NORTH-HOLLAND

Industrial Marketing Management 31 (2002) 627–635

INDUSTRIAL MARKETING MANAGEMENT

Using trade fairs in key account management

Jim Blythe*

Department of Marketing, University of Glamorgan Business School, Treforest, Mid Glamorgan CF37 1DL, UK

Received 25 March 2001; received in revised form 1 August 2001; accepted 12 October 2001

Abstract

Trade fairs play an important role in marketing. In many cases, exhibitors view trade fairs as an opportunity for transactional selling, and thus may overlook opportunities that exist for initiating and building relationships with key accounts. This paper maps exhibitors' and visitors' exhibition objectives against key account management (KAM) activities, and in particular examines the role trade fairs can have in solving specific problems that arise at different stages in the development of the relationship between firms in a dyadic KAM scenario. Drawing on research conducted in the UK, US and Greece, the author concludes that trade fairs should occupy a pivotal position in KAM, but the evidence is that exhibitors are not taking full advantage of this opportunity.

Keywords: Trade fairs; Marketing relationships; Key accounts

1. Introduction

Trade fairs occupy an important place in marketing expenditure, especially for small and medium enterprises. The exact role trade fairs occupy in the marketing mix is open to debate, and many exhibitors appear not to know what the most appropriate role is for their exhibiting activities [1]. Perhaps, more importantly, exhibitors are often unable to say whether the show has worked at all [2,3].

Aims for exhibiting can be divided broadly into selling and nonselling activities [4–6]. Selling activities include lead generation, closing sales, finding new customers, qualifying leads and prospecting. Exhibitors very commonly cite these activities as their main reason for attending trade fairs [7]. Nonselling activities are broadly categorized as meeting existing customers, enhancing the image of the company, carrying out general market research, meeting new distributors or agents, launching new products and even enhancing staff morale. Most exhibitors do not rate these aims highly, with the exception of enhancing the company's image [8]. Yet, in many cases, these aims are exactly those that support a key account management (KAM) situation.

Trade fairs spread across most, or all, of the elements of the marketing mix, and contribute to each one. Trade fairs are seen as a tactical technique for achieving or helping to achieve specific marketing aims. In most cases, these aims are concerned with communication, since contact with potential buyers is reportedly an important motivation for exhibitors, and obtaining up-to-date information is an important motivation for visitors [9].

Different types of problems will be dominant at each stage of development of a key account relationship. The KAM/PPF model [10] links these stages of development to the prevailing problem type, offering a way to predict the parameters of the relationship between firms. The purpose of this paper is to link research on visitors' and exhibitors' behavior at exhibitions and trade fairs with the KAM/PPF model of KAM. The research is based on a survey of exhibitors at two trade fairs, and on a survey of visitors and exhibitors at a further trade fair. Comparisons are also drawn with two other surveys of visitors at trade fairs in the UK and in Spain.

2. The KAM/PPF model

For the purposes of discussion, the Millman and Wilson definition of a key account will be used. For Millman and Wilson, a key account is "a customer in a business-to-business market identified by a selling company as being of strategic importance" [11]. This definition avoids the problem of linking key account status to size, geographical

* Tel.: +44-1443-483-575; fax: +44-1443-482-380.
E-mail address: jwblythe@glam.ac.uk (J. Blythe).

0019-8501/02/$ – see front matter
PII: S0019-8501(02)00183-9

Table 1
The PPF model of problem characteristics

Problem category	Nature of problem
Product	Availability, performance, features, quality, design, technical support, order size, price, terms
Process	Speed of response, manufacturing process issues, application of process knowledge, changes to product, projects management issues, decision-making process knowledge, special attention in relation to deliveries, design, quotes, cost reduction
Facilitation	Value creation, compatibility and integration of systems, alignment of objectives, integration of personnel, managing processes peripheral to customer core activity, strategic alignment

location or volume of business. The implication is that an account can be small in volume terms, or can be a small company, but can represent a major breakthrough for the selling company, perhaps because the account opens the door to other, larger volumes of business. KAM encapsulates all those activities intended to establish or maintain a relationship with a strategically important customer.

The Millman–Wilson [12] relational development model is a tool for examining the initiation, growth and eventual demise of the relationship between firms. Linked to the PPF model of relational interaction [13], as shown in Table 1, it is possible to show that the types of problem being addressed and resolved by the partners in the relationship will vary according to the stage of the relationship.

The PPF model postulates that the nature of dyadic organizational relationships is directly related to the nature of the problems that the parties focus on resolving. In dyadic business relationships, these problems are hierarchical, in that a more distant relationship between the parties will only generate problems related to products. The higher-order problems of process and facilitation will only become apparent as the relationship becomes closer.

The Millman–Wilson Stages of Relational Development model describes the stages firms go through as the relationship achieves key account status [12]. In the pre-KAM stage, the firms do not have a relationship but are assessing whether there is potential for establishing key account status. In the early KAM stage, the supplying firm might develop preferred supplier status. In the mid KAM stage, the partnership builds further, consolidating the preferred supplier status. In the partnership KAM stage, the firms develop a spirit of partnership and build a common culture, and the supplier locks in the customer, becoming the external resource base. In the synergistic KAM stage, the firms share rewards and become quasi-integrated. The final stage is the uncoupling KAM stage, in which the firms disengage.

The combined KAM/PPF model categorizes the types of problem, and shows how these can be related to the stages that firms go through when establishing a key account relationship. Table 2 shows the PPF strategies mapped against the stages of relational development model [10].

The strategic issues raised at different stages of the relationship connect with the firm's communication strategies, and particularly with the stated strategies of firms at trade fairs. In the early stages, communication might be dominated by outbound messages from the selling company; but in the later stages, a true dialogue is likely to be the prevailing paradigm.

3. Trade fairs and marketing communications

Communication is an interaction that is intersubjective and intentional, and which is carried out by means of a

Table 2
KAM/PPF strategies

Development stage	Objectives	Strategies
Pre-KAM	Define and identify strategic account potential. Secure initial contact.	Identify key contacts and decision-making unit. Establish product need. Display willingness to address other areas of the problem. Advocate key account status in-house.
Early KAM	Account penetration. Increase volume of business. Achieve preferred supplier status.	Build social network. Identify process-related problems and signal willingness to work together to provide cost-effective solutions. Build trust through performance and open communications.
Mid KAM	Build partnership. Consolidate preferred supplier status. Establish key account in-house.	Focus on product-related issues. Manage the implementation of process-related solutions. Build interorganizational teams. Establish joint systems. Begin to perform noncore management tasks.
Partnership KAM	Develop spirit of partnership. Build common culture. Lock in customer by being external resource base.	Integrate processes. Extend joint problem solving. Focus on cost reduction and joint value-creating opportunities. Address key strategic issues of the client. Address facilitation issues.
Synergistic KAM	Continuous improvement. Shared rewards. Quasi-integration.	Focus on joint value creation. Create semiautonomous projects teams. Develop strategic congruence.
Uncoupling KAM	Disengagement	Withdraw