td>
<td>0.815</td>
</tr>
<tr>
<td>Motivation-image enhancing</td>
<td>5</td>
<td>4.26</td>
<td>0.58</td>
<td>0.851</td>
</tr>
<tr>
<td>Competitive-intelligence gathering</td>
<td>3</td>
<td>5.33</td>
<td>0.67</td>
<td>0.832</td>
</tr>
<tr>
<td>Market exploring</td>
<td>2</td>
<td>4.96</td>
<td>1.11</td>
<td>0.920</td>
</tr>
</tbody>
</table>
Table 7-4. International trade show strategies of domestic versus foreign exhibitors

<table>
<thead>
<tr>
<th>ITS strategy</th>
<th>Foreign: Non-Chinese (n=91)</th>
<th>Domestic: Chinese (n=179)</th>
<th>t-value</th>
<th>p$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Booth staff number</td>
<td>4.78</td>
<td>3.97</td>
<td>4.246</td>
<td>0.000</td>
</tr>
<tr>
<td>Exhibited products number</td>
<td>5.26</td>
<td>5.72</td>
<td>-1.470</td>
<td>0.143</td>
</tr>
<tr>
<td>Pre-show attention-getting techniques (#)</td>
<td>2.55</td>
<td>1.98</td>
<td>5.361</td>
<td>0.000</td>
</tr>
<tr>
<td>After-show follow-ups (#)</td>
<td>2.62</td>
<td>1.73</td>
<td>8.68</td>
<td>0.000</td>
</tr>
</tbody>
</table>

$^1$ The adjusted p-value based on Bonferroni’s correction = 0.05/4=0.0125.
Table 7-5. International trade show performance of domestic versus foreign exhibitors

<table>
<thead>
<tr>
<th>ITS performance dimension</th>
<th>Foreign: Non-Chinese (n=91)</th>
<th>Domestic: Chinese (n=179)</th>
<th>t-value</th>
<th>p²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales-relationship development</td>
<td>4.27</td>
<td>4.06</td>
<td>2.41</td>
<td>0.017</td>
</tr>
<tr>
<td>Motivation-image enhancing</td>
<td>3.93</td>
<td>4.43</td>
<td>-7.308</td>
<td>0.000</td>
</tr>
<tr>
<td>Competitive-intelligence gathering</td>
<td>5.51</td>
<td>5.24</td>
<td>3.126</td>
<td>0.002</td>
</tr>
<tr>
<td>Market exploring</td>
<td>5.18</td>
<td>4.85</td>
<td>2.312</td>
<td>0.022</td>
</tr>
</tbody>
</table>

¹ 1=very poor to 7= excellent.

² The adjusted p-value based on Bonferroni’s correction = 0.05/4=0.0125.
### Appendix I

**The international trade show performance measures used in this study**

<table>
<thead>
<tr>
<th>Performance variables</th>
<th>Mean</th>
<th>SD</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales-relationship development</strong></td>
<td></td>
<td></td>
<td>0.815</td>
</tr>
<tr>
<td>(V1) Generate sales</td>
<td>3.90</td>
<td>0.97</td>
<td></td>
</tr>
<tr>
<td>(V2) Promoting existing products</td>
<td>4.19</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>(V3) Introduce new products</td>
<td>3.52</td>
<td>0.71</td>
<td></td>
</tr>
<tr>
<td>(V4) Discover new prospects</td>
<td>4.32</td>
<td>0.95</td>
<td></td>
</tr>
<tr>
<td>(V5) Meet key decision makers</td>
<td>4.22</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>(V6) Maintain relationship with existing customers</td>
<td>4.66</td>
<td>1.24</td>
<td></td>
</tr>
<tr>
<td><strong>Motivation-image enhancing</strong></td>
<td></td>
<td></td>
<td>0.851</td>
</tr>
<tr>
<td>(V7) Train the sales team</td>
<td>3.99</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td>(V8) Increase staff’s trade show experience</td>
<td>4.52</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>(V9) Enhance company’s overseas image</td>
<td>4.26</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>(V10) Gain an edge over competitors who are not</td>
<td>4.59</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>(V11) Demonstrate company’s capability</td>
<td>3.94</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td><strong>Competitive-intelligence gathering</strong></td>
<td></td>
<td></td>
<td>0.832</td>
</tr>
<tr>
<td>(V12) Collect market information</td>
<td>5.25</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>(V13) Benchmark competitive position</td>
<td>5.55</td>
<td>0.64</td>
<td></td>
</tr>
<tr>
<td>(V14) Collect information about competitors</td>
<td>5.18</td>
<td>1.01</td>
<td></td>
</tr>
<tr>
<td><strong>Market exploring</strong></td>
<td></td>
<td></td>
<td>0.920</td>
</tr>
<tr>
<td>(V15) Explore export opportunities</td>
<td>5.01</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>(V16) Explore market opportunities in new region</td>
<td>4.92</td>
<td>1.10</td>
<td></td>
</tr>
</tbody>
</table>
Literature Cited


Appendix A

Survey instrument (English)

PART-I  Background
1). Did your company exhibit at CIFM’11?
   ☐ Yes (please continue to Question 2) ☐ No (please scroll to the end and click “done” to exit)
2). What is your title in your company?_________________________
3). Please provide your best estimates regarding the background information of your company’s:
   Years your company has been in business: ______________________
   Total number of full-time employees: ___________________________
4). Please indicate your company’s primary business type(s) (Check all that apply):
   ☐ Manufacturer  ☐ Importer  ☐ Exporter  ☐ Distributor  ☐ Agent
5). Please provide your best estimate of your company’s annual sales in 2011 (in U.S. Dollars):
   ☐ <$1 Million  ☐ $1-9 Million  ☐ $10-49 Million  ☐ $50-100 Million  ☐ >$100 Million

PART-II  Trade Show Performance
6). Participants at international trade shows are engaged in various activities. 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>Activity</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discover new prospects</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Maintain relationship with existing customers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Generate sales</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Meet key decision makers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Collect market information</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Collect information about competitors products</td>
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<tr>
<td>Benchmark competitive position</td>
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<td>Explore market opportunities in new regions</td>
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<td>Explore export opportunities in foreign market</td>
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<tr>
<td>Introduce new products at CIFM ’11</td>
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<td>Enhance company’s overseas image</td>
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</table>
Gain an edge over competitors who are not exhibiting
Demonstrate your company’s capability
Increase staff’s trade show experience
Train the sales team
Motivate sales people to interact with customers

**PART-III Trade Show Strategies**

7). Please list your company’s participation mode at CIFM ’11 (Check one only):
   - Exhibitor with individual booth
   - Exhibitor with booth sponsored by industry associations
   - Exhibitor with booth shared by individual firms

8). Please provide your best estimates regarding your company’s CIFM’11 exhibit:
   - Booth size used (in square meter): 
   - Number of products exhibited:
   - Number of booth personnel:

9). Of all booth personnel your company sent to CIFM’11, please estimate the percentage from the following departments (Answers should sum to 100%):
   - Sales: 
   - Marketing: 
   - Production: 
   - Others: 
   - Please specify “others”: 

10). Please rate the level of systematic trade show training your booth personnel received in preparation for CIFM’11 (Check one only):

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Very high 5</th>
</tr>
</thead>
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</tbody>
</table>

11). Please rate the level of international trade show experience of your company’s booth personnel at CIFM’11 (Check one only):

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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Very high 5</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

12). Please list any pre-show attention-getting techniques your company used in preparation for CIFM’11 (Check all that apply):
   - None
   - Mail invitation letters
   - Pre-show email contact
   - Pre-show telephone contact
   - Publicity materials
   - Free entry vouchers
   - Contact by local dealer/salespeople
13). Did your company prepare written objectives for exhibiting at CIFM’11?
☐ Yes    ☐ No

14). Please list any after-show follow-up contact activities your company used after CIFM’11 (Check all that apply):
☐ None
☐ A personal e-mail thank-you note
☐ A personalized letter with further information requested at the show
☐ Follow-up phone call
☐ Reminder of a trade show special offer
☐ Thank-you note on social media (e.g., Facebook, LinkedIn, Twitter, Company Homepage, etc).

Other (Please specify): ______________

15). Overall, how successful was your company’s CIFM’11 exhibit? (Check one alternative from 1 to 7, where 1= very unsuccessful, 7=very successful).

<table>
<thead>
<tr>
<th>Level of success</th>
<th>Very unsuccessful</th>
<th>Very successful</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16). Is your company planning to exhibit at CIFM’12:

<table>
<thead>
<tr>
<th>Definitely not</th>
<th>Probably not</th>
<th>May or may not</th>
<th>Probably</th>
<th>Definitely</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

17). Please provide your best estimate of the number of international trade shows in which your company participated in 2010:

As exhibitor:______________  As visitor:______________

18). Please provide your best estimate of the number of international trade shows in which your company participated in 2011:

As exhibitor:______________  As visitor:______________

19). Please provide your best estimate of the number of international trade shows in which your company plans to participate in 2012:

As exhibitor:______________  As visitor:______________

THANK YOU FOR YOUR PARTICIPATION!

Click “Done” to submit your responses.
Appendix B

Survey instrument (Chinese)

一、基本资料

以下是有关贵公司的基本资料，恳请您就贵公司情况。

1). 贵公司是否参展 2011 年“中国广州木工机械，家具配料展览会”？
   □ 是（请继续问题 2）   □ 否（请滚动页面至第六页，点击“完成”推出问卷）

2). 您在贵公司中的职位：_______________________

3). 请您提供以下关于贵公司的资料：

   贵公司成立至今多少年： ________________
   贵公司就业人数： ________________

4). 请勾选贵公司的业务 (选择所有适用选项)：
   □ 制造    □ 进口   □ 出口   □ 经销商    □ 代理

5). 贵公司 2011 年的年营业额约为 (以人民币计)：
   □ <¥ 600 万   □ ¥ 600-5500 万   □ ¥5500 万-3 亿   □ ¥3 亿-10 亿   □ >¥10 亿

三、参展绩效

6). 以下是有关贵公司参加此次展会绩效评估，恳请您对各项活动的满意程度给予评价：

   1=极差   至 7=非常成功，程度逐一递增：

<table>
<thead>
<tr>
<th></th>
<th>极差</th>
<th>非常成功</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>促进产品销售</td>
<td></td>
<td></td>
</tr>
<tr>
<td>服务现有客户</td>
<td></td>
<td></td>
</tr>
<tr>
<td>找寻新的顾客</td>
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<td></td>
</tr>
</tbody>
</table>
接触重要买家
介绍现有产品
收集市场信息
了解行业竞争形势
收集竞争对手的产品信息
开拓新的市场
新产品介绍
开拓国外市场
提升公司在海外的形象
因竞争对手未参展而占取优势
向公众展示公司的实力
增强销售团队的参展经验
对销售团队进行培训

二、参展策略

7). 请勾选贵公司参加 2011 中国广州国际木工机械、家具配料展览会的模式是（单选）:

- □ 拥有单独展位    □ 协会赞助展位   □ 与其他公司联用展位

8). 请问贵公司对此次展会的资源投放:

展位面积（平方米）: ___________  展览产品种类数（种）: ___________

展位人员（人）: ___________

9). 请问贵公司的展位人员来自各个部门的比例是:

- 销售/市场营销部门（%）: _______  技术/生产部门（%）: _______
- 其他部门（%）: _______  请注明 “其他” : _______

10). 请您就贵公司此次展会的展位人员所受的系统培训程度予以评价（从 1 至 5 中选一，其中 1=没有任何培训，5=非常高，程度逐级递增）:

- 没有任何培训 1  
- 2  
- 3  
- 4  
- 非常高 5
11). 请您就贵公司此次展会的展位人员的国际展会经验程度予以评价（从 1 至 5 中选一，
其中 1=没有任何培训，5=非常高，程度逐一递增）：

没有 1   2   3   4   非常高 5

12). 请勾选贵公司在此次展会前采取的任何吸引参观者措施（可多选）：

- 没有任何措施
- 邮寄邀请信
- 展前电话邀请
- 展前电子邮件通知
- 展会杂志或媒体中刊登广告
- 互联网上宣传（例如：公司网页，阿里巴巴，博客等）

其他：______________

13). 贵公司是否有特定的参展目的？

- 是
- 否

14). 贵公司在此次展会结束后是否采取后期参观者互动措施：

- 寄发感谢信给所有参观者
- 提醒展会上的特别优惠到期日
- 寄发参观者索取的特定资料
- 进行后续销售联系
- 寄发此次展会的报道或任何相关的文章

其他：______________

四、参展经历

15). 请您对贵公司的此次参展的总体成功程度进行评价（请从 1 至 7 中单选一项，其中
1=非常不满意，7=非常满意，程度逐一递增）：
非常不满意 1 2 3 4 5 6 非常满意 7

16). 请问贵公司是否会参加 2012 年的中国广州国际木工机械、家具配料展览会？

绝对不会 可能不会 不清楚 可能会 一定会

17). 请问 2010 年贵公司参加国际商展的次数约为：

作为参展商的次数：_______________ 作为参观者的次数：_______________

18). 请问 2011 年贵公司参加国际商展的次数约为：

作为参展商的次数：_______________ 作为参观者的次数：_______________

19). 请问贵公司在 2012 年计划参加的国际商展的次数约为：

作为参展商的次数：_______________ 作为参观者的次数：_______________

感谢您的合作！

您已完成此问卷的所有问题部分，点击“完成”提交问卷。
Appendix C

Email message to potential respondents (English)

Dear exhibitors of the ’11 China International Woodworking Machinery & Furniture Raw Materials Fair (CIFM’11),

The Forest Products Marketing Program at the Pennsylvania State University, U.S., in corporation with the Department of Wood Science and Engineering at Beijing Forestry University in China, is conducting a study to investigate exhibiting company’s trade show strategies and trade show performance. For more information, please click here.

If you were not involved in your company’s exhibit at CIFM’11, please forward this survey to the responsible contact within your company.

The questionnaire is online-based and accessible via the hyperlink below. You do not need to respond to all questions, however, your responses are greatly appreciated. For some questions, your estimates are acceptable. The data you provide will be kept confidential. The link to the questionnaire is:

https://www.surveymonkey.com/s/CIFM_eng
(If you’re not able to click this hyperlink, please copy and past the link into the address field of your web browser).

If you have any questions or concerns about this study, please contact Wenping Shi at 1-814-865-4451 or wxs191@psu.edu.

Thank you for your time and assistance. We are very grateful for your help.

Sincerely,

Wenping Shi
Graduate Research Assistant
Penn State University

Paul M. Smith
Professor
Penn State University

Shuangbao Zhang
Professor
Beijing Forestry University
Appendix D

Email message to potential respondents (Chinese)

亲爱的2011中国广州国际木工机械，家具配料展会的参展商，

您好！

我们从中国对外贸易中心和德国科隆展览有限公司处得知贵公司参加了2011年3月在广州举行的中国广州国际木工机械、家具配料展览会。美国宾夕法尼亚州州立大学林业资源学院和北京林业大学材料科学与技术学院合作正进行一项研究调查，该研究选择此次展会的参展商作为调研对象，旨在了解家具原辅材料供应商是如何利用相关行业的国际展会，对参展绩效作出怎样的评估，不同参展策略对参展绩效有何影响等问题。参展商花费大量的人力、财力和时间在展会上，了解参展带来的收益以及如何更有效的分配资源以达到预期的目的，对于参展商来说极为重要。了解更多关于此次研究，请点击这里。

此次调查问卷采用匿名形式的网上调研，您所提供的资料将只用于本次研究，所有信息都严格保密。您可自由选择回答任何问题，对某些问题，您只需提供您的估计，不需要确切的数字。为了不占用您宝贵的时间，此次调查问卷共包含20个问题，只需10-15分钟时间即能完成。

我们恳请您的参与。如您对贵公司此次参展不甚了解，请将此邮件转发给您公司合适的人员，谢谢。若您对此次研究有何疑问，请联系史文萍（电子邮件：wxs191@psu.edu；电话：1-814-865-4451）或Dr.Paul Smith（email: pms6@psu.edu）。

感谢您抽出宝贵的时间参与此次“中国国际家具原辅材料展会参展商”问卷调查。

祝好！

史文萍 博士研究生，林产品营销，美国宾夕法尼亚州立大学
Paul M. Smith 教授，林产品营销，美国宾夕法尼亚州立大学
张双保 教授，木质复合材料，北京林业大学
VITA (for Ph.D. only)

Wenping Shi

Wenping was born in Mianzhu, China. She earned her Bachelor and Master Degrees in Wood Science and Technology in 2005 and 2008 from Beijing Forestry University. During her study in Beijing Forestry University, Wenping also gained working experience through internships in wood products companies. Upon completion of her master degree, Wenping realized that wood products marketing program was limited in China and she decided to pursue a doctoral degree in Forest Products Marketing program supervised by Dr. Paul M. Smith at the Pennsylvania State University. Her dissertation focused on evaluating exhibitors’ international trade show performance and marketing strategies in the furniture supplying industries. Her work provided insight on how exhibitors from emerging, international market use trade show, what is the moderating effect of international trade show experience level on the international trade show marketing strategy-performance relationship, and whether exhibitors from different cultural regions plan the show exhibition and evaluate their performance differently. These results provided important managerial implications for trade show practitioners and also added value to the current literature.