

Impact Assessment of Industrial Exhibitions on The Buying Decision of Customers

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Abstract

Marketing of industrial products has been challenging and needs a methodical approach. Manufacturers require much more depth of knowledge of the trend and should be able to read the pulse of the buyers from time to time. The buying process is dynamic in this sector and requires a judicious approach while applying techniques of convincing customers based on technical parameters. Industrial products are procured based upon technical specifications to suit the exact application of the buyer. Stringent international standards are sometimes required to be followed while specifying the product and shortlisting of vendors is carried out based on the capability of providing products suiting to these standards. Industrial Exhibitions are helpful to the manufacturers in sharing the details of product range and interacting with the prospective customers. An effort has been made to assess the impact of Industrial exhibitions on buying behaviour of customers. This has been done by carrying out a detailed study with the help of available literature and an empirical survey with the actual buyers in the market.

Keywords: B2B, Product Promotion, Marketing Leads, Product Launch, Buying Behaviour, Conference, Country Pavilions.

1. Introduction

Industrial products are the goods purchased for use in producing other goods and services. They are classified as Raw Materials, Components, fabricated parts, machinery, equipment, accessories, tools, and consumables. While buying industrial products, the customer has to take into consideration of complete understanding of the specification of the products with the tolerance limits, the required standards, sometimes international standards, and in case of electrical products, safety requirements as well. Unlike in the case of consumer products, there is nothing as seasonal demand for industrial products. However, the outlook of the industrial scenario affects the demand both in the domestic as well as export market.

For industrial products, the buyers insist upon relevant test reports for the products to be purchased and the supplier needs to carry out some specific tests as well to qualify as a vendor. In some cases, over and above test reports, customers ask a supplier to submit samples for trials and approvals, which normally is followed by pilot trials and subsequently bulk supply as per desired schedules. To stand out against the competition, manufacturers keep impressing the customers about the features and benefits of their products. Customers have a choice. However, they prefer to stick to the known brand which satisfies their specific technical parameters and the demand from time to time. To increase the market share, manufacturers make use of industrial exhibitions, a platform, where they can showcase

their product range, launch new products. Customers also have an opportunity to look for better solutions to their requirements, by way of visiting industrial exhibitions and get acquainted with alternate suppliers. This is a unique opportunity for customers to visit many suppliers and physically see their product offerings. For manufacturers also, it is an opportunity to display products and interact with many prospective customers at a single venue, note their contact details. These references serve as market leads, which can be converted into long-term customers. Thus, industrial exhibitions result in a win-win situation for both buyers and sellers.

Depending upon the type of products, distinguished exhibitions are held. Prominent exhibitions include the following:

• **IMTEX**

For Machine Tools Hannover Messe-Germany: Largest International industrial fair.

• **ELECRAMA**

For Electrical Products Electronica-Munich: International trade fair on electronics.

• **Automation Expo**

For electronic automation products and systems.

• **BAUMA Con expo**

International Exhibition on Construction equipment

• **Excon India**

For Construction Equipment

• **Pack Ex India**

For packaging systems and machinery.

• **ITME**

For Textile machinery Renewable Energy India Expo Auto Expo: Automobile Show

• **LED Expo**

Printpack India Printing and Packaging Cable and Wire Fair Agri Tech India Dairy Industry Expo

Big industrial exhibitions have participants from foreign countries, including Germany, the USA, UK, China, etc. They have a group of exhibitors under respective Country pavilions, locations wherein, various manufacturers from the specific country have display booths.

2. Objective

To study the impact of industrial exhibitions on buying decision of customers.

3. Methodology

The Secondary research method used is based on Published articles.

Primary research method, using a survey of feedbacks from sample customers.

4. Literature Review

In 2019 UFI (The global association of the Exhibition Industry) conducted a survey, to find what makes events like exhibitions attractive for visitors. It was noticed that visitors, especially young people, value innovative content first and business opportunities. The contribution of factors that make trade exhibitions enjoyable are shown in the graphical presentation below: As per Treadfest



The above picture shows the global region-wise contribution of factors. As can be seen, Talks and presentations delivered in different ways, Interactive/audience generated content, and informal marketing contributed the major percentage.

A major exhibition Productronica India-2019 focusing on electronic products displayed following the outcome of the survey [1,2]. Visitor assessment was carried out using different criteria as below:

Visitor assessment of aims (good to excellent)



Thus, it was noticed that visitors rated more than 91% for all the above motives. Satisfied visitors are benefitted from this exhibition, and it helps in their purchase

5. Decision

Diego Rinaldo, et.al, in their research paper, tried to investigate the behaviour of visitors at trade shows. The research is based on the details of observations during ten trade shows belonging to textile clothing industries in Europe. They found that monitoring the experience of visitors helps in managing the show and also designing the future shows in a better way [3]. Their activities included visitor movements through different booths, their interaction with the exhibitor personnel as well as with the visitors and extract their experiences and evaluate them. The study involved about 100 formal and informal interviews with the visitors. The questions included the reason for the visit, a useful time during the event, and enjoyable points. This involved video footage and several photographs to capture the details of visitors and their movements. They also studied the objectives of the exhibitors to support the study. The focus of the exhibitors was on the display of products, professional handling of queries and socialisation. Open stand layout was found effective since it allowed looking while passing by and thus a more convenient way of deciding about visiting the booth. Visitors found excessive information gathered during the visit and thus very difficult to digest it.

Emine Çobanoğlu and Venera Turaeva, in their research article, conducted a detailed study on the measurement of performance of exhibitors in trade shows, pre-show, at-show and post-show [4]. This was carried out using a sample survey method with the help of a questionnaire shared with firms participating in 3 international trade shows in Istanbul, Turkey. Most of them were SMEs from Turkey. These measurements helped in finding effects on image-building, information-gathering, sales-related, relationship-building, and motivation, the study discovered. The survey revealed that only sales-related and information-gathering performance were found to be important. Good both location and proper training of staff at the booth were found to be prominent factors responsible for sales related performance of the firms. Two-way communication during and post-show was effective in information gathering. Face-to-face communication, demonstration of product features, and responding to on-the-spot questions from the visitors were highly effective in building up confidence in the product and firms as well. Follow- up after

the show was prominent in the participating firms.

Jonida Kellezi, in a research paper, studied the use of trade shows as a strategic marketing technique to combat the competition in the international market [5]. For this study, he chose two Albanian origin companies which operated solely in the international market. Both these companies had a focus on using trade shows as a powerful marketing communication tool. The study was conducted to find out the reason why these companies competed only through trade shows. Detailed interview of marketing managers of these two companies was conducted. Since both the companies have offices and factories only in Albania, they resorted to participation in a trade show as the only effective way of marketing communication. They found that it was easy to communicate and answer queries from the visitors, collect the database of prospective international customers and follow up with them for conversion into business. Despite the many available marketing communication techniques, business experts feel that it is wiser to spend on participation in trade shows, where there is ample scope for personal selling. The case of these two firms suggests that for the niche market, trade shows are effective in communication to prospective customers at a lower cost.

Maria Sarmento, et.al, in their article have explained that B2B trade fairs help generate a relationship with customers, building trust in them, enhancing trust and commitment with them, Industrial fairs are seen from a relationship marketing point of view [6]. They help in building a strong buyer-seller relationship in the long run. To test this theory, they collected the data during the industrial fair in Portugal. They found that the information shared by the exhibitors about the quality of the product with the customers helps in building quality relationships and trust.

Sasaka Peter Situma, in his article, tried to study to views of firms towards the effectiveness of trade shows and exhibitions as a marketing tool. Shows formed an exclusive environment in which efforts were made to achieve all types of sales and marketing objectives [7]. The shows brought customers and manufacturers together to a central venue. Manufacturers have to keep up to date regarding the happenings around and adopt strategies accordingly. Varying customer preferences, innovations in the industry, technology upgrades, and severe competition compels manufacturers to keep their approach dynamic about the market situation. Changing needs of customers and expectations resulted in focusing upon customer relationships rather than maximisation of profit. The empirical survey involved views of 82 exhibitors towards marketing by the way of participating in Mombasa International Show. The result of this study helped exhibitors to consider trade shows as an effective marketing tool.

Shrihari Sridhar, et. al, in their research article, have conducted a study on the incremental effects of pre-, during, and post-show marketing efforts on short- and long-term outcomes [8]. This is carried out concerning the customer as a potential judge of the effectiveness of marketing efforts. Trade shows can influence the perception of the customers and also their buying behaviour

Pre-show activities include invitations including bulk mailing. During the show, selection of the staff and their training and post-show activity includes follow-up with the prospective customers to convert into the business. The efforts are made to persuade prospective customers with the help of brand image to decide about buying products. Pre-show promotions reinforce the previous positive experiences and develop curiosity in the minds of the prospective customers. The empirical study was carried out with the collaboration of a large Information Technology firm in the USA that hired specialists in market research for surveying visitors at their booth during specific trade shows. The effect of booth staff was found significant with the new customers and post-show follow-up was found higher with the existing customers. Thus, the study concludes that the customer type has a significant impact on marketing activities at all three stages in trade shows.

Srinath Gopalakrishna, et.al, have explained the concept of managing customer engagement in trade fairs, in their article. The article emphasizes that the truly engaged customers feel like coming back again for commercial transactions and help in the long-term success of the seller [9]. In B2B transactions, the trade shows exceed the efforts of communications through advertisement and direct mail campaigns, purely on the merit of customer engagement. They collected data during ProMat 2015, a large biannual B2B trade show, in Chicago, specializing in material handling equipment and systems, which was attended by professionals from the manufacturing and supply chain domain. They carried out a Preshow survey which was based on the visit to the previous shows by the attendees to measure expectations and anticipations and a Postshow survey to get their feedback after they visited the current show. The study concluded that anticipated behaviour affects the responses after the show. It also states that pure engagement is not sufficient but there is a need to do something memorable with customers so that they remember strongly.

Stefania Borghini, et.al, in their research paper, the authors have tried to study behaviour of visitors at trade shows, using an anthropological approach, i.e., focusing upon humanity, culture, and societies. The research is related to the fashion industry. Industrial buyers are always in search of finding solutions, new products, new suppliers [10]. In the process of gathering these details, visitors are faced with limitations, such as fatigue, time, and attention span during the visit. Because of a huge crowd of visitors and a large number of exhibitors, visitors have to undergo a complex selection process of the products. There is a possibility that the exhibitors may be missing potential buyers due to this situation. The output of this anthropological research consists of events, interactions of people, observed behaviours, expressed opinions from the people. For the empirical study, researchers selected six internationally reputed events in Italy, related to the fashion industry, including semi-finished and finished products.

6. Empirical Study

Zahra Ahmadishad and Hossein Vazifehdooost have elaborated in their article, the aspect of relationship marketing and relationship

quality with regards to trade fairs. They carried out the study by selecting visitors in the international fair of machinery and raw materials of confectionary items, such as biscuits and chocolates in Tehran, Iran. Their study concluded that the exchange of information had a positive impact on relationship quality. It adds that relationship marketing is not only profitable to the manufacturers, but a word-of-mouth publicity helps in building up customer loyalty. Also, good service received by customers in the first initial purchase induces the tendency for repurchase and when the product is important the quality of the relationship further improves.

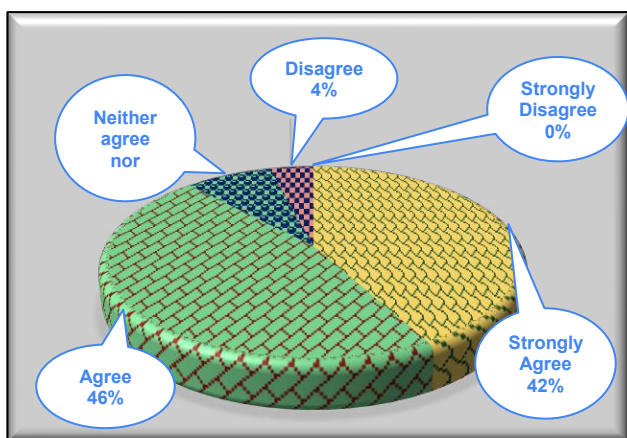
To assess the influence of Industrial Exhibitions, a sample survey was conducted with 50 customers all over India [11]. The random selection method was used based on available data of visitors during an industrial exhibition in India.

Table1: Frequency Distribution of respondents with responses to statement "Industrial exhibitions have a significant impact on buying decision of products"

The frequency distribution of respondents according to their responses along with its pie chart is as given below.

Industrial exhibitions have significant impact on buying decision of products.	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree	Total
Frequency	21	23	4	2	0	50
Percent	42	46	8	4	0	100

Table 1: (Frequency Distribution)



7. Summary

42 percent respondents strongly agree the statement; 46 percent agree to the statement; 8 percent neither agree nor disagree; 4 percent disagree, and 0 percent strongly disagree to. The agreement to the statement is (42 percent + 46 percent) 88 percent and disagreement to the statement is (4+ 0) 4 percent.

8. Hypothesis

The Null hypothesis, H0: Industrial exhibitions do not have a

significant impact on buying decision of products. The Alternative hypothesis, Ha: Industrial exhibitions have a significant impact on buying decision of products. The parameter of interest in the hypothesis is the proportion of respondents with the agreement to the statement "Industrial exhibitions have a significant influence on buying decision of products" in the sample percent using sample proportion it would be decided whether the proportion is adequate or not that is whether it is significantly greater than 50 percent or not. Hence significant result would imply that the population proportion under consideration is adequate which is greater than 50 percent. Since the parameter of interest is proportion; to test the hypothesis, the test used is the z test for proportions. Here the hypothetical value of proportion is taken as 50 percent and sample size, n =50.

Test statistics:

$$Z = \frac{\hat{p} - p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$$

Where p = sample proportion, p0 = hypothetical value decided by researcher

(Here it is 50 percent that is 0.50), n = sample size = 50

Calculation Table:

Question	Frequency (Agree + Strongly Agree)	Proportion	Z Statistics	P value	Significance
Industrial exhibitions have significant impact on buying decision of products.	44	0.88	5.37	0.0000	Significant

9. Results and Discussion

Since the p-value is less than 0.05, the level of significance; the result is significant. Hence community is accepting that "Industrial exhibitions have a significant impact on buying decision of products". Hence the hypothesis is accepted.

Hence Industrial exhibitions have a significant impact on buying decision of products. Trade shows and exhibitions are the venues for sellers to provide up-to-date knowledge of the products and features introduced. This is where buyers can assess the range of products displayed by many competitors can have a choice based on the applications and the solutions provided. Sellers can save on overheads by getting prospective customers at the display booth. This saves the time and effort involved in prospecting in the field. Similarly for the users, Industrial Exhibitions help to get updated knowledge of the latest technologies to select suitable products for their applications.

10. Managerial Implications

Trade shows provide the unique opportunity for manufacturers

to launch new products and systems. The existing as well as prospective customers visit manufacturers booth in a large number during the show period. This effectively saves efforts of the sales personnel and their time of visiting individual customers. Hence the top management need to assign a budget for the expenditure including booth, display material, logistics of exhibition material and try to secure the best location at the exhibition venue in advance. The sales personnel who are selected for the presentation at the booth during the show need to be trained well so that they can answer on-the-spot queries of the visitors. Selection of the specific show also plays an important role.

11. Conclusion

During their visit to the exhibitions, the visitors get an opportunity to see the products displayed and feel them by seeing and handling them. This along with the answers to their on-the-spot queries helps them in decision making of buying suitable products and systems. This effectively helps them in achieving improved performance of their machineries and processes. Most of the exhibitors keep a feedback form which they request the visitors to fill in with contact details, products interested, and specific queries which are pending to be answered. Those visitors who are keenly interested, provide maximum possible details which help the exhibitors. to scrutinise and shortlist for prompt answers to convert the queries into possible business. Highly satisfied visiting professionals are likely to finalise on the spot, orders of the products displayed. Seminars during the exhibition period update their knowledge on the latest trends in the technologies and government policies and regulations about the industry. Also, interaction with the other visitors is useful in refining their approach in selecting suitable vendors. Highly satisfied visiting professionals are likely to finalise the purchase of the products displayed. Visitors' feedback may vary depending upon the focus of the products. Audio-visuals and actual working of products displayed have a long-lasting impression on the minds of visitors.

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