

Influence of Exhibition Promotion on Exhibition Performance: An Empirical Case of Exhibitors in China

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Abstract: In the exhibition industry, promotion is a link between audience and the exhibitor, and exhibition performance serves as a bridge between exhibitor and organizer. This study here examined the relationship between exhibition promotion and exhibition performance. Data were collected from a survey of 283 exhibitors in China. The results show that sales performance, information collection, and corporate image construction will be positively affected by price promotion and non-price promotion of exhibitor. Moreover, the findings show that non-price promotion of exhibitor will have a positive impact on customer relationship establishment, while price promotion does not.

1. Introduction

In recent years, China's exhibition industry has been developing at an astounding pace. While the number of exhibitions in China is large and the macro exhibition industry is booming, importance should be attached to the micro-quality of the exhibitions. High-quality exhibitions will become a booster for China to transform from an exhibition gathering country to an exhibition power. The exhibition activity is a form of multi-field interactive activity in a certain area and during a certain period of time, such as material and cultural exchange [1]. This definition has been recognized by most scholars, that is, the exhibition is a special context in which people, and logistics and cultural flow are interlaced.

Exhibition performance plays a crucial role in the relationship between organizers and exhibitors, and it is a method to measure the quality of the exhibition. Excellent exhibition performance not only indicates that the company's target is highly achieved, but also means that exhibitors have higher satisfaction, which in turn affects the willingness to exhibit again. Therefore, improving the exhibition performance has become the common goal of both organizers and exhibitors. Additionally, as a means of marketing, promotion conveys the logistics and cultural flow, connects exhibitors and audience, and has a valuable contribution to exhibition performance. The promotion has become a "race" for exhibitors at the exhibition site.

In the specific context of logistics, people and cultural flow at the exhibition site, promotion is a connection between the audience and the exhibitors, and exhibition performance serves as a bridge between the exhibitors and the organizers. To conclude, it is particularly necessary to carry out on-site promotion study from the perspective of the exhibitor as a "inter mediator".

2. Background and Theory Development

2.1 Exhibition Performance

Due to the different development stage and situation of the exhibition industry in numerous countries, Chinese scholars pay special attention to the optimization of exhibit performance. For example, based on agricultural exhibition, Liu constructed two performance evaluation systems and analyzed its advantages, disadvantages and application field respectively [2]. Li studied the

efficiency and balance of exhibitors in the process of exhibiting, and put forward relevant suggestions for optimizing the effect of exhibiting [3].

In contrast, relevant studies started earlier in developed countries, so the exhibition industry is relatively mature, and the application scope of exhibition performance is broader. Early scholars only had a one-dimensional understanding of product sales promotion, until Bonomi realized in 1983 that it was so one-sided to evaluate overall participation efficiency merely by the product sales performance, and then proposed a two-dimensional exhibition performance model of sales performance and non-sales performance [4]. Since then, a few scholars have conducted a micro analysis of the exhibition based on it. In 2004, Hansen designed a more comprehensive five-dimensional scale model through empirical research, namely morale motivation, corporate image construction, relationship building, information gathering and sales promotion [5]. This scale has been widely recognized and used in academic circles. For example, He and Cheng used it to study the influence of participation target and interaction activities on the exhibition performance, which is concluded that close social network of exhibitors promotes the non-sales performance more significantly compared with the sales performance, especially for the image display and employee morale [6]. Measson, Nadège and Campbell-Hunt conducted case studies by searching for typical samples, and found that SMEs participating exhibitions mainly to achieve the aim of sales promotion, information gathering, relationship building, and morale incentives [7], which highly coincided with the five-dimensional proposed by Hansen.

However, this scale still has some controversy in terms of employee morale boost. For instance, Lee and Kim conducted in-depth interviews with exhibitors in Korea, and found that “motivation” is not very important for Korean exhibitors [8]. In China, Hu also found this problem in the depth interview with exhibitors and related experts, so it was deleted in the measurement of exhibit performance [9].

3. Exhibition Promotion

Most Chinese scholars have only studied the effects of single promotion method. For example, Han and Tian have studied the effects of three independent promotion methods of discount, gifts and coupons [10]. Zhang, Ma and Zhang took customer type and perceived uncertainty as moderating variables to study the impact of free gifts on customer surprise from the perspective of online merchants [11]. Tang et al. made detailed classification on the promotion methods, which were divided into fourteen categories, such as direct discount and illusion discount, and analyzed their advantages and disadvantages of small and medium enterprises [12].

However, a few scholars systematically classified the promotion methods. For instance, Diamond and Campbell comprehensively classified the promotion methods, which were divided into price promotion and non-price promotion [13]. Since then, most scholars have done some related studies based on this classification standard. For example, Li, Yu and Liu discovered price promotion exposes a direct or indirect impact on impulsive purchasing behavior based on transaction utility theory [14]. Besides, Zhang analyzed the impact of two promotion methods on brand equity [15], and Yang and Wang demonstrated the significant impact of price promotions on brand equity through empirical research [16].

Furthermore, some scholars have considered the short-term stimulating feature of promotion and the influence on impulsive buying behavior. For example, Li and Jing discovered the differences of consumers' satisfaction after impulsive purchasing based on different promotion strategies [17]. Meng focused on college students, a special group, and concluded that the promotion mode of e-commerce shopping festival has a positive impact on its impulse purchase behavior [18]. Zhang paid great attention to the impact of price discounts on online impulse purchases under time pressure [19]. Generally, immediate stimulation from promotion has been widely studied in academia.

Exhibition industry in China is at sunrise period. Western scholars who started studies built on the microscopic aspects of the exhibition, such as exhibitors, audiences and organizers. In contrast

to Chinese scholars made the necessary exploration from a macro perspective of industry development where researches related to exhibition performance is relatively scarce. In terms of exhibition promotion, scholars generally use it as a stimulus to increase short-term profits. It is necessary to explore exhibition promotion for supporting development of the exhibition industry.

4. Research and Hypotheses

Zeng studied the consumers' reaction affected by the different ways of description under the same profit-making level of promotion, and observed the consumers' response based on the expansion of sales brought by promotion [20]. Moreover, according to the promotion definition proposed by Hao, the promotion has the short-term stimulating feature and has an immediate impact on consumer's purchasing behavior [21]. Thus, we propose:

Hypothesis 1a. Price promotion in exhibitions will have a positive effect on sales performance.

Hypothesis 1b. Non-price promotion in exhibitions will have a positive effect on sales performance.

Taking the Canton Fair as an example, Tao found that the exhibitors took a variety of non-price promotions, such as live demonstrations, sweepstakes, etc. in order to obtain more viewers' cards [22]. Thus, we propose:

Hypothesis 2a. Price promotion in exhibitions will have a positive effect on information collection.

Hypothesis 2b. Non-price promotion in exhibitions will have a positive effect on information collection.

Yang, Wang and Zhong believed that through cross-selling and stimulating the customer purchase propensity, customers tend to buy more and a wider range, thus deepening customer relationships between enterprises and customers [23]. Thus, we propose:

Hypothesis 3a. Price promotion in exhibitions will have a positive effect on customer relationship building.

Hypothesis 3b. Non-price promotion in exhibitions will have a positive effect on customer relationship building.

Zheng explored the impacts of discounts on tourism products on corporate image [24]. The results show that discounts on tourism products are likely to cause doubts about service quality, which is not conducive to the construction of corporate image [24]. It is speculated that the price discount will also bring doubts about the quality of other products. According to the deduction, the negative impact of promotion on the corporate image mainly comes from the fact that the profit makes consumers doubt the quality of the product, while the non-price promotion does not involve price changes such as discounts, and the non-price promotion on the exhibition site often includes product and corporate culture, which makes it easy to enhance the customers' trust. Thus, we propose:

Hypothesis 4a. Price promotion in exhibitions will have a positive effect on corporate image construction.

Hypothesis 4b. Non-price promotion in exhibitions will have a positive effect on corporate image construction.

5. Methodology

5.1 Sample and Procedure

The survey was conducted in Chengdu city of Sichuan province, China. The questionnaire was distributed to the booths of various companies at the exhibition site and collected in August 2018. The personnel of the company booths working in the front-line can clearly understand the use of the various promotion methods and the benefits brought by promotion at the exhibition site, guaranteeing reliability of data collection from the source. The survey was made in the paper and online questionnaire form. The paper questionnaire was distributed at the exhibition site and the

online questionnaire (www.wjx.cn) was sent to the booths of the enterprises through the employees of the exhibition organizations.

A total of 296 questionnaires were sent and 283 valid questionnaires were collected usable questionnaires were retained for analysis. According to 283 survey samples, 157 medium-sized enterprises with a staff size of 11-500 employees accounted for 55.5%, and the start-up period was mostly below 20 years, of which enterprises with a startup period of 1-10 years accounted for 61.1%. The majority of the enterprises are private, Sino-foreign joint ventures and foreign capital, accounting for 89% in total and most of them are manufacturers and distributors, occupying 73.1%. 200 companies participate in exhibitions 6 times or less a year, accounting for 70.6%. Most of the samples were front-line employees and grassroots managers, with a total of 251, accounting for 88.7% and the largest number appeared on sales positions is 156.

5.2 Instrument development

According to the promotion classification criteria [13], combined with the specific characteristics of the exhibition site, the main promotion methods appearing at the exhibition site were enumerated and summarized, and the survey of promotion on the spot was formed. Meanwhile, according to the four performance dimensions [5], Hu made appropriate adjustments based on the design of the Hansen scale, and formed the exhibitor performance survey [9]. So, exhibition promotion involves price promotion and non-price promotion, and exhibition performance includes four dimensions, such as sales performance, information collection, customer relationship building and corporate image construction. Price promotion was measured using a four-item subscale, and its Cronbach's alpha was 0.871; meanwhile, a nine-item scale was using to measure the non-price promotion, and Cronbach's alpha was 0.945. Sales performance was assessed using a three-item subscale, and its Cronbach's alpha was 0.878; information collection was assessed using a four-item subscale, and the Cronbach's alpha was 0.898. A three-item scale was used to measure the customer relationship building, and its Cronbach's alpha was 0.842, and a three-item scale was used to measure the corporate image construction, and the Cronbach's alpha was 0.840.

6. Results

6.1 Reliability and Validity

The research model has six dimensions, namely, price promotion, non-price promotion, sales performance, information collection, customer relationship building and corporate image construction. A reliability test was performed on 283 valid samples, composite reliability (CR) was selected. CR values are between 0.839 and 0.945 (see Table 1), greater than 0.70 [25], with good reliability. The combination consistency coefficient of the promotion method and the exhibition performance is 0.959 and 0.961 respectively which are greater than the consistency coefficient of the single item. So, scale items are set properly and can reliably measure all variables, and the data obtained have good internal consistency and stability. Average Variance Extracted (AVE) was used to measure the validity, and these values were greater than 0.50, with excellent validity [25].

Table 1. Reliability coefficient

Variable	Variable	Items	Cronbach's α	CR	AVE
Promotion	Price Promotion	4	0.871	0.872	0.629
	Non-price Promotion	9	0.945	0.945	0.658
Exhibition Performance	Sales Performance	3	0.878	0.878	0.707
	Information Collection	4	0.898	0.899	0.689
	Customer Relationship Building	3	0.842	0.839	0.636
	Corporate Image Construction	3	0.840	0.839	0.636

6.2 Descriptive Statistics

Table 2 shows the mean, standard deviation and correlation coefficient of each major variable. As indicated, price promotion was found to be positively correlated with non-price promotion ($r=0.888, p<0.01$). Sales performance ($r=0.815, p<0.01$), information collection ($r=0.854, p<0.01$), customer relationship building ($r=0.790, p<0.01$), and corporate image construction ($r=0.799, p<0.01$) were found to be positively correlated with price promotion. Meanwhile, sales performance ($r=0.879, p<0.01$), information collection ($r=0.885, p<0.01$), customer relationship building ($r=0.858, p<0.01$), and corporate image construction ($r=0.858, p<0.01$) were found to be positively correlated with non-price promotion.

Table 2. Means, standard deviation, and correlations

	1	2	3	4	5	6
1. Price Promotion	1					
2. Non-price Promotion	.888**	1				
3. Sales Performance	.815**	.879**	1			
4. Information Collection	.854**	.885**	.859**	1		
5. Customer Relationship Building	.790**	.858**	.840**	.832**	1	
6. Corporate Image Construction	.799**	.858**	.841**	.856**	.832**	1
Mean	3.807	3.862	3.863	3.843	3.841	3.834
Standard Deviation	1.047	1.033	1.092	1.035	1.042	1.022

Notes: $n=283$; ** $p<0.01$.

6.3 Tests of Hypotheses

Regression analysis was used to measure the research hypotheses, and the outcomes of the regression analysis are given in Table 3. It can be seen that there was a strong positive relationship between exhibition promotion and exhibition performance. The results indicated that both price promotion and non-price promotion had strong positive effects on sales performance ($\beta = 0.168, p < 0.05$; $\beta = 0.777, p < 0.001$), information collection ($\beta = 0.320, p < 0.001$; $\beta = 0.598, p < 0.001$), and corporate image construction ($\beta = 0.173, p < 0.001$; $\beta = 0.693, p < 0.001$). Therefore, hypothesis 1a, 1b, 2a, 2b, 4a, and 4b were accepted with the supports of the analytical statistics. Meanwhile, price promotion had a positively effect on customer relationship building ($\beta = 0.749, p < 0.001$), but the relationship between price promotion and customer relationship building became insignificant ($\beta = 0.129, n.s.$). Hence, hypothesis 3a was accepted, but hypothesis 3b was not.

Table 3. Results of hypotheses testing

	<i>Dependent variables</i>			
	Sales Performance	Information Collection	Customer Relationship Establishment	Corporate Image Construction
<i>Independent variables</i>				
Price Promotion	.168*	.320***	.129	.173**
Non-price Promotion	.777***	.598***	.749***	.693***
R^2	.778	.805	.736	.743
ΔR^2	.776	.803	.736	.741
F	489.298***	577.140***	398.494***	403.917***
ΔF	489.298***	577.140***	398.494***	403.917***

Notes: $N=283$; * $p<0.05$, ** $p<0.01$, *** $p<0.001$.

7. Conclusions and Managerial Implications

According to the results of empirical analysis, the paper draws the following conclusions. There is a significant positive correlation between exhibition promotion and exhibition performance. The positive impact of non-price promotion on each dimension of exhibit performance is greater than price promotion. The positive impact of non-price promotions on sales promotion in the exhibition environment is much higher than the price promotion. The positive impact of price promotions on customer relationship building is not significant. That is, the positive impact of the on-site price promotion on the establishment of customer relationships is not obvious.

Exhibitors should pay full attention to the importance of the means of promotion on the performance of the exhibition. The correlation and positive impact of various exhibition promotion ways and exhibiting performance are particularly significant. The importance of promotion means is that the promotion plays a decisive role in fulfilling the participation target and contributes to subsequent development of enterprises. Therefore, companies should be not neglect to develop and adopt reasonable promotion strategies during the exhibition.

Exhibition companies should reasonably plan the promotion methods used on the spot around the purpose of participating in exhibitions. If exhibitors want to promote sales, it is better to adopt a non-price promotion strategy in the context of exhibition. According to the traditional views, adopting the price strategy is the most effective way to promote sales, but this research results suggest, under the specific time and space conditions of the exhibition site, non-price promotion is much better than price promotion for the sales promotion. As for the purpose of information collection, price promotion and non-price promotion have a certain positive effect, so exhibitors should combine price promotion and non-price promotion to collect relative information exhibitors want. For customer relationship building and corporate image construction, the positive impact of price promotion is not significant, and both benefit from the non-price promotion. Therefore, exhibitors should formulate and implement on-site promotion strategies around the status quo and stage objectives.

8. Limitations and Suggestions for Future Studies

This study only started from the perspective of exhibitor, and did not consider the audience. The perception and attitude of ordinary audiences and professional audiences on different promotion methods are also antecedents of exhibit performance, which is not covered in this study. Meanwhile, the sample is only obtained from the Chengdu area, and there is still room for improvement in a broad representation of the data. Besides, this study did not meticulously classify exhibition promotion with different exhibition features. In future research, internal relations should be concerned, and the influence of it on exhibition performance should be explored.

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