Economic geography and industrial marketing views on trade shows: Collective marketing and knowledge circulation

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Abstract

In this paper, we critically review literature on trade shows developed in industrial marketing (IM) and economic geography (EG), aiming to contribute to the ongoing conversation between these disciplines and showing that they can learn from each other. In IM, trade shows are conceived as promotional instruments, whereas in EG these events are seen as temporary clusters through which firms can escape the liabilities of embeddedness and interact with, and learn from, distant actors. EG literature has integrated insights from IM that have provided a means to go beyond earlier formulations that downplayed market-based learning processes at these events. IM has in fact far under-theorized space and conceived exhibitors as individual agents, neglecting the fact that many of these events are collective marketing platforms that industry agglomerations or geographical clusters can use to affirm their presence in international markets. Based on our analysis, we propose research directions that can benefit individual exhibitors as well as geographically-based business networks. The analysis addresses the boundaries and limitations of disciplinary analyses and strongly suggests transdisciplinary encounters and engagements in IM and EG research.

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1. Introduction

Trade shows are a well-established component of industrial marketers’ promotional mix. Despite ongoing debates about the negative impact that the digitalization of promotional activities has had on the trade show industry, these events remain important promotional tools for firms operating in industrial markets (see Golfetto & Rinallo, 2012, for an overview). Research in the field of industrial marketing (IM) has mostly focused on how individual firms, preoccupied with the ‘extravagant costs of exhibiting’ might select the best events, manage their participation effectively, and maximize returns on investments (Borghini, Golfetto, & Rinallo, 2006; Hansen, 1996). In economic geography (EG), the literature that developed during the 2000s deviates in important respects from traditional IM approaches. It is based on a production perspective and builds on the local buzz and global pipeline model of cluster development to explore how firms in specialized industrial regions gain access to wider markets (Bathelt, Malmberg, & Maskell, 2004). This literature considers trade shows to be crucial events that enable local producers to link with non-local partners, for the purposes of gaining access to new markets and acquiring important information about technologies and production conditions in distant regional/national contexts. From this knowledge-based perspective, trade shows are conceived as temporary clusters where forms of organized proximity make it possible for firms to interact with and learn from geographically distant actors and, as a result, escape the negative aspects of embeddedness (Maskell, Bathelt, & Malmberg, 2006).

In this conceptual paper, we critically review the literature on trade shows in IM and EG. In so doing, we seek to contribute to the ongoing conversation between these two disciplines and show that they can productively learn from each other. We aim to highlight how studies in IM have influenced EG research and suggest specific ways in which an EG perspective could revitalize IM research on trade shows. From this perspective, IM literature can be criticized for undertheorizing space, downplaying the role of trade shows as platforms for resource interaction, and conceiving exhibitors as individual agents. In other words, it neglects the fact that many of these events are collective marketing platforms that industry agglomerations or geographical clusters can use to affirm their presence in international markets. Based on our analysis, we propose research directions that can benefit individual exhibitors as well as geographically based business networks. The analysis addresses the boundaries and limitations of disciplinary analyses and
strongly suggests transdisciplinary encounters and engagements in IM and EG research.

This paper is structured as follows. In Sections 2 and 3, we review the literature on trade shows in IM and EG with a comparative analysis that highlights key differences and emerging areas of convergence. Section 4 discusses the impact of IM on EG geography views on trade shows by showing how an understanding of these events as temporary marketplaces contributes to a better understanding of the role these events play in the globalizing knowledge economy. Section 5 identifies the prospects of integrating an EG perspective into IM studies by refining classic tools and theoretical perspectives and moving from an individualistic to a collective and even spatial understanding in the analysis of trade shows. This helps to identify the challenges and tasks of a future research agenda that is built on a comprehensive knowledge perspective. Section 6 summarizes the main arguments and makes a strong case for a transdisciplinary research agenda and methodology.

2. Trade shows in industrial marketing: A brief literature review

In this section, we briefly review IM scholarship on trade shows by highlighting the metaphors adopted, reasons for theoretical interest, concerns, theoretical underpinning, actors investigated, and emerging areas of convergence with EG literature (see Table 1). Trade shows are temporary marketplaces where suppliers from an industry or product group gather to showcase their products and services (Black, 1986) to current and potential buyers, the media, and other purchase influencers. Economists regard these events as transaction cost–saving institutions that, by bringing together (at the same time and in the same place) a large number of suppliers, reduce the time and cost associated with industrial buyers’ purchasing processes (Florio, 1994). Literature on trade shows in IM has evolved independently from EG and as a whole can be said to pay limited attention to geographical structures and spatial relations.

Marketing and management scholars started investigating trade shows in the late 1960s with the aim of providing guidance to industrial marketers concerned with the ‘exorbitant cost of exhibiting’ on how to make the most of these promotional tools (Banting & Blenkorn, 1974; Bellizzi & Lipp, 1984; Bonoma, 1983; Carman, 1968; Cavanaugh, 1976; Kerin & Cron, 1987). Firms operating in industrial markets typically invest a large part of their promotional budget to exhibit at these events (Golffeto, 2004), which are particularly useful to contact industrial buyers in the key stages of the purchase process, where they evaluate alternative solutions, products, and suppliers (Gopalkrishna & Lilien, 1995; see also Deeter-Schmelz & Kennedy, 2002; Moriarty & Spekman, 1984; Parasuraman, 1981). As such, IM research has been focused on measuring and maximizing trade show results (see, among others, Dekimpe, Francois, Gopalkrishna, Lilien, & Van den Bulte, 1997; Gopalkrishna & Lilien, 1995; Gopalkrishna & Williams, 1992; Gopalkrishna, Lilien, Williams, & Sequeira, 1995; Hansen, 2004; Herbig, O’Hara, & Palumbo, 1993; Ling-ye, 2007, 2008; Sashi & Perretty, 1992; Seringhaus & Rosson, 2001; Shoham, 1999; Smith, Gopalkrishna, & Smith, 2004; Tanner, 2002; Williams, Gopalkrishna, & Cox, 1993).

By linking exhibitors’ pre-show, show, and post-show activities to indicators of communication and sales performance, IM researchers sought to provide industrial marketers with empirical generalizations on best practices that maximize the outcomes of exhibitors’ participation at trade shows. Initially focused on sales outcomes (such as generating leads or converting trade show contacts into orders), the increasingly sophisticated modeling literature has more recently adopted multidimensional measures of performance that highlight the role of these events in promoting brand image in industrial markets (e.g. Hansen, 2004). Building on previous accounts of exhibitor/visitor interaction at trade shows (Evers & Knight, 2008; Rice, 1992; Rosson & Seringhaus, 1995; Sarmento, Simões, & Farhangmehr, 2015) theoretically grounded in the Industrial Marketing and Purchasing (IMP) research tradition (Ford, 1980; Ford et al., 1998; Håkansson, 1992; Håkansson, Ford, Gadde, Schnetzler, & Waluszewski, 2009), more recent work has moved beyond the initial emphasis on one-way promotional communication flows from exhibitors (industrial marketers) to visitors (industrial buyers) by highlighting that trade shows are events where firms learn from one another (Bettis-Outland, Crompton, Johnston, & Borders, 2010; Bettis-Outland, Johnston, & Wilson, 2012; Borghini et al., 2006; Ling-ye, 2006; Rinallo, Borghini, & Golffeto, 2010).

While effectiveness issues have been a major preoccupation of IM scholarship on trade shows, other research streams have investigated appropriate goals for these events (Bonoma, 1983; O’Hara, Palumbo, & Herbig, 1993; Rosson & Seringhaus, 1995; Sharlang & Balogh, 1996; Shipley & Wong, 1993; Shoham, 1992; Tanner & Chonko, 1995), the decision to participate in trade shows (Kajewski et al., 1993; Lilien, 1993), and the selection of trade shows (Bello & Barczak, 1990; Farla & Dickison, 1985). From this perspective, visitor behavior is less often the object of analysis (Bello, 1992; Bello & Lothia, 1993; Blythe, 2002; Gobad & O’Connor, 2001; Hansen, 1996; Rinallo et al., 2010), although visitors are generally of interest if they are members of buying centers, i.e. individuals with influence over their employers’ purchase processes.

To date, trade show organizers (who design, produce, and market these events) have received scant attention in the IM literature. Munuera and Ruiz (1999) conceptualized trade shows as services and conducted a study on visitor behavior with the goal of providing organizers with managerial implications. More recently, Rinallo and Golffeto (2006) analyzed a French trade show organizer’s strategy and highlighted that these events can be collective marketing platforms for the (often geographically bounded) industrial networks that support them. Through their industrial associations, these networks are often actively involved in their organization, as they realize the importance of trade show organizers’ value-creation strategies for exhibitors’ profit-maximizing practices (Golffeto & Gibbert, 2006; Golffeto et al., 2008; Rinallo, Golffeto, & Gibbert, 2006).

In summary, IM literature on trade shows has mostly adopted a ‘geography-free’ approach. This is ironic, given the role these events play in industrial firms’ internationalization and export promotion processes (Evers & Knight, 2008; O’Hara et al., 1993; Seringhaus & Rosson, 1994). Only in recent years has it become possible to identify lines of convergence between IM and EG research based on the attention given to these events as contexts where firms can learn from one
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