



The effectiveness of trade show marketing capabilities on the financial performance of South African companies

Name : Delon Keswell

Student number : 29621519

Date : 10th November 2010

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration

Abstract

Trade shows are an important part of the marketing mix, however there is considerable doubt to their contribution to the financial results in an organisation. A significant amount of firm's' marketing budgets are spent on trade shows, with the expectation that it will yield positive financial results. However, there is little research on trade show capability; especially literature relating to direct links between trade show activities and financial performance. The objective of this study was to determine whether trade show capability of South African companies results in improved financial performance.

Trade show capability in this study refers to the activities, such as the resources that are required to participate in events and the outcomes from these activities. The resource based view of a firm, and conceptual models were used to link trade show marketing activities to trade show marketing outcomes to study the effects on the sales of companies.

Marketing activities were limited to the number, frequency and level of expenditure of trade shows. The marketing outcomes included the number of leads generated and alignment of trade show goals to financial goals. In addition, company specific factors such as the type of industry, size of company and complexity of product were also explored.

The research design was quantitative and descriptive in nature and tested the links between trade show capabilities and the financial performance of South African firms.

The research found that overall there was no statistical evidence to show that all the trade show capabilities mentioned above, with the exception of some company specific factors, impacted the level of sales. These company specific factors included the type of industry, size of company, company type and complexity of product.

Keywords

- Trade show
- Marketing capability
- Financial performance

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Name: Delon Keswell

Signature: _____

Date: 10th November 2010

Acknowledgements

My sincere thanks to my supervisor, Dr. Dunja Kartte, for her guidance and patience in completing the research. Furthermore, to the marketing professionals and companies who participated in the research, your interest and willingness to participate is greatly acknowledged.

I wish to also acknowledge my employer, Modular Mining Systems, for affording me the opportunity to study and my fellow work colleagues for the patience and support.

To my friend Dr. Muhammed Sayed for the advice and continued interest shown in my research and Tatenda Gatawa for his statistical advice.

To Gary Corin, Howard Fox, Chris de Villiers, Bonny Benade and Robyn Milligan without whose assistance, I could not have completed this project.

Finally, I would like to thank my loving wife Shenaaz, and my son, Adam for their sacrifice, encouragement and unconditional support for over the past two years.

Table of Contents

Chapter 1: Research Problem	1
1.1 Introduction.....	1
1.2 Research Rationale & Objectives.....	3
1.3 Research Scope.....	4
Chapter 2: Literature Review	5
2.1 Introduction	5
2.2 Marketing Communication Tools	5
2.3 The Role of Trade Shows in the Marketing Mix	6
2.3.1 The Importance of Trade Shows	6
2.3.2 Linking Trade Show Objectives to the Firms Financial Objectives.....	8
2.4 Effectiveness of Marketing Capability	9
2.4.1 Financial Measurement	9
2.4.2 Non – Financial Measurement.....	11
2.4.3 Measuring Trade Show Capability	12
2.5 Linking Trade Show Capability with Financial Performance	13
2.6 Conclusion.....	15
Chapter 3: Research Hypotheses	17
3.1 Introduction	17
3.2 Research Hypothesis 1:.....	17
3.3 Research Hypothesis 2:.....	17
3.4 Research Hypothesis 3:.....	18
3.5 Research Hypothesis 4:.....	18
Chapter 4: Research Methodology	19
4.1 Introduction	19
4.2 Research Design.....	19
4.3 Unit of Analysis.....	20
4.4 Population	20
4.5 Sample Size and Method.....	20
4.6 Data Collection Tool	21
4.7 Data Analysis.....	22

4.7.1 Analysis of Variance Analysis.....	22
4.7.2 Cluster Analysis	23
4.8 Potential Research limitations.....	24
Chapter 5: Results.....	25
5.1 Introduction	25
5.2 Research Hypothesis 1	28
5.3 Research Hypothesis 2	30
5.4 Research Hypothesis 3	35
5.5 Research Hypothesis 4	40
5.6 Summary of Findings.....	48
Chapter 6: Discussion of Results	50
6.1 Introduction	50
6.2 Research Hypothesis 1	50
6.3 Research Hypothesis 2	53
6.4 Research Hypothesis 3	55
6.5 Research Hypothesis 4	58
Chapter 7: Conclusion	63
7.1 Introduction	63
7.2 Findings & Recommendations	64
7.3 Future Research.....	66
7.4 Final Remark.....	68
References	69
Appendices	75
Appendix 1 - Covering Letter	75
Appendix 2 - Survey Questionnaire	76
Appendix 3 - Mitigation of Non-Response Bias	83
Appendix 4 – Detailed Cluster Distributions	84

Chapter 1: Research Problem

1.1 Introduction

Trade shows are a multibillion dollar business around the world, with expenditure on trade shows ranging between 10 - 30% of firms' marketing budgets (Bettis-Outland, Cromartie, Johnston & Borders, 2010). This high level of expenditure raises concerns about the contribution that trade shows make to the performance of firms across industries. Given the level of expenditure, there is an expectation that trade shows will yield positive results (Bettis-Outland, Cromartie, Johnston & Borders, 2010; Hansen, 1999).

The first challenge is the ability to link marketing capability with the financial performance of a firm, which is a growing priority (Rust, Ambler, Carpenter, Kumar, & Srivastava, 2004; Bolton, 2004). This issue is highlighted by Morgan, Slotegraaf and Vorhies's (2009) study in the United States of America, that supports the hypothesis that various marketing capabilities including market sensing, customer relationship management and brand management have direct and complimentary effects on both revenue and margin growth rates.

Despite the importance of non-financial marketing metrics and the complexity of a firm's performance, financial measures are considered to be the most appropriate since these measures are widely viewed as being

of fundamental importance to managers (Morgan et al, 2009). Clark (1999) also found that the most frequent measures of financial output in order were profit, sales, market share and cash flow.

In light of the above, trade shows are an important marketing capability as evidenced by their frequency of use and expenditure level (Kerin & Cron, 1987). In 2008 for example, South African firms spent R24,5 billion on marketing activities including trade shows (Marketweb, 2008). However, there is little research on trade show activity; especially literature relating to a direct links between trade show capabilities and financial performance (Morgan *et al*, 2009). In fact Gopalakrishna, Lilien, Williams and Sequeira (1995) studied one firm in India which demonstrated that trade shows can produce positive financial results, specifically incremental sales and profits.

The lack of sufficient empirical research, especially in South Africa, could be partly attributable to the notion that the effects of trade shows are not always measurable and they are often not tracked to a particular event (Allen & Richman, 1992). Furthermore, trade shows form a significant proportion of marketing expenditure and are primarily used to attract new customers and to close sales. Rust and Zahorik (1993) state that it may be up to five times as costly to attract a new customer as than to keep an old one. It is therefore necessary to ensure that these expenditures actually result in better financial performance.

This study will use a conceptual framework proposed by Stewart (2009), which illustrates how to link marketing activities to marketing outcomes and financial results. The sales will be gauged through the number of leads generated from trade show participation.

A second challenge is the lack of alignment between the firm's financial goals and their trade show marketing objectives. Generally, the goals of firms are to maximise profit and returns for shareholders, and executives have to invest in areas that produce or exceed these expected returns.

Although exhibitors perceive trade shows to be effective, there has not been any empirical evidence to evaluate their effectiveness. Roshnee and Fowdar (2004) further argued that where objective trade show measures exist, such as audience quality and proportion of audience quality attracted, managers may not admit that trade shows have worked for them. This is because there is no accurate way of measuring the financial impact.

1.2 Research Rationale & Objectives

The key rationale for undertaking this research is to empirically assess whether trade show capability results in improved financial performance.

The main objectives of this research will be:

Objective 1: To determine the number of leads generated from trade shows and how many of those results in actual sales within a year.

Objective 2: To determine whether trade shows have specific goals and whether those goals are aligned with financial objectives.

Objective 3: To determine if the level of marketing activity affects financial performance.

1.3 Research Scope

The scope of this research was to assess whether there is link between trade show capability and financial performance. The definition of trade show capability was limited to the number of leads generated, number and frequency of trade show events and company specific factors. The financial performance is measured by the sales generated. There are different trade show activities, some are industry, company and geographically specific (Dekimpe, Francois, Gopalakrishna, Lilien & Van den Bulte, 1997).

This study only focused on South African companies across various industries and was restricted to those found in the Marketing Association of South Africa MA(SA), and through an Events and Exhibitions Company in South Africa. This population was considered to have the most experience at assessing the effectiveness of marketing capabilities and financial outcomes.

Chapter 2: Literature Review

2.1 Introduction

There are two key challenges to determine the effectiveness of trade show capability on the financial performance of a firm. The first challenge is the ability to measure the trade show capabilities and whether the outcome measurement should be based on financial or non-financial metrics that ultimately result in improved sales (Clark, 1999). A second challenge is whether trade show marketing objectives are aligned with financial objectives and ultimately results in improved sales (Rust *et al*, 2004; Kerin & Cron, 1987).

This literature review attempts to examine these challenges based on past empirical evidence in this area. It also provides a background to marketing tools and highlights the importance of trade show activities. It also critiques the effectiveness of financial measures as opposed to non-financial measures.

2.2 Marketing Communication Tools

There are eight major modes of communication in the marketing mix which includes; advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word-of-mouth marketing and personal selling (Kotler & Keller, 2009). Companies within the same industry often differ on the types of

communication tools used, but all of these tools either build brand equity, drive sales or both.

This study specifically focused on trade shows as a marketing tool. Fairs and trade shows form part of personal selling, which is considered to be the most effective tool in the later stages of the buying process.

Furthermore Dekimpe, Francois, Gopalakrishna, Lilien & Van den Bulte (1997) found that trade show variables (for example: booth location, size) differed geographically. This study also found that firms in some industries have different expectations when attending trade shows. For example, they use different strategies to attract customers and hence one industry may have experience a higher effectiveness over another. Furthermore, some industries also participate in trade shows to interact with their client base.

2.3 The Role of Trade Shows in the Marketing Mix

2.3.1 The Importance of Trade Shows

As suggested above, trade shows form part of the marketing toolbox and is considered an important marketing tool. There are various names for trade shows like exhibitions and trade fairs, but the basic function of the activity represents a group of suppliers in a major industry marketing event who set up physical exhibits (Herbig, O'Hara & Palumbo, 1994; Hansen, 2004; Kirchgeorg, Fung & Klante, 2010).

In a study commissioned by the Exhibition & Events Association of South Africa (2006), it was estimated that the total exhibitor direct spend on trade shows was around R8,96 billion. For example, with a small growth in this spend, this trade show direct expenditure would thus represent about 40% of the total marketing spend, which in 2008 was estimated at R24, 5 billion (Marketweb, 2008).

This level of expenditure clearly demonstrates the importance that executives place on trade show activities, although the role of trade shows within firms varies from selling to non-selling (Kerin & Cron, 1987). The latter includes reaching a large number of prospective buyers and decision makers, and working on non-sales activities like brand awareness, and gathering competitive advantage.

Despite its apparent importance, Hansen (2004) suggested that marketing scholars have often overlooked its importance due to the lack of research on the role of trade shows in marketing. However, the literature does emphasise the need to focus on the effectiveness of these initiatives, like any other investments, as they are expected to yield positive results or show some form of return (Hansen, 2004).

2.3.2 Linking Trade Show Objectives to the Firms' Financial Objectives.

Rust, *et al* (2004) highlighted that the strategic roles of marketing should include setting strategic direction and guiding investments that develop customer focused measures. This will enhance a firm's long term value and provide sustainable competitive advantages through leveraging business processes. It is therefore important that the outcomes of trade show marketing expenditure are measured and aligned with the strategic objectives. This will ensure the effectiveness and will contribute to the marketing goals and financial performance of the company (Hansen, 2004). Sashi and Perretty (1992) also suggested that any evaluation of trade shows should include achieving objectives in the marketing plan.

A Creative Training Solutions (2002) study of the exhibition industry quantified the important objectives for exhibiting, which align with overall marketing objectives. Some of these included sales leads from new prospects, generation of sales orders, introducing new products and promoting company capabilities. This research study focused on the first two outcomes. The following section addresses these outcomes in more detail.

2.4 Effectiveness of Marketing Capability

Although there is still no real consensus over measurement for the performance of trade shows (Ling-ye, 2007), marketing measurement has moved over the years between 3 stages; financial and non-financial, output and input, and one-dimensional and multidimensional measures (Clark, 1999; Lamberti & Noci, 2010). Weber (2002) proposed that measuring improvement in acquiring customers should consist of the revenue attributable to the marketing activities that bring new customers. The following section will review the effectiveness of financial measures and will focus on output financial measures, as other measures are more complex, subjective and not easily related to financial performance.

2.4.1 Financial Measurement

In order to determine the most appropriate measurable outcome of trade show effectiveness, both financial and non-financial measures were studied but financial output measures were used to determine the effectiveness of trade show capability on financial performance.

This is supported by Woodburn (2004) who argued that marketing financial measurement offers total performance measurement by reducing numerous inputs and outputs to the same currency. In addition, the financial evaluations drive change more than any other performance measure, even though the changes that are necessary are not specified.

Of the output financial marketing measures put forward by Clark (1999), sales and profit are considered appropriate as they are widely used measures by the accounting profession. This was supported by Doyle (2000) who stated that an increase in sales is a common criterion for measuring effectiveness of marketing. Although sale and profit are accounting measures, Ambler, Kokkinaki and Puntoni (2004) confirm that financial measures remain the dominant metrics categories relative to non-financial measures.

Another traditional input of financial measurement is Return on Investment (ROI). However this measure is not considered appropriate as marketing expenditures usually play out over the long term. Rust *et al* (2004) also found that this measurement is more focused on efficiency rather than effectiveness, as it is inconsistent with profit maximisation. On the other hand, Cook and Talluri (2004) argue for the ROI approach as it focuses on business goals, encourages transparency and improves business process. Nevertheless, Ambler (2008) supported arguments in favour of rejecting ROI as it was considered to be measured incorrectly and inconsistently amongst companies and countries.

In addition, financial performance measures indicate whether the company's strategy implementation and execution are contributing to the bottom line improvement (Kaplan & Norton, 1992).

2.4.2 Non – Financial Measurement

The arguments in favour of non-financial measures for example, customer satisfaction, market share and brand equity are that they are better predictors of future financial performance other than historical accounting measures (Joshi & Hanssens, 2010). This was initially supported by Ambler (2003) who also argued that financial measures were not adequate at the time.

In summary, the financial reasons far outweigh the non-financial reasons in measuring the effectiveness of marketing activities. These include as stated by Stewart (2009):

- finance as the common language of the firm,
- most evaluations of companies are based on financial measures,
- companies report using financial measures,
- financial metrics are used to compare alternatives across non-comparable actions,
- financial metrics provide accountability and
- financial metrics are used to answer questions about the optimal marketing mix when dealing with distinct and different marketing activities and marketing outcomes.

2.4.3 Measuring Trade Show Capability

Sharland and Balogh (1996) defined effectiveness of trade shows in terms of the number of sales leads generated, followed up and successfully closed versus efficiency in terms of the cost of the trade show versus other marketing activities. Cavanaugh (1976) argued that it is critical to evaluate the effectiveness of the trade show, since management is demanding precise measurements and returns on trade show investment.

Capabilities can be viewed as distinctive competence such as skills and accumulated knowledge that is used in organisational processes which create competitive advantages for firms. Using the resource based view of a firm (Ramaswami, Srivastava & Bhargava, 2009), marketing activities in the form of total trade show expenditure (cost and skills, etc.) and the number and frequency of events will be linked to objective marketing outcomes in the form of leads generated and sales closed.

In the past, as evidenced by Allen and Richman (1992), it was difficult to measure the direct sales return on trade shows as the sales were often not tracked to the actual trade show activity.

Gopalakrishna and Williams (1992) further argued that the most objective measure of primary participation in trade shows was due to leads generation that could be tracked to sales. Herbig, O'Hara and Palumbo (1994) agreed that audience measures are important to determining trade

show effectiveness; but in particular sales generated from leads and number of leads generated is more of interest to senior management.

The number of sales leads generated is easily determined by counting the number of prospects generated from the trade show activity and this is the most common measure of effectiveness (Roshnee & Fowdar, 2004). The trade show exhibitors are required to keep basic prospect information such as the firm name, etc. Sales generated from leads can be determined immediately or months after the show in the case of selling complex goods (Herbig, O'Hara & Palumbo (1994).

Although there are many measurement objectives, these two are the most widely used measures that translate into financial performance. Additional effective measures could be generated depending on company trade show objectives.

Even though trade show performance includes both selling and non-selling dimensions (Lee & Kim, 2008; Kerin & Cron, 1987), this study will focus on selling activities in the form of leads generated that turn into sales, as these are quantifiable and measurable.

2.5 Linking Trade Show Capability with Financial Performance

Marketing activity must be linked to financial performance. Clark and Ambler (2001, p.231) as cited by O'Sullivan and Abela's (2007), states that marketing performance measurement is the assessment of "the

relationship between marketing activities and business performance”. In this regard, the literature provided various evidence that marketing capabilities have a direct and complimentary effect on financial performance including revenue and margin growth rates (Morgan *et al*, 2009; Ambler, 2008; Fine, 2009; Hogan, Lehmann, Merino, Srivastava, Thomas & Vehoeft, 2002).

A number of studies looked at linking behavioural marketing outcomes to financial performance. However, customer centric, behavioural and perceptual marketing outcomes are not easily or accurately measurable. Customer centric outcomes include observable metrics such as, what customers do, and unobservable metrics, such as what customers think (Gupta & Zeithaml, 2006). For example an unobservable metric such as customer satisfaction will measure if a customer is happy with a product or service at a particular point in time, so it is subjective. Rust *et al* (2004) and Joshi and Hanssens (2010), for example found that marketing expenditures are linked to shareholder value and demonstrated how the non- financial measures drove shareholder value in the long and short term.

Gupta and Zeithaml (2006) argued for greater accountability and to understand how customer metrics link profitability and firm value. Their study reflected the unobservable constructs on financial performance, which is the link between customer satisfaction and firm profitability. Baidya and Basu (2008) also partly found that marketing efforts have a

significant positive effect on sales in the short term, taking into consideration both financial and non-financial aspects of measurements but their study was limited to a case study.

Various frameworks were developed to link measurable marketing activities to financial results (Gronholdt & Martensen, 2006; Stewart, 2009). This study adopted a framework proposed by Stewart (2009) who identified qualified sales leads and sales as the important metrics for marketing outcomes which can be directly linked to financial performance.

Even with these suggested links mentioned, the effects of trade show capabilities (marketing activities and marketing outcomes) on financial performance (sales) were not investigated in any of these studies, as they specifically looked at other marketing mix outcomes.

2.6 Conclusion

There is a lack of research on whether trade show capability results in sales (Dekimpe, Francois, Gopalakrishna, Lilien & Van den Bulte, 1997). This and the fact that trade shows will still continue to be an integral and indispensable part of the marketing mix in the future (Kirchgeorg, Fung & Klante, 2010) suggest that any participation should result in some form of return, whether it is selling or non-selling related. Since most of the literature focuses on performance, it is a natural expectation that trade show capability will yield positive results, which includes generating sales

(Hansen, 1999; Hansen 2004). This study will investigated whether if the number of leads generated, frequency and number of events attended, alignment of trade show goals and the level of marketing expenditure for trade shows, resulted in sales. In addition, company specific factors such as the type of industry, size of company, complexity of product were also explored.

Chapter 3: Research Hypotheses

3.1 Introduction

The following set of hypotheses was developed from the literature review as discussed in Chapter 1 and 2 in order to investigate the relationship between trade show capability and financial outcomes. Trade show capability refers to trade show activity in the form of the level of expenditure and number and frequency of participation in trade show events. The number of sales leads generated from trade shows was used as the main marketing outcome of trade show activity. Financial outcomes are specifically focused on sales closed within a period of one calendar year.

3.2 Research Hypothesis 1:

H_0 : The null hypothesis states that there is no link between the number of leads generated from trade shows and company sales within one year.

H_1 : The alternate hypothesis states that there is a link between the numbers of leads generated and company sales within one calendar year.

3.3 Research Hypothesis 2:

H_0 : The null hypothesis states that there is no link between the number of trade show events and company sales within one calendar year.

H₁: The alternate hypothesis states that there is a link between the number of trade show events and sales within one calendar year.

3.4 Research Hypothesis 3:

H₀: The null hypothesis states that trade show goals that relate to leads generated, have no effect on sales generated from trade shows.

H₁: The alternate hypothesis states that only companies that have trade show goals that relate to leads generated will generate sales from trade shows.

3.5 Research Hypothesis 4:

H₀: The null hypothesis states that the success of trade shows depends on company specific factors such as level of expenditure, type of industry, size of company and other specific characteristics (company type, complexity of product)

H₁: The alternate hypothesis states that company specific factors have no influence on the effectiveness of trade shows.

Chapter 4: Research Methodology

4.1 Introduction

This Chapter focuses on the research methodology and how it was applied to the variables covered in Chapter 3. This section will specifically cover the data collection tool, population, sample size and selection, data analysis and research limitations.

4.2 Research Design

The research design was quantitative and descriptive in nature and tested the links between trade show capabilities and the financial performance of South African companies.

A survey design was adopted as the financial cost and time required to obtain secondary data on financial performance of both listed and private companies was prohibitive.

Due to the lack of published empirical research on the financial benefits of trade show capability, it was necessary to carry out primary research to collect the information required for this research. A survey in the form of a questionnaire was the preferred research method and this was used to collect data on the different research hypotheses.

4.3 Unit of Analysis

The unit of analysis for the study was each company as represented mainly by its marketing and/or financial functions. The units were restricted to South African firms, some of which participate and others which do not participate in trade shows.

4.4 Population

The population is all marketing and financial executives working in these South African companies. The sampling frame used was the list of all current members of the Marketing Association of South Africa (MA (SA)) and companies in various industries that participated in trade shows through an Exhibition Service Provider.

The professionals within MA (SA) were considered to be the population with the most experience at assessing the effectiveness of marketing capability and financial outcomes. The Exhibition Service Provider Company was also relevant as it covered companies from a broad range of industries that participated in trade shows.

4.5 Sample Size and Method

Convenience sampling was used and was selected to obtain those units of people at a very low cost. The benefits of this sampling method included the ability to obtain a large number of completed questionnaires quickly,

conveniently and economically (Zikmund, 2003). The use of this technique is justified by the availability of the sampling frame. The disadvantage for this is variability and the bias of estimates cannot be measured or controlled and projecting results beyond this specific sample is not appropriate (Zikmund, 2003).

The size of the population is estimated at around 1,664 units. This is made up of about 200 current individual marketing professionals in MA (SA) and 1,464 exhibitor companies across various industries, who participated in trade shows through the Exhibition Service Provider.

4.6 Data Collection Tool

An on-line questionnaire was used to collect the primary data. The population was emailed a letter explaining the research and a link to the questionnaire on Survey Monkey. The questionnaire was based on the literature review and research objectives.

The questionnaire also addressed the following questions to aid with the analysis:

- Company financial performance in terms of sales.
- The types of marketing activities that were used.
- The types and level of marketing performance measures in place.
- Company characteristics in terms of industry, size and complexity of products.

4.7 Data Analysis

The questionnaire responses were presented using general descriptive statistics in the form of frequency distributions, and also appropriate visual summaries such as histograms, bar charts and pie charts. Further analyses targeted at answering the specific research questions were completed using the techniques described below.

4.7.1 Analysis of Variance Analysis

An Analysis of Variance (ANOVA) analysis was performed to establish the effect of the number of leads generated, the number of trade shows attended, the importance placed on goals for trade shows, and the level of trade show expenditure company sales. ANOVA analysis was used to test the hypothesis that the dependant variable (sales) has an equal mean across levels of an independent variable. The dependant variable is generally a quantitative or ratio variable and the independent variable is a categorical variable.

The null hypothesis is: $H_0: \mu_1 = \mu_2 = \dots = \mu_n$ (where μ_1 is the mean of the dependent variable for category 1 of the independent variable) and the Alternative hypothesis is: $H_1: \mu_i \neq \mu_n$ for at least one combination of i and n .

If the null hypothesis is true, it can be concluded that the independent variable has no effect on the dependant variable. If for example, the dependent variable is the level of sales and the independent variable is

the gender of a CEO, if the null hypothesis is true, it means it can be concluded that the gender of a company's CEO has no effect on the level of sales generated.

In an ANOVA analysis the decision to accept or reject the null hypothesis was determined by calculating the F -statistic and evaluating the p -value of this statistic. The F – statistic compares sample variances and measures whether there is more variability in the scores of one sample over another, such as the variance between and within groups (Zikmund, 2003). The p -value is the probability of obtaining a result that is extreme as the one that was actually observed, assuming that the null hypothesis is true. If the p -value was less than 0.05 then the null hypothesis of equal means at the 5% significance level was rejected.

This provides statistically significant evidence that the independent variable has an effect on the value of dependent variable. In this research the dependent variable in the ANOVA analysis was the level of sales and the independent variables tested included the number and frequency of trade shows attended, the percentage contribution of trade show leads to all leads, the importance of goals for a trade show, and the level of trade show marketing expenditure.

4.7.2 Cluster Analysis

Cluster analysis was carried out to identify respondents that were similar. This was used to identify response patterns on the various aspects of

trade show activities investigated that are similar for groups or clusters of respondents along lines such as industry, firm size and other determining factors. This analysis was used to answer hypothesis four.

The output of the cluster analysis includes a summary of the number of different clusters found in the general responses and statistical summary of the different variables that are most influential in defining the different clusters.

Cluster analysis was an important technique as it enabled the identification of similar groups or segments (if they actually existed) for which trade shows are most appropriate or for which the effectiveness of trade show activity differed.

4.8 Potential Research limitations

Some companies did not keep data of their trade show events. Furthermore, the sample was limited and only included all professional marketers MA (SA), and companies in various industries through one Exhibition Service Provider. While it is believed that the sample is representative, it is mainly limited to South African firms that participated in trade shows. Some of the responses included estimates and subjective opinions and this may be over or under estimated. No customer centric behavioural data was collected as it was outside the scope of this research.

Chapter 5: Results

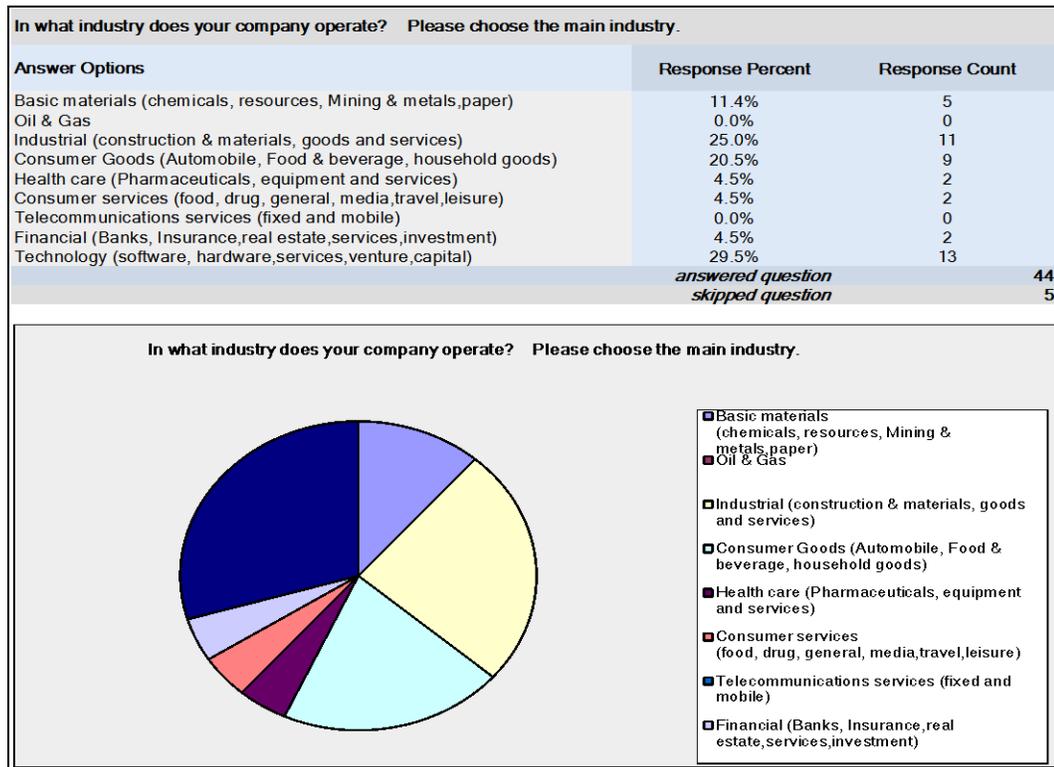
5.1 Introduction

This chapter presents the results from the survey of the current members of the Marketing Association of South Africa and companies in various industries. The industries comprised of Basic Materials, Industrial, Consumer Goods, Healthcare, Consumer Services, Financial, and Technology. The companies' surveyed participated in trade shows in the last three calendar years. The results are presented according to the four research hypotheses.

The survey was conducted on a total of 200 members and 1,464 companies who may or may not have participated in trade shows over the last three calendar years. The surveys were emailed by MA (SA) and the Exhibition Service Provider to members and exhibitors respectively. A total of 49 responses were received, but only 44 were completed that had participated in trade shows over the last three years. A total of 82% of these completed responses related to the last two years and were considered relatively recent and accurate. The overall response rate was therefore 3% of the population.

A summary of the sample characteristics are presented below. The majority of the responses from each industry were received in the following order; Technology, Industrial, Consumer Goods, Basic Materials and then equally, Healthcare, Consumer Services and Financial.

Figure 1 Respondents by industry

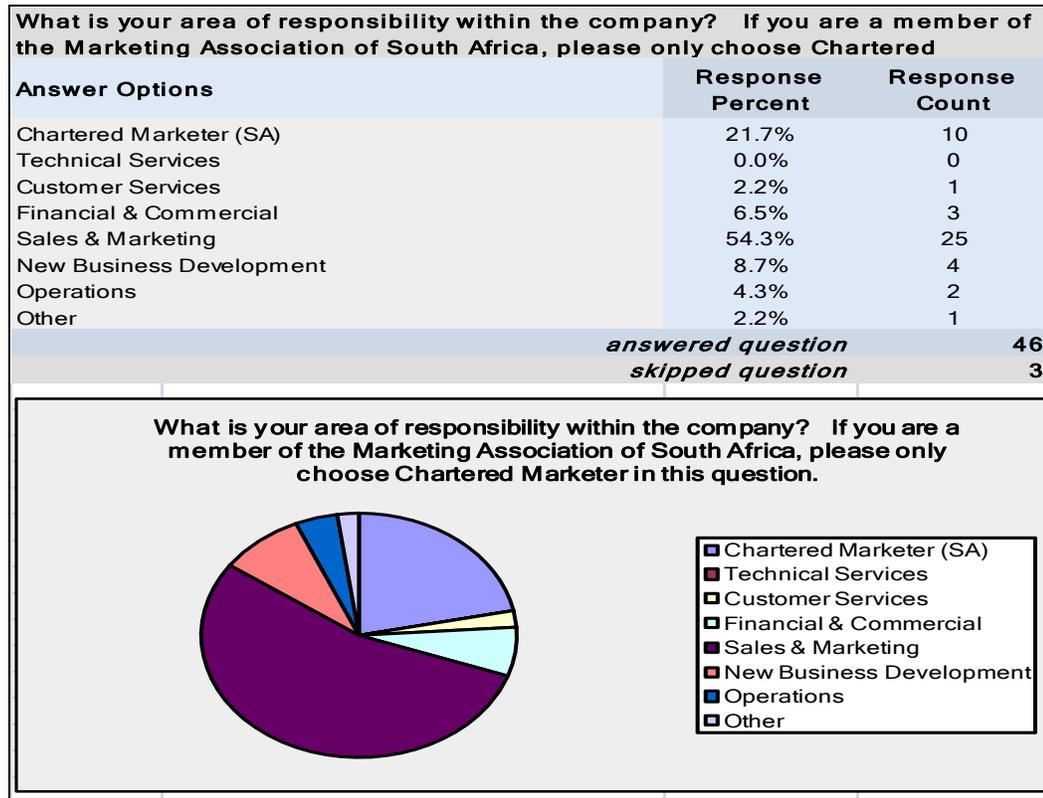


Although the companies surveyed were relatively evenly spread across industrial sectors, response rates were higher in some industries. Only 37 respondents recorded sales, with a total estimated value of R6 billion. The largest industries in order of sales were; Industrial, Consumer Goods, Financial, Technology, Consumer Services, Basic Materials and Healthcare.

In terms of functional characteristics, the majority of the respondents (85%) were represented by sales and marketing functions. They were considered to be the most relevant to answer the survey questions as they had the experience in participating in trade shows and would have access to the financial information.

However, the respondents that participated in trade shows that completed the sales value information represented only 90% of all responses.

Figure 2 Responses by function



In addition to the above, some other interesting characteristics of the sample included; that it mainly comprised of unlisted companies (81.8%); the majority of companies had less than one hundred employees (67.4%), and the main marketing activities used by companies were other marketing activities (52.3%) besides trade shows, as trade shows represented 25% of the main marketing activity.

A full discussion on the results can be found in chapter 6.

5.2 Research Hypothesis 1

H₀: The null hypothesis states that there is no link between the numbers of leads generated from trade shows and company sales within one year.

H₁: The alternate hypothesis states that there is a link between the numbers of leads generated and company sales within one calendar year.

The data collected showed that there was no significant statistical evidence to reject the null hypothesis which states that there is no link between the number of leads generated from trade shows and the level of company sales within one year.

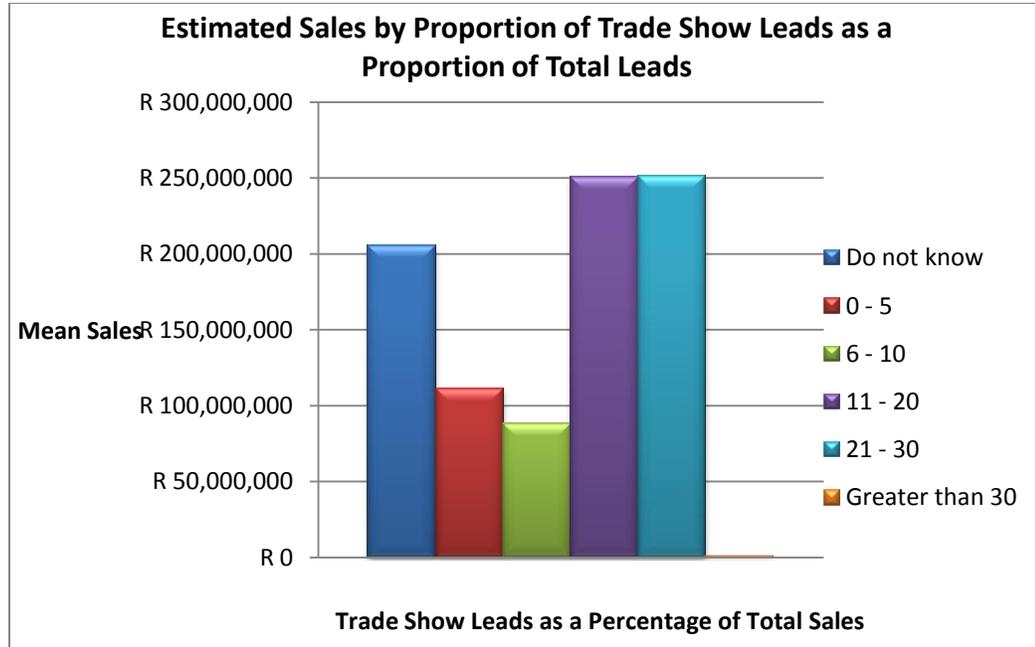
The companies surveyed were fairly distributed in terms of the proportion of their total leads generated by attending trade shows.

Table 1 Proportion of trade show leads of all sales leads

What is the proportion of trade show leads of all sales leads generated? Estimated Percentage in the chosen calendar year		
Answer Options	Response Percent	Response Count
0 - 5	32.4%	12
6 - 10	13.5%	5
11 - 20	10.8%	4
21 - 30	10.8%	4
Greater than 30	2.7%	1
Do not know	29.7%	11
<i>answered question</i>		37

The mean estimated sales value of the companies that participated in the survey was R159, 057, 632.

Figure 3 Estimated sales by proportion of trade show leads of total leads



A summary ANOVA was performed to test the hypothesis of equal mean yearly sales between the different categories of response to the question “What proportion of total sales leads are generated from trade shows”. A total of 36 companies answered this question and the means and variances of their sales are tabled below.

Table 2 Summary for proportion of leads generated from trade shows and total sales value

Summary of ANOVA for Proportion of Sales Leads Generated from Trade Shows and Total Sales Value				
Groups	Count	Sum	Average	Variance
0 – 5	12	R 1,334,500,000	R 111,208,333	R 14,054,066,287,878,800
11 – 20	4	R 1,002,000,000	R 250,500,000	R 120,917,666,666,667,000
21 – 30	4	R 1,006,190,000	R 251,547,500	R 82,310,485,691,666,700
6 – 10	5	R 441,000,000	R 88,200,000	R 8,970,200,000,000,000
Do not know	11	R 2,259,299,999	R 205,390,909	R 111,658,140,750,169,000
Greater than 30	1	R 1,200,000	R 1,200,000	R 0

Table 3 ANOVA for proportion of leads generated from trade shows and total sales value

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.68093E+17	5	3.36186E+16	0.543722398	0.741696	2.522538
Within Groups	1.91674E+18	31	6.18304E+16			
Total	2.08483E+18	36				

The p-value of the ANOVA test (0.74) is greater than 0.05, therefore the null hypothesis of equal mean sales between the different categories cannot be rejected. There is no statistical evidence to suggest that the proportion of total leads generated from trade shows has any effect on the overall level of sales.

5.3 Research Hypothesis 2

H₀: The null hypothesis states that there is no link between the number of trade show events and company sales within one calendar year.

H₁: The alternate hypothesis states that there is a link between the number of trade show events and sales within one calendar year.

The data collected showed that there was no significant statistical evidence to reject the null hypothesis which states that there is no link between the number of trade show events and company sales within one year.

A total of 89.8% of the companies surveyed participated in a trade show over the last three years.

Table 4 Company participation in trade shows over the last three years.

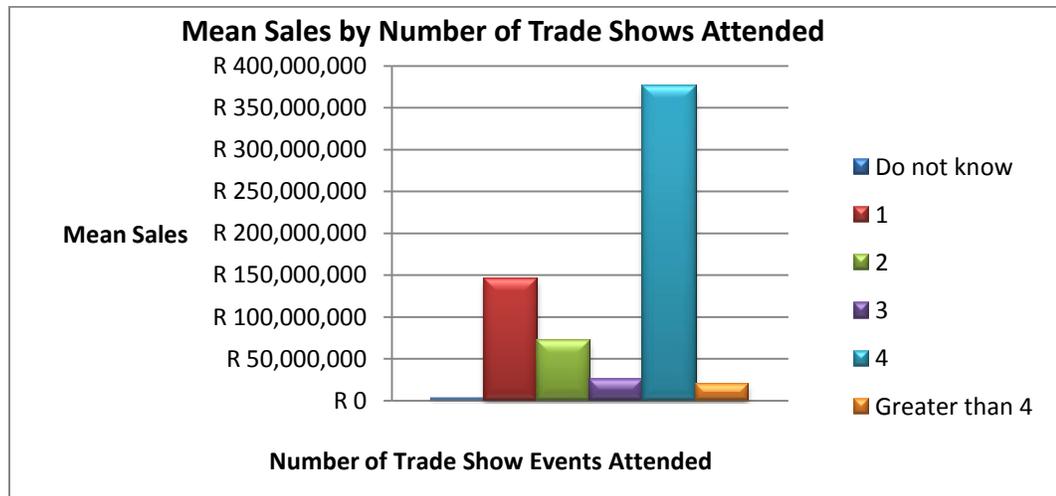
Has your company participated in any trade show event in any of the last three years?			
Answer Options	Answer Options	Response Percent	Response Count
Yes	Yes	89.8%	44
No	No	10.2%	5
<i>answered question</i>			49

The distribution of the companies in terms of the actual number of trade shows attended is shown below with the majority of companies participating in at least one trade show.

Table 5 Results of the number of trade show events

How many trade show events did your company participate in? Estimated number of events in the chosen year		
Answer Options	Response Percent	Response Count
1	54.8%	17
2	25.8%	8
3	6.5%	2
4	6.5%	2
Greater than 4	3.2%	1
Do not know	3.2%	1
<i>answered question</i>		31
<i>skipped question</i>		18

Figure 4 Mean sales by number of trade shows attended



The summary of the ANOVA analysis performed to test the hypothesis of equal mean annual sales between different categories of responses to the question “What is the number of trade shows attended in the chosen year?”. A total of 31 companies answered this question and the means and variances of their sales are shown below.

Table 6 Summary of trade shows attended and total sales value

SUMMARY					
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>	
Do not know	1	R 2,000,000	R 2,000,000		
1	17	R 2,466,890,000	R 145,111,176	R 46,594,838,498,529,400	
2	8	R 575,300,000	R 71,912,500	R 4,943,975,535,714,290	
3	2	R 50,000,000	R 25,000,000	R 0	
4	2	R 750,000,000	R 375,000,000	R 31,250,000,000,000,000	
Greater than 4	1	R 20,000,000	R 20,000,000		

Table 7 ANOVA for trade shows attended and total sales value

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	2.00572E+17	5	4.01145E+16	1.236002103	0.32205	2.602987
Within Groups	8.11375E+17	25	3.2455E+16			
Total	1.01195E+18	30				

The p-value of the ANOVA test (0.32) is greater than 0.05 therefore we do not reject the null hypothesis of equal mean sales between the different categories is not rejected.

There is no statistical evidence to suggest that the number of trade show events attended in a single calendar year has a significant differentiating effect on the overall level of sales. This provided further evidence in

support of the overall null hypothesis that the number of trade show events attended has no significant effect on the level of sales.

When looking at the frequency of trade shows, a total of 73,8% of the companies surveyed participated in the same trade show event on more than one occasion.

Table 8 Results of companies that participated in the same trade show on more than once

Did your company participate in the same trade show events on more than one occasion?		
Answer Options	Response Percent	Response Count
Yes	73.8%	31
No	26.2%	11
<i>answered question</i>		42
<i>skipped question</i>		7

Figure 5 Mean average sales of companies that participated more than once versus only once



A summary of the ANOVA analysis was carried out to test the hypothesis of equal mean annual sales between the different categories of response

to the question “Did your company participate in the same trade show event on more than one occasion?”. A total of 44 companies answered this question and the means and variances of their sales are provided below.

Table 9 Summary of Companies participation more than once by total sale value

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
No	12	R 3,004,380,000	R 250,365,000	R 212,389,203,045,455,000
Yes	32	R 8,851,999,998	R 276,625,000	R 621,494,299,040,468,000

Table 10 ANOVA of companies' participation more than once by total sale value

<i>ANOVA Source Var</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between				0.01170068	0.91437	4.07265
n	6,018,219,025,899,520	1	6,018,219,025,899,520	2	6	4
Within	21,602,604,503,754,500,000	4	514,347,726,279,869,000			
Groups	00	2	00			
Total	21,608,622,722,780,400,000	4				
	00	3				

The p-value of the ANOVA test (0.91) was greater than 0.05 therefore the null hypothesis of equal mean sales between the different categories cannot be rejected.

There is no statistical evidence to suggest that making repeat attendances at the same trade show event has a significant differentiating effect on the overall level of sales. This also provided further evidence in support of the overall null hypothesis that the number of trade show events attended has no significant effect on the level of sales.

5.4 Research Hypothesis 3

H₀: The null hypothesis states that trade show goals that relate to leads generated, have no effect on sales generated from trade shows.

H₁: The alternate hypothesis states that only companies that have trade show goals that relate to leads generated will generate sales from trade shows.

The data collected from the survey supported the null hypothesis which states that clear trade show goals that relate to leads generated, had no effect on sales generated from trade shows. However it was the opinion of 95,3% of the companies that it is necessary to have specific goals for a trade show event.

Table 11 Results of companies' opinion on whether specific goals are necessary

In your opinion, is it necessary to have specific goals for trade shows?		
Answer Options	Response Percent	Response Count
Yes	95.3%	41
No	4.7%	2
<i>answered question</i>		43
<i>skipped question</i>		6

The type of measurements could also be important in assessing how goals impact the success of a trade show. The results showed that the majority of the companies (70.5%) felt that it was necessary to set both financial and non-financial measures for a trade show event.

Table 12 Results of the performance measures used by companies to evaluate trade shows

Typically, what types of performance measures are used by your company to evaluate the success of trade shows? Please choose the appropriate		
Answer Options	Response Percent	Response Count
Financial	15.9%	7
Non - Financial	6.8%	3
Both the above	70.5%	31
None	6.8%	3
<i>answered question</i>		44
<i>skipped question</i>		5

In terms of main goals for attending a trade show event, companies were fairly split. The survey revealed a split between companies whose main goal for attending a trade show event was to generate leads (39.5%) and companies whose main goal was to build brand awareness (37.2%).

Table 13 Results of the main goals of companies for participating in trade shows

What was your main goal in participating in trade shows?		
Answer Options	Response Percent	Response Count
To make on site sales	14.0%	6
To generate leads	39.5%	17
To build brand awareness	37.2%	16
To introduce new products	9.3%	4
Other	0.0%	0
<i>answered question</i>		43
<i>skipped question</i>		6

Figure 6 Average sales by main goal for participating in trade shows



A summary of the ANOVA analysis carried out to test the hypothesis of equal mean annual sales between the different categories of response to the question “What was your main goal for participating in a trade show event?”. A total 43 companies answered this question and the means and variances of their sales are given below.

Table 14 Summary of main goals of companies by total sales value

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
To build brand awareness	16	R 1,442,000,000	R 90,125,000	R26,891,716,666,666,700
To generate leads	17	R 3,817,689,999	R 224,570,000	R92,588,415,078,071,200
To introduce new products	4	R 301,200,000	R 75,300,000	R 2,440,360,000,000,000
To make on site sales	4	R 398,000,000	R 99,500,000	R 7,749,666,666,666,670

Table 15 ANOVA of main goals of companies by total sales value

<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.83522E+17	3	6.11741E+16	1.181732396	0.329906	2.858796
Within Groups	1.91536E+18	37	5.17665E+16			
Total	2.09888E+18	40				

The p-value of the ANOVA test (0.33) was greater than 0.05 therefore the null hypothesis of equal mean sales between the different categories cannot be rejected. There is no statistical evidence to suggest that a company’s main goal for attending a trade show has a significant differentiating effect on the overall level of sales.

The majority of companies had clear trade show goals which resulted sales. However the ANOVA shows that there was no significant difference in the overall level of sales of companies that supported this view.

Table 16 Results of companies that did not have clear goals versus who did

Did any of the trade shows result in sales that did not have clear goals?		
Answer Options	Response Percent	Response Count
Yes	38.1%	16
No	61.9%	26
<i>answered question</i>		42
<i>skipped question</i>		7

Figure 7 Mean sales whether companies had clear goals or not by total sales value



A summary of the ANOVA analysis was carried out to test the hypothesis of equal mean annual sales between the different categories of response to the question “Did any of the trade shows that did not have clear goals result in sales?” A total of 42 companies answered this question and the means and variances of their sales are given below.

Table 17 Summary of companies whether or not they had clear goals by total sales value

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
No	26	R 3,087,190,000	R 118,738,077	R 37,407,121,296,153,800
Yes	16	R 2,624,799,999	R 164,050,000	R 80,692,811,888,540,000

Table 18 ANOVA of whether companies had clear goals or not by total sales value

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	2.03E+16	1	2.03362E+16	0.379128374	0.541558	4.084746
Within Groups	2.15E+18	40	5.36393E+16			
Total	2.17E+18	41				

The p-value of the ANOVA test (0.54) is greater than 0.05 therefore the null hypothesis of equal mean sales between the different categories cannot be rejected.

Therefore there is no statistical evidence to suggest that a company's view on the importance of goals in achieving sales from a trade show has any significant differentiating effect on the overall level of sales. This also provided further evidence in support of the overall null hypothesis.

5.5 Research Hypothesis 4

H₀: The null hypothesis states that the success of trade shows depends on company specific factors such as level of expenditure, type of industry, size of company and other specific characteristics (company type, complexity of product).

H₁: The alternate hypothesis states that company specific factors have no influence on the effectiveness of trade shows.

Company specific factors, with the exception of the level of expenditure, were tested using cluster analysis. The level of expenditure was tested using an ANOVA of equal mean sales between the different categories of response to the question “What proportion of marketing spend did your company spend on trade shows?”.

Regarding the level of expenditure, the data collected showed that there was no significant statistical evidence to support the null hypothesis which states that the success of a trade show depends on the level of expenditure.

Table 19 Results of proportion of marketing expenditure on trade shows

What proportion of marketing spend did your company spend on trade shows? Estimated Percentage in the chosen calendar year		
Answer Options	Response Percent	Response Count
0 - 5	36.6%	15
6 -10	19.5%	8
11 - 20	12.2%	5
21 - 30	14.6%	6
Greater than 30	14.6%	6
Do not know	2.4%	1
<i>answered question</i>		41

Figure 8 Average Sales of companies by percentage of trade show expenditure

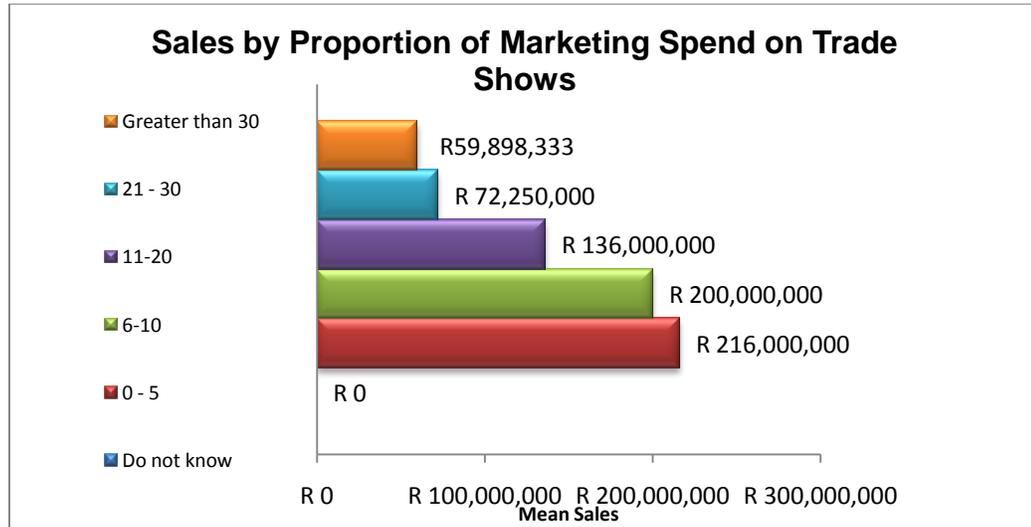


Table 20 Summary of company sales by trade show expenditure

			Sum of Squares	Df
Sales by Trade Show Expenditure	Between Groups	(Combined)	1.927E17	5
	Within Groups		1.933E18	35
	Total		2.125E18	40

Table 21 ANOVA of trade show expenditure by mean total sales

			Mean Square	F	P Value
Sales by Trade Show Expenditure	Between Groups	(Combined)	3.853E16	.698	.629
	Within Groups		5.522E16		
	Total				

The p-value of the ANOVA test (0.629) is greater than 0.05 therefore the null hypothesis which stated that the success of trade shows depended on the level of expenditure, cannot be supported.

The remaining company specific factors were analysed using cluster analysis. This was used to classify or group all of the respondents into meaningful groups based on a statistical algorithm which determined which respondents are most similar in terms of their overall profile of responses to all of the questions. Some variables are more important than others in determining the clusters. These variables have the most differentiating effect in the survey responses and are the responsible variables for differentiating on group or cluster of responses.

The validity of the clusters obtained was validated using the silhouette coefficient. The silhouette coefficient is a measure of the extent of cohesiveness within a cluster and the degree of separation between the different clusters. The ideal goal is to obtain the maximum cohesion within the clusters and the maximum separation between the different clusters. The silhouette coefficient ranges from -1 to 1 in value. A value of -1 suggests that the clusters are poor and unreliable.

Two clusters of respondents were found in the survey and the value of the silhouette coefficient indicated the model obtained and the resultant profile provided a fair description of the overall structure of the responses to this survey.

Figure 9 Model used for cluster analysis

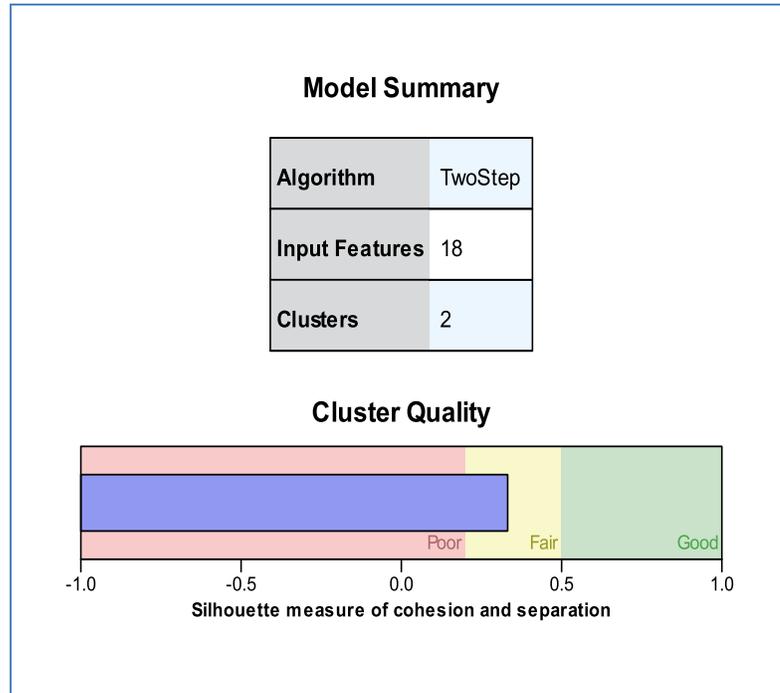
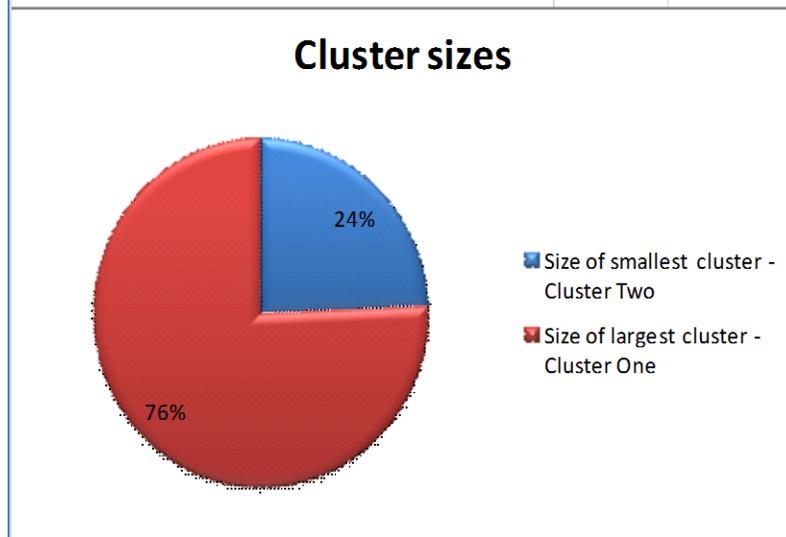


Figure 10 Cluster sizes

Size of smallest cluster - Cluster Two	9	24.3%
Size of largest cluster - Cluster One	28	75.7%
Ratio of sizes - Largest to smallest cluster	3.11	



The output summarised the most important variables that differentiated the clusters. Both clusters had participated in trade show events in the last three years. However cluster one respondents felt that their participation in trade shows had been a success, whilst cluster two respondents felt that it was not a success.

The output also summarises the most important variables that differentiated these two key groups. The most interesting differences between the two groups were as follows:

- Cluster one respondents mainly responded that it took two to three months to close a sale from a trade show lead, whilst cluster two respondents mostly did not know.
- Cluster one respondents mainly responded that their trade show attendances resulted in actual sales, whilst cluster two mostly responded that attendances did not result in sales.
- Cluster one respondents mainly responded that between zero to five per cent of their total leads were generated from trade shows, whilst cluster two mostly did not respond to this question.

Both groups mainly responded that it was necessary to have specific goals for trade shows, however, there were differences between the respondents. Cluster one had a main goal to generate leads, whilst cluster two, had its main goal to build brand awareness.

The summary output detailed on the next page, shows the responses of each cluster. The results for the company specific factors generally support the null hypothesis, with the exception of the level of expenditure. The detailed distributions of each cluster can be found in Appendix 4.

Figure 11 Cluster one comparison

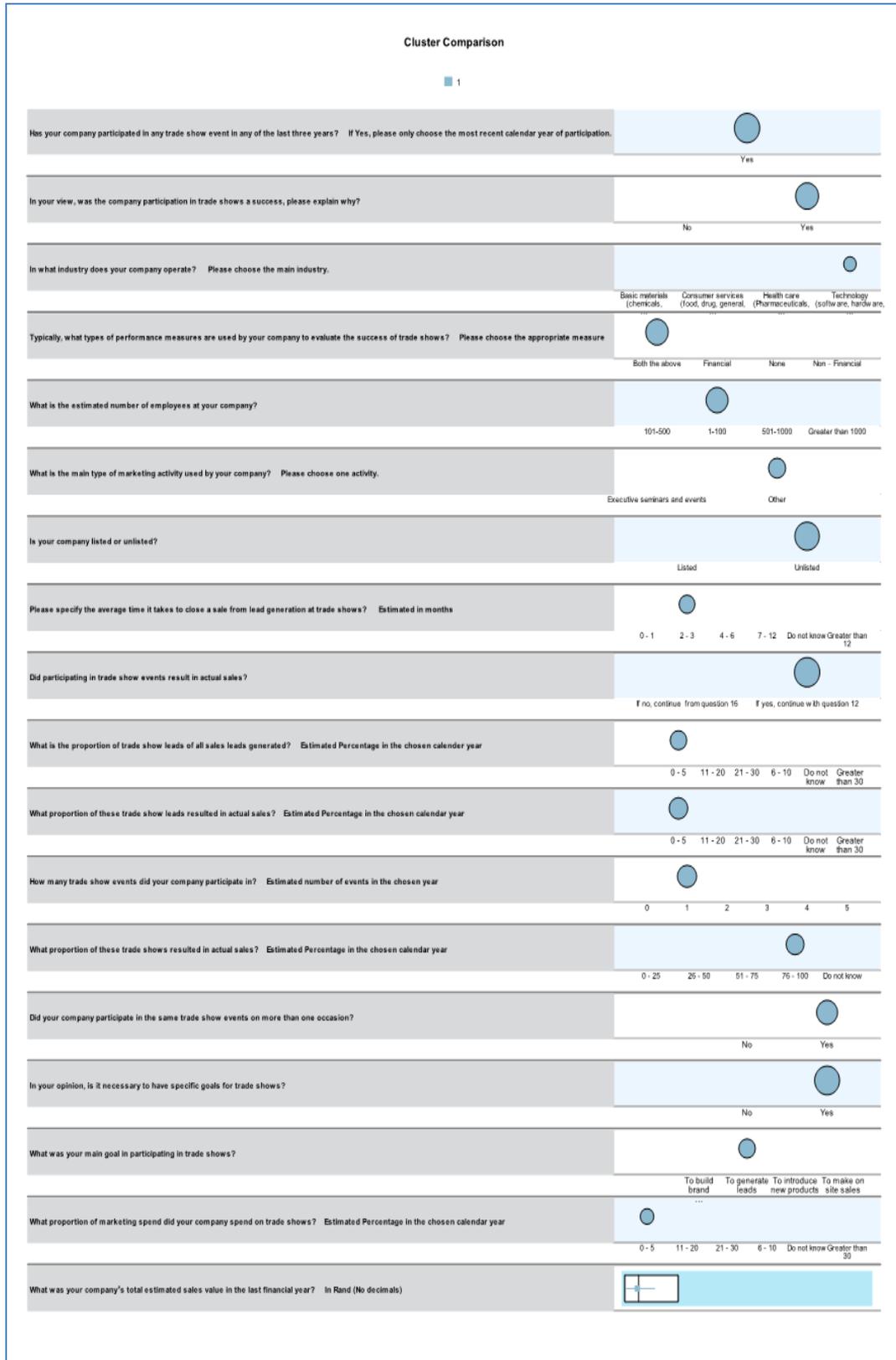
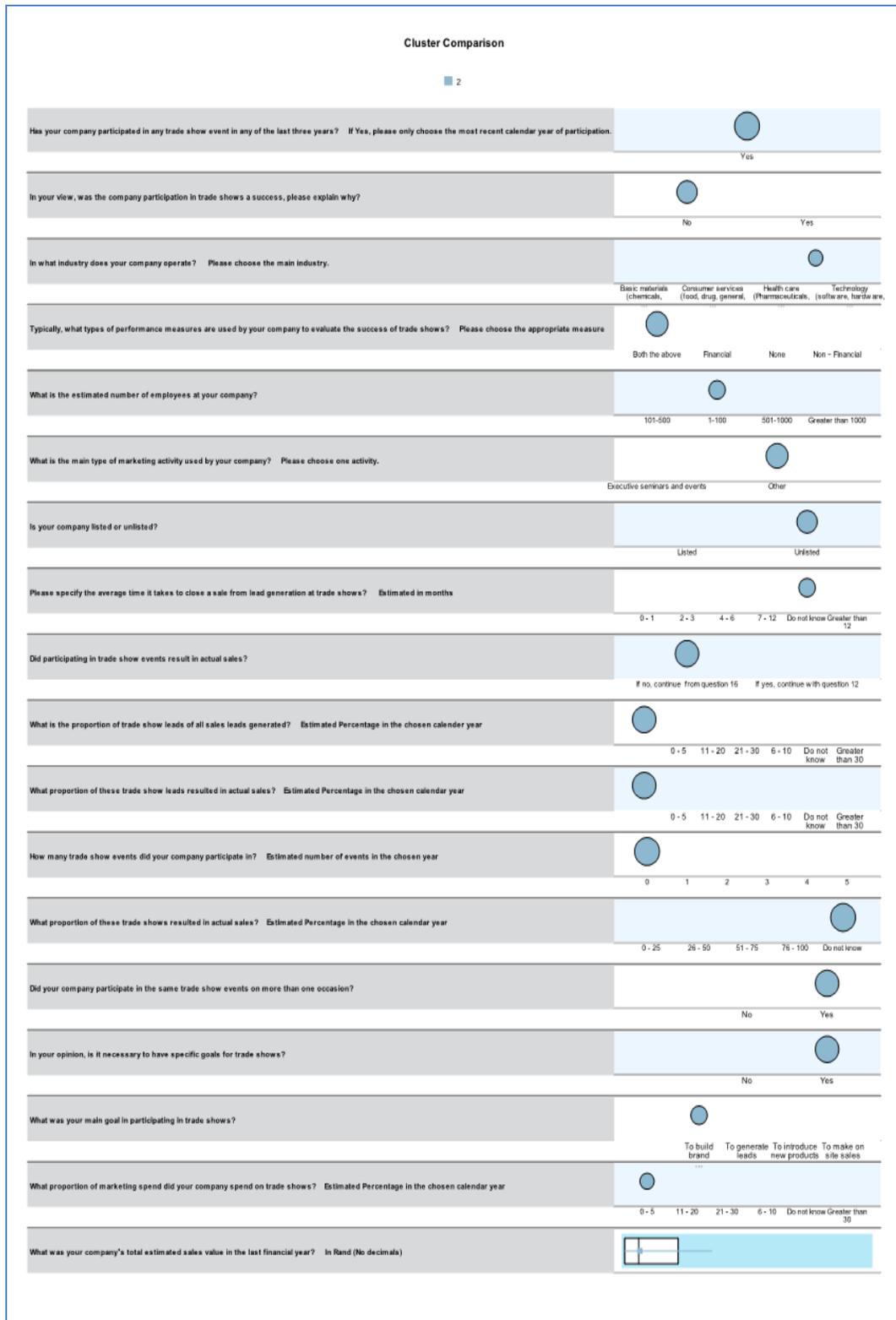


Figure 12 Cluster two comparisons



5.6 Summary of Findings

The objective to determine if trade show marketing capability affects the financial performance was extensively tested.

There was no statistical evidence to suggest that the number of leads, generated, the frequency and number of trade show events attended and the importance of trade show goals had any effect on the sales of a company. However, successful trade shows may depend on company specific factors like type of industry, size of company etc. The findings of the results are summarised in the table below.

Table 22 Summary of findings by Hypothesis

#	Hypothesis	Result
1	The null hypothesis states that there is no link between the numbers of leads generated from trade shows and company sales within one year.	This cannot be rejected as there is no statistical evidence to suggest that the total leads generated from trade shows has any effect on the overall level of sales.
2	The null hypothesis states that there is no link between the number of trade show events and company sales within one calendar year.	This cannot be rejected as there is no statistical evidence to suggest that the number of trade show events attended has a significant differentiating effect on sales.

#	Hypothesis	Result
3	The null hypothesis states that trade show goals that relate to leads generated, have no effect on sales generated from trade shows	<p>This cannot be rejected as there is no statistical evidence to suggest that a company's main goal for attending a trade show has a significant differentiating effect on the overall level of sales.</p> <p>There is also no statistical evidence to suggest that a company's view on the importance of goals in achieving sales from a trade show has a significant differentiating effect on the overall level of sales.</p>
4	The null hypothesis states that the success of trade shows depends on company specific factors such as level of expenditure, type of industry, company size and other specific characteristics (complexity of product)	There is statistical evidence that supports the null hypothesis which states that the success of trade shows (except the level of expenditure) depends on company specific factors.

A detailed discussion of the results is found in Chapter 6.

Chapter 6: Discussion of Results

6.1 Introduction

The hypotheses are addressed by analysing the results, followed by additional information from comments by respondents. These results are then compared to the literature review in chapter two and a summary of the key findings is provided.

There were a number of challenges with obtaining a higher response, despite numerous follow-ups in person, telephonically and via email with the organisations. The organisations sent out the survey due to confidentiality and endorsement requirements, and due to time restrictions, respondents were only allowed two weeks to complete the questionnaire.

6.2 Research Hypothesis 1

H_0 : The null hypothesis states that there is no link between the numbers of leads generated from trade shows and company sales within one year.

H_1 : The alternate hypothesis states that there is a link between the numbers of leads generated and company sales within one calendar year.

The conceptual framework proposed by Stewart (2009) was used to link marketing activities to marketing outcomes to financial results. This study attempted to investigate this proposed link by statistically assessing marketing outcomes in the form of leads generated to financial results in the form of sales.

Hansen (2004) emphasised that like any other investments, investments in trade shows should yield positive results. According to Roshnee & Fowler (2004), the most common measure of effectiveness is sales leads generated. However the results from this study suggested that there was no statistical evidence to suggest that the number of leads generated had any effect on sales. This could be partly attributable to the fact that it is difficult to measure the direct sales return on trade shows, as the sales are often not tracked to the actual trade show activity (Allen & Richman, 1992).

It is noteworthy that a significant proportion of respondents (29.3%) did not track leads generated in this study which supports the argument by Allen & Richman (1992). Nevertheless, 32.4% of respondents indicated that the proportion of sales generated from trade show leads only ranged between 0 - 5%. A further 13.5% of respondents indicated that the proportion of sales generated from trade show leads ranged between 6 - 11%. These results supported the statistical evidence provided in Chapter 5, which suggest that there is no link between leads generated and sales.

However, it is noted that the frequency and percentage of trade show leads of all leads generated was relatively small and mirrored the above results. This suggests that trade shows may not be the main marketing activity used by companies to generate leads which is partly corroborated by other results in the study which showed that only 25% of companies used trade shows as their main marketing activity.

As the data was collected from the last three years, the recent economic recession is another possible reason why the majority of respondents indicated that sales generated from trade show leads were not significant. Budgetary constraints could have therefore impacted the ability to effectively convert leads to sales. This argument is supported by Pearce and Michael (2006) who stated that the biggest threat to firms in a business environment is a recession. Koksai and Ozgul (2007) also argued that firms react to these market changes by reducing costs, cutting production and reducing investments which have no impact on a companies' performance, if they do not increase sales.

This is somewhat problematic since Srivastava, Rangaswamy and Lilien (2005) found that firms could also engage in proactive marketing where they view the recession as an opportunity to develop marketing strategies and capitalise on potential opportunities. In the case of trade shows, for example, the recessionary environment would require more effort from companies to convert prospects to leads.

In summary, the evidence provided in this study showed that there is no link between leads generated and sales which contradicts the conceptual framework proposed by Stewart (2009). However, the outcome of this hypothesis must also be viewed in light of the different stages of trade shows. It must be noted that it is important for a lead to be qualified before it can be followed up and converted to a sale. These qualifying activities usually take place at the pre-show stage and is strengthened by following up in the post-show stage (Lee & Kim, 2008). If qualification is not done correctly completed, it may not result in a lead that results in a sale. Since sales related performance is measured in terms of the number of sales leads, these objectives must be quantified before the trade show, to determine if the resources such as booth size and location are sufficient to achieve these goals.

6.3 Research Hypothesis 2

H₀: The null hypothesis states that there is no link between the number of trade show events and company sales within one calendar year.

H₁: The alternate hypothesis states that there is a link between the number of trade show events and sales within one calendar year.

The study conducted by (Morgan *et al*, 2009; Ambler, 2008; Fine, 2009; Hogan, Lehmann, Merino, Srivastava, Thomas & Vehoeft, 2002) provided evidence that marketing capabilities have a direct and complimentary

effect on financial performance such as sales. However there was no literature that demonstrated the effectiveness of a trade show as a marketing activity tool to generate sales.

Although there is no statistical evidence to suggest that the number of events attended in a year has any significant differentiating effect on sales, the data showed that the mean sales of the majority of respondents (54.8%), who participated in one trade show event was lower than the mean sales of those who attended four events (6.5%).

These results correspond to the earlier observation that only 25% of companies use trade shows as their main marketing activity. Interestingly, these companies mainly comprised of Consumer Goods, Industrial and Basic Materials. Since sales were the main goal of companies in the Industrial sector, they see a greater use for trade shows to generate sales.

Interestingly, the majority of companies that attended less than four events were mainly limited to companies of smaller sizes, where employees ranged between 1 and 100, and whose main focus was not to generate sales. These companies included Technology, Consumer Services and Goods industries whose main interest was to build brand awareness. Overall there is no link between the number of trade shows and sales, however this effect could vary depending on the industry.

The second part of this hypothesis looked at whether attending the same trade show event on more than one occasion had an effect on sales. The

mean sales of the majority of companies (73.8%) who attended the same trade show event on more than one occasion, was not materially different to those companies who did not attend more than one event. This suggests that attending the same trade show on more than one occasion will not have a differential effect on sales.

In summary, the evidence provided in this study showed that there is no link between the number of trade show events and sales, which again contradicts various studies by Morgan *et al* (2009); Ambler (2008); Fine (2009); Hogan *et al* (2002). However the results suggest that the type of industry could influence the effect on sales.

6.4 Research Hypothesis 3

H₀: The null hypothesis states that trade show goals that relate to leads generated, have no effect on sales generated from trade shows.

H₁: The alternate hypothesis states that only companies that have trade show goals that relate to leads generated will generate sales from trade shows.

Hansen (2004) stated that trade shows require huge investments and are therefore considered important by many executives. Furthermore, for trade shows to be effective, they are treated like other investments and are expected to yield positive results. It is therefore necessary that the

outcomes, like leads generated, are measured and aligned with strategic objectives to be effective and contribute to the marketing goals and financial performance of companies. These sentiments suggest that having goals are important for the effectiveness of trade shows to generate sales.

In light of the above, it is interesting that this study showed that having clear trade show goals had no effect on sales. Although, the resounding majority opinion (95.3%) of respondents felt that it was necessary to have specific goals for participating in trade shows to make them more effective.

However, the majority of respondents (61.9%) perceived that because they had clear trade show goals, it resulted in sales. Nevertheless, the findings are consistent with other findings by Creative Training Solutions (2002) in terms of what the main goals should be, which includes generating leads (39.5%), followed closely by building brand awareness (37.2%). The former is therefore consistent with the earlier observation that leads generated have no effect on sales, although it is an important goal.

Despite the lack of statistical evidence to link trade show goals and sales, the data showed that those companies that have leads generated as their main goal had almost double the mean sales than those companies that had building brand awareness as a goal. This suggests that the type of goal may influence the effect on sales. In fact, the mean sales for

companies that had goals were lower than companies that did not have any goals. This raises an issue about the importance of having trade show goals.

Although no direct link has been established between having goals and sales, the majority of the respondents (65%) still regarded trade shows as a success. The reasons provided included:

- Leads were generated (51%),
- Brand awareness was created (13%)
- Other various reasons (10%).

Interestingly, none of the reasons included sales as a measure of success.

In summary, although the majority of respondents felt that trade shows were considered a success as they achieved their main goals, there is insufficient statistical evidence to suggest that having goals had any significant differentiating effect on the overall level of sales.

6.5 Research Hypothesis 4

H₀: The null hypothesis states that the success of trade shows depends on company specific factors such as level of expenditure, type of industry, size of company and other specific characteristics (company type, complexity of product)

H₁: The alternate hypothesis states that company specific factors have no influence on the effectiveness of trade shows.

The results of the cluster analysis focused on two clusters. Cluster one respondents that felt that their participation in trade shows were a success, whereas cluster two felt that it was not a success.

A number of interesting observations were made within each cluster. Firstly, cluster one respondents indicated a much shorter time to close a sale from a trade show lead, whereas cluster two respondents were unaware of this time. This is not surprising as Gopalakrishna and Williams (1992) found that many companies often do not have systems in place to track this information. This suggests that success may be dependant on effective monitoring and tracking of the time that it takes to generate a lead, follow up, and close the sale.

This view is also consistent with Lee & Kim's (2008) findings which stated that follow up of the leads generated post-show activity is crucial to convert leads to sales.

The differences in clusters may relate to the stage of trade show activity and the type of measurements. Gopalakrishna, Lilien, Williams and Sequeira (1995) and Herbig, O'Hara & Palumbo (1994), suggested a three step approach of exhibiting; pre-show activities, at-show activities and post-show activities. This was important as it was found that visitor behaviour varies in each of these three stages, however, this study did not look at behavioural measures but these stages are useful to understand the context of the results. In Lee & Kim's (2008) study, the tactical variables from each of these stages were related to sales performance and it was found that quantifying trade show objectives at the pre-show activity stage, booth location at the at-show activity stage and follow-up at the post-show activity stage influenced sales performance. It is therefore important to understand the multi-stage nature of trade shows, and for companies to focus on strengthening these areas to make trade shows more effective.

Secondly, cluster one respondents showed that trade show participation resulted in actual sales, whilst cluster two mainly responded that participation did not result in sales. In addition, a significant proportion of the respondents (65.1%) felt that participation contributed to trade show success and the main reasons for this included leads generated.

The balance of the respondents who felt that participation was not successful cited reasons that included, no follow up of leads and not enough booth visitors. This suggests that exhibitors must be more

proactive to ensure that leads are qualified and followed up to generate sales.

Thirdly, of those respondents who considered trade shows to be a success, the majority felt that 0 – 5% of their total leads were generated from trade shows, whilst cluster two was unable to answer this question. This difference appears to be related to the different goals for trade shows in these two clusters, which are company specific goals.

In addition to the above differences between the clusters, the results obtained also showed company specific differences such as size of company, industry type and performance measures. This is shown in Appendix 4 and discussed in detail below.

- Listed versus unlisted: Interestingly, the majority of respondents in cluster one were unlisted, whereas the respondents in cluster two belonged to listed companies. Possible reasons for this difference are that unlisted companies are more dependent on the success of trade shows specifically for brand awareness and lead generation. Listed companies may not be as reliant on trade show activity due to their higher profile and their focus on other marketing activities.

This was confirmed by the fact that the majority of respondents in cluster one considered trade shows to be their main marketing activity, whereas the majority in cluster two did not use trade shows

as their main activity. This also relates to the fact that companies belonging to cluster two have significantly more employees.

- Industry specific comparison: The main difference between cluster one and two in this category was a glaring omission in cluster one of companies in the financial sector. Interestingly the majority of companies in the financial sector fell in cluster two. This clearly suggests that the financial sector does not ascribe importance to trade shows as an important marketing activity. In contrast, the majority of cluster one respondents represented industries belonging to the Basic Materials, Industrials and Consumer Goods and Services sector. It is therefore not surprising that cluster one respondents placed a higher importance to trade show activity and also achieved greater success in that respect. These findings are consistent with Herbing, O'Hara & Palumbo (1994) who stated that companies who exhibit at trade shows market complex products, do business in industries where sales are high, charge a premium for their product, and usually sell to firms where many people are involved in the decision process, which takes longer to close a sale. This is consistent with the literature by Dekimpe, Francois, Gopalakrishna, Lilien & Van den Bulte (1997), who found that some industries have a higher trade show effectiveness compared to other industries.

- Differences in performance measurements: It is noteworthy that none of the respondents in cluster two used any non-financial performance measures to evaluate trade show success, whereas the majority of respondents in cluster one used non-financial performance measures. This suggests that both financial and non-financial performance measures must be considered in assessing success which is confirmed by Ambler (2008). However, due to the scope of the research, financial measures were the main focus of this study.
- Level of expenditure – The results showed that there was no link between the level of trade show marketing expenditure and sales. This is contradictory to Rust *et al* (2004), Joshi and Hanssens (2010) and Baidya and Basu (2008) who found that marketing expenditures are linked to shareholder value and have a significant positive effect on sales in the short term.

In summary, the specific factors which had the greatest effect on the success of trade shows was the type of industry, size of company (listed versus unlisted) and complexity of the product. The level of expenditure had no effect.

Chapter 7: Conclusion

7.1 Introduction

Trade shows continue to be an important and indispensable part of the marketing mix to generate sales leads and create brand awareness, amongst other marketing objectives.

However, participating in trade shows require substantial investments in time and resources. Although companies around the world spend large amounts on trade shows, many executives still make decisions to participate based on sentiments with little scientific support.

It is therefore important to ensure that the outcomes of trade shows are measured and aligned with the strategic financial objectives. This was done by using the conceptual framework of linking trade show marketing activities to trade show marketing outcomes and financial performance.

Financial metrics provide accountability and were used to measure the outcome of trade show effectiveness on the financial performance of companies. Although there are many measurement objectives, financial metrics were the most widely used measure that translated into financial performance.

7.2 Findings & Recommendations

1. The research found that the level of sales is not influenced by the number of leads generated at trade shows. These results were not in line with studies which suggested that there is a link between marketing outcomes and financial performance.

These results suggest that these companies may have difficulty converting leads to sales. Therefore, in order to convert leads generated to sales, as mentioned in a study by Creative Training Solutions (2002), customers should first be qualified when they visit the show. For example, the person's role in the buying process, the size of the opportunity, the timing of the decision, the budget available and the competition must first be established. This must then be followed-up after the show with a phone call or email, as per the expectation set at the show with the potential customer. In addition, training of the booth personnel is imperative so that they are comfortable with the quality of the qualifying questions, so that the expectations of customers and the sales person following up the lead, is met.

2. Similar to above finding, the research found that the level of sales is not influenced by the number and frequency of trade shows attended. These results were not in line with studies which suggested that there is a link between marketing activities and financial performance.

These results also suggest that pre-show planning should first be undertaken. This will ensure that the right customer target markets are identified, including the attractiveness of the event and the booth location.

In addition, trade show attendance should first be promoted online using direct marketing emails or materials to inform the customer segment. As outlined by Creative Training Solutions (2002), pre-show promotions should include personalised invitations to convey the marketing messages and motivate prospects to visit the booth. Advertisements about the event and where to find the booth, including incentives to motivate pre-qualified prospects, such as discounts at the show would also promote the event. Another factor should also be considered such as the reputation and track record of the Exhibition Service Providers, which should be strong to attract quality visitors to the events.

3. Although it was found that having clear trade show goals did not influence the level of sales, it was the perception of 95.3% of participants that it was necessary to have specific goals for a trade show event.

These results suggest that more intense planning and clearer objectives that are specific, measureable and time bound (also a

combination of financial and non-financial metrics) should be considered for participating in trade shows.

4. On the other hand, company specific factors such as, type of industry, size of company (listed versus unlisted) and complexity of product did influence the level of sales, whereas the level of expenditure had no effect.

These results suggest that more attention should be placed on the above factors when choosing a trade show event. Depending on the type of product, physical or software demonstrations at the trade show would provide a more exciting experience and feel for the product or service.

7.3 Future Research

This study only looked at specific industry factors and marketing capabilities that could affect the financial performance of South African companies.

The relationship between market share and frequency of trade shows attended were not explored. Herbig, O'Hara & Palumbo (1994) suggested that this could impact the success of a trade show and therefore future research in this area may provide managers with more information on how to improve the effectiveness of trade shows.

Similar types of studies could also be extended to include companies outside of South Africa, including companies that are multi-national and may be influenced by local cultural differences. It would be interesting to see the differences and similarities between South African trade shows and other countries, and whether this impacts the financial performance.

The use of non-financial measures such as, customer centric behavioural outcomes (Gupta and Zeithaml, 2006) to measure performance should also be investigated as this study was limited to financial measures. These metrics (observable and unobservable), may provide different results on the financial performance of companies.

An area of further research is the impact of each stage of trade show activity on the financial performance of companies. These stages include pre-show, at-show or post show as this could explain the differences in findings, for example how to improve leads generated and at what stage is this is maximised.

The focus of this study was limited to business- to- business trade shows. It would be interesting to see ascertain if business to consumer trade shows yields different results.

The following industries were represented in this study:, such as Basic Materials, Industrial, Consumer Goods, Healthcare, Consumer Services, Financial, and Technology. Therefore, the findings cannot be generalised to all industries. A future research on other industries or specific sub-

industries within these general industries could improve the generalisation of the findings.

7.4 Final Remark

This study provided some useful empirical results for managers when deciding on whether to participate in trade shows and the factors that make them more effective.

Although the results of this study cannot be generalised, this study gives a strong indication to managers on areas that could be improved, such as:

- Planning before trade shows to qualify leads to reduce sales lead times.
- Selecting trade shows with the right target visitors and booth location.
- Allocating resources when making decisions to participate in trade show events.

In addition to the above, further research is strongly recommended using customer centric metrics to assess the effectiveness of trade shows on the financial performance. Although as shown in this study, financial metrics are important tools to measure trade show effectiveness.

References

- Allen, S. & Richman, T. (1992). Stretching the trade show budget. *Inc.*, 14 (5), 142.
- Ambler, T. (2008). Chapter 21. Marketing metrics. *The marketing book* (pp.414-424).
- Ambler, T. (2003). *Marketing and the bottom line: The marketing metrics to pump up cash flow*. United Kingdom: Prentice Hall/Financial times.
- Ambler, T., Kokkinaki, F. & Puntoni, S. (2004). Assessing marketing performance: Reasons for metric selection. *Journal of Marketing Management*, 20, 475-498.
- Baidya, M. K. & Basu, P. (2008). Effectiveness of marketing expenditure: A brand level case study. *Journal of Targeting, Measurement and Analysis for Marketing*, 16 (3), 181-188.
- Bettis-Outland, H., Cromartie, J. S., Johnston, W. J., & Borders, A. L. (2010). The return on trade show information: a conceptual analysis. *Journal of Business & Industrial Marketing*, 24 (4), 268-271.
- Bolton, R. N. (2004). Linking marketing to financial performance and firm value. *Journal of Marketing*, 68, 73-75.
- Cavanaugh, S. (1976). Setting objectives and evaluating the effectiveness of trade show exhibits. *Journal of Marketing*, 40 (4), 100-103.

- Clark, B. H. (1999). Marketing performance measures: History and interrelationships. *Journal of Marketing Management*, 15, 711-732.
- Cook, W. A. & Talluri, V. S. (2004). How the pursuit of ROMI is changing marketing management. *Journal of Advertising Research*, 244-254.
- Creative Training Solutions. (2002). Measuring and evaluating results, retrieved from <http://www.creativetraining.com/train/docs/MeasuringResults.pdf>
- Dekimpe, M. G., Francois, P., Gopalakrishna, S., Lilien, G. L. & Van den Bulte, C. (1997). Generalising about trade show effectiveness: A cross national comparison. *Journal of Marketing*, 61, 55-64.
- Doyle, P. (2000). Valuing marketing's contribution. *European Management Journal*, 18 (3), 233-245.
- Exhibitions Association of South Africa. (2006). Executive summary: Exhibition Industry Economic Impact, retrieved from <http://www.exsa.co.za/exsa/exhibitionarticle.aspx?rootid=5&subdirectoryid=260>
- Fine, L. M. (2009). The bottom line: Marketing and firm performance. *Business Horizons*, 52, 209-214.
- Gopalakrishna, S & Williams, J. D. (1992). Planning and performance assessment of industrial trade shows: an exploratory study. *Intern.J. of Research in Marketing*, 9, 207-224.

- Gopalakrishna, S., Lilien, G. L., Williams, J. D. & Sequeira, I.A (1995). Do trade shows pay off? *Journal of Marketing*, 59, 75-83.
- Gravetter, F. J., & Forzano, L. B. (2003). *Research Methods for the Behavioral Sciences*. Belmont, USA: Thomson Wadsworth.
- Gronholdt, L. & Martensen, A. (2006). Key marketing performance measures. *The marketing Review*, 6, 243-252.
- Gupta, S. & Zeithaml. (2006). Customer metrics and their impact on financial performance. *Marketing Science*, 25 (6), 718-739.
- Hansen, K. (1999). Trade show performance: A conceptual framework and its implications for future research. *Academy of Marketing Science Review*, 8, 1-12.
- Hansen, K. (2004). Measuring performance at trade shows scale development and validation. *Journal of Business Research*, 57, 1-13.
- Herbig, P., O'Hara, B & Palumbo, F. (1994). Measuring trade show effectiveness: An effective exercise. *Industrial Marketing Management*, 23, 165-174.
- Hogan, J. E., Lehmann, D. R., Merino, M., Srivastava, R. K., Thomas, J. S & Vehoeuf, P. C. (2002). Linking Customer assets to financial performance. *Journal of Service Research*, 5 (1), 26-38.
- Joshi, A. & Hanssens, D. M. (2010). The direct and indirect effects of advertising spending on firm value. *Journal of Marketing*, 74, 20-33.

- Kirchgeorg, M., Fung, K., & Klante, O. (2010). The future of trade shows: insights from a scenario analysis. *Journal of Business and Industrial Marketing*, 25 (4), 301-312.
- Kaplan, R. S & Norton, D. P. (1992). The balanced scorecard – Measures that drive performance. *Harvard Business Review*. 71-79.
- Kerin, R. A & Cron, W. L. (1987). Assessing trade show functions and performance: An exploratory study. *The Journal of Marketing*, 51 (3), 87-94.
- Koksal, M. H. & Ozgul, E. (2007). The relationship between marketing strategies and performance in an economic crisis. *Market Intelligence and Planning*, 326 - 342.
- Kotler, P., & Keller, K. L. (2009). Chapter 17. *A framework for Marketing Management: Designing and Managing Integrated Marketing Communications*. New Jersey: Prentice Hall/Pearson.
- Lamberti, L. & Noci, G. (2010). Marketing strategy and marketing performance measurement system: Exploring the relationship. *European Management Journal*, 28, 139-152.
- Lee, C. H. & Kim, S. Y. (2008). Differential effects of determinants on multi-dimensions of trade show performance: By three stages of pre-show, at-show, and post-show activities. *Industrial Marketing Management* 37, 784-796.

- Ling-yee, L. (2007). Marketing resources and performance of exhibitor firms in trade shows: A contingent resource perspective. *Industrial Marketing Management*, 36, 360-370.
- Marketweb. (2008, February 24). Total ad spend in 2008, retrieved from http://www.opa.co.za/latest_news/950751.htm
- Morgan, N. A., Slotegraaf, R. J. & Vorhies, D. W. (2009). Linking marketing capabilities with profit growth. *Intern.J. of Research in Marketing*, 26, 284-293.
- O'Sullivan, D. & Abela, A. V. (2007). Marketing performance measurement ability and firm performance. *Journal of Marketing*, 71, 79-93.
- Pearce, J. A. & Michael, S.C. (1997). Marketing strategies that make entrepreneurial firms recession resistant. *The Journal of Business Venturing*, 301- 314.
- Ramaswami, S. N., Srivastava, R. K. & Bhargava, M. (2009). Market-based capabilities and financial performance of firms: Insights into marketing's contribution to firm value. *Journal of the Academy of Marketing Science*, 37, 97-116.
- Roshnee, R. & Fowdar, R. (2004). Industrial trade shows: A study of related activities. *IIMB Management Review*, 16 (3), 44-55.
- Rust, R. T. & Zahorik, A. J. (1993). Customer satisfaction, customer retention and market share. *Journal of Retailing*, 69 (2), 193-215.

- Rust, R. T., Ambler, T., Carpenter, G. S., Kumar, V. & Srivastava, R. K. (2004). Measuring marketing productivity: Current knowledge and future directions. *Journal of Marketing*, 68, 76-89.
- Sashi, C. M. (1992). Do trade shows provide value. *Industrial Marketing Management*, 21, 249-255.
- Stewart, D. W. (2009). Marketing accountability: Linking marketing actions to financial results. *Journal of Business Research*, 62, 636-643.
- Sharland, A. & Balogh, P. (1996). The Value of non-selling activities at international trade shows. *Industrial Marketing Management*, 25, 59-66.
- Srivastava, R., Rangaswamy, A., & Lilien, G. L. (2005). Turning adversity into advantage: Does proactive marketing during a recession pay off. *International Journal of Research in Marketing*, 109 - 125.
- Weber, J. A. (2002). Managing the marketing budget in a cost-constrained environment. *Industrial Marketing Management*, 31, 705-717.
- Woodburn, D. (2004). Engaging marketing performance measurement. *Measuring Business Excellence*, 8 (4), 63-72.
- Zikmund, W. G. (2003). *Business research methods*. Ohio: Thomson South-Western.

Appendices

Appendix 1 - Covering Letter

Dear Sir/Madam,

Do you want to be part of improving trade show effectiveness?, if so, please provide me with 10 minutes of your time to complete this questionnaire.?

My name is Delon Keswell and I am currently studying for a Masters of Business Administration (MBA) degree at the Gordon Institute of Business Science with the University of Pretoria. I need to complete a research project as a partial requirement for the degree, and I have chosen to study effectiveness of marketing tools (specifically trade shows) in South Africa. I am specifically investigating their effectiveness in improving financial performance.

I would appreciate your participation in this study. It should take you no longer than 10 minutes to complete the questions. I undertake to keep all information received strictly confidential at a company level. However, I will supply a consolidated summary of the results to all respondents in which confidentiality at company level is maintained. The findings of this study could be of significant value to your company and may provide possible ways to improve return on investments when investing in trade shows. Your participation is voluntary and you can withdraw at any time without penalty.

Kindly complete the electronic questionnaire at your earliest convenience but before the closing on the 4th of September 2010. You may also contact me on 083 378 5772 if necessary. By completing this survey, you indicate that you voluntarily participated in this research. If you have any concerns, please contact me or my supervisor, Dunja Kartte on 011 268 5211

Appendix 2 - Survey Questionnaire

1. What is your area of responsibility within the company?

If you are a member of the Marketing Association of South Africa, please only choose Chartered Marketer in this question.

- Chartered Marketer (SA)
- Technical Services
- Customer Services
- Financial & Commercial
- Sales & Marketing
- New Business Development
- Operations
- Other

2. Has your company participated in any trade show event in any of the last three years?

If Yes, please only choose the most recent calendar year of participation.

- 2010
- 2009
- 2008
- Any other year
- If no, please specify a reason and stop at question 3

1. What was your company's total estimated sales value in the last financial year?

In Rand (No decimals)

4. In your view, was the company participation in trade shows a success, please explain why?

Yes

No

Comment (please specify)

5. In what industry does your company operate?

Please choose the main industry.

Basic materials (chemicals, resources, Mining & metals, paper)

Oil & Gas

Industrial (construction & materials, goods and services)

Consumer Goods (Automobile, Food & beverage, household goods)

Health care (Pharmaceuticals, equipment and services)

Consumer services (food, drug, general, media, travel, leisure)

Telecommunications services (fixed and mobile)

Financial (Banks, Insurance, real estate, services, investment)

Technology (software, hardware, services, venture, capital)

If uncertain, please specify the trade show event e.g. Markex

6. Typically, what types of performance measures are used by your company to evaluate the success of trade shows? Please choose the appropriate measure

- Financial
- Non – Financial
- Both the above
- None

7. What is the estimated number of employees at your company?

- 1-100
- 101-500
- 501-1000
- Greater than 1000

8. What is the main type of marketing activity used by your company? Please choose one activity.

- Trade shows
- Executive seminars and events
- Inside sales/Telemarketing
- Webinars
- Other

9. Is your company listed or unlisted?

- Listed
- Unlisted

10. Please specify the average time it takes to close a sale from lead generation at trade shows?

Estimated in months

- 0 - 1
- 2 - 3
- 4 - 6
- 7 - 12
- Greater than 12
- Do not know

11. Did participating in trade show events result in actual sales?

- If yes, continue with question 12
- If no, continue from question 16

12. What is the proportion of trade show leads of all sales leads generated?

Estimated Percentage in the chosen calendar year

- 0 - 5
- 6 - 10
- 11 - 20
- 21 - 30
- Greater than 30
- Do not know

13. What proportion of these trade show leads resulted in actual sales?

Estimated Percentage in the chosen calendar year

- 0 - 5
- 6 - 10
- 11 - 20
- 21 - 30
- Greater than 30
- Do not know

14. How many trade show events did your company participate in?

Estimated number of events in the chosen year

- 1
- 2
- 3
- 4
- Greater than 4
- Do not know

15. What proportion of these trade shows resulted in actual sales?

Estimated Percentage in the chosen calendar year

- 0 - 25
- 26 - 50
- 51 - 75
- 76 - 100
- Do not know

16. Did your company participate in the same trade show events on more than one occasion?

- Yes
- No

17. In your opinion, is it necessary to have specific goals for trade shows?

- Yes
- No

18. What was your main goal in participating in trade shows?

- To make on site sales
- To generate leads
- To build brand awareness
- To introduce new products
- Other

19. Did any of the trade shows result in sales that did not have clear goals?

- Yes
- No

20. What proportion of marketing spend did your company spend on tradeshow?

Estimated Percentage in the chosen calendar year

- 0 - 5
- 6 -10
- 11 - 20
- 21 - 30
- Greater than 30
- Do not know

21. What advice would you offer to make trade shows more effective e.g. attend more trade shows, more intense planning etc.?

This is the last question

Appendix 3 - Mitigation of Non-Response Bias

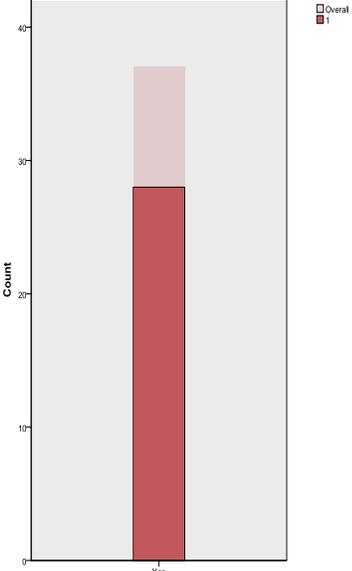
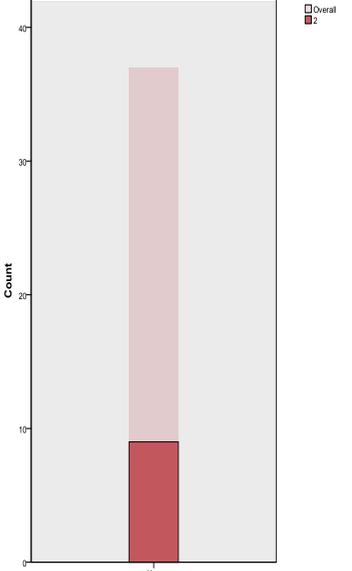
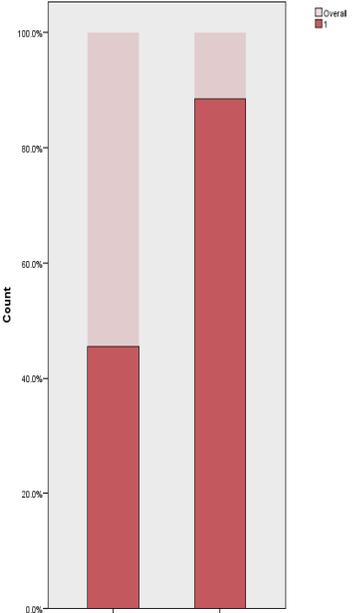
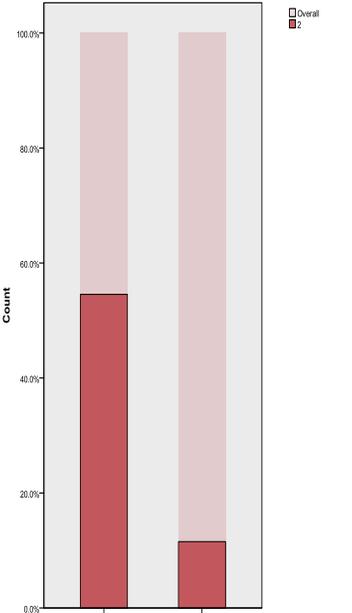
Gravetter and Forzano (2003) state that the overall response rate for e-mail survey can be improved using several actions. The relevant actions that were used in this study included:

- Using a well drafted covering letter to introduce the survey, and requesting participation, with an explanation of the importance of the topic, an explanation of the relevance of the results, and the importance of each response, with the contact details of the researcher.
- Providing participants with reasonable warning of the survey, providing reminders after the survey. The follow-up should occur one week on either side of the questionnaire being distributed.

This study aimed to use the above actions to minimise non-response bias, which included, the Marketing Association of South Africa and the Exhibition Service Provider endorsing the survey and sending out the link directly with a covering letter. However, the follow-up was not always possible due to the time constraints of the endorser's.

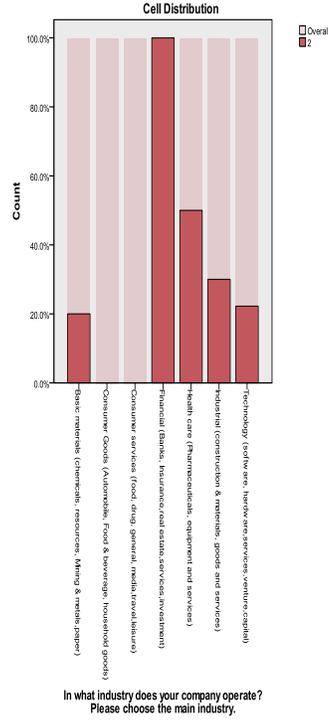
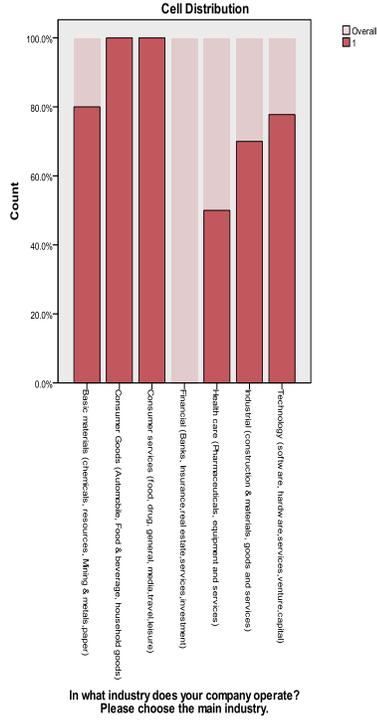


Appendix 4 – Detailed Cluster Distributions

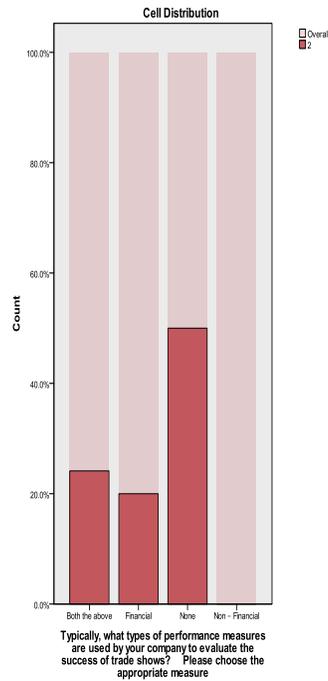
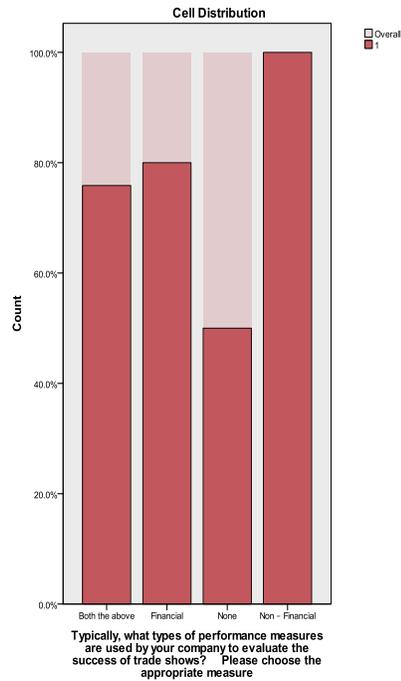
Cluster 1	Cluster 2
Question 2	
<p data-bbox="511 363 597 384">Cell Distribution</p>  <p data-bbox="407 968 649 1020">Has your company participated in any trade show event in any of the last three years? If Yes, please only choose the most recent calendar year of participation.</p>	<p data-bbox="1084 363 1170 384">Cell Distribution</p>  <p data-bbox="980 968 1222 1020">Has your company participated in any trade show event in any of the last three years? If Yes, please only choose the most recent calendar year of participation.</p>
Question 4	
<p data-bbox="511 1125 597 1146">Cell Distribution</p>  <p data-bbox="423 1772 646 1803">In your view, was the company participation in trade shows a success, please explain why?</p>	<p data-bbox="1084 1125 1170 1146">Cell Distribution</p>  <p data-bbox="997 1772 1219 1803">In your view, was the company participation in trade shows a success, please explain why?</p>



Question 5

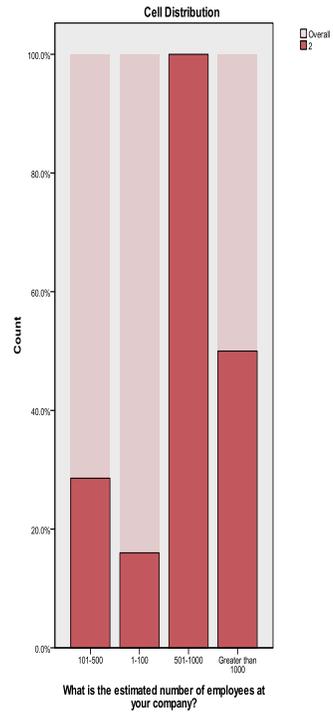
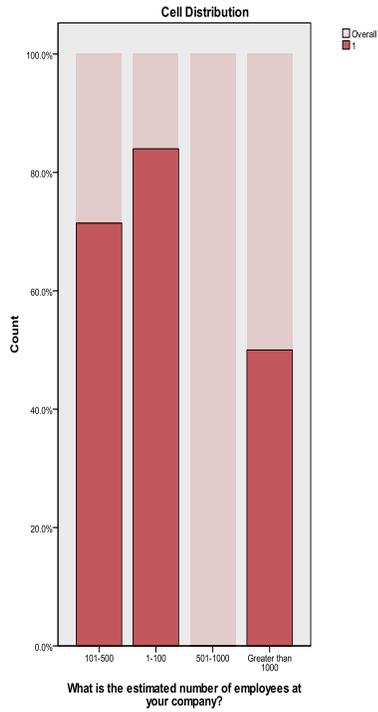


Question 6

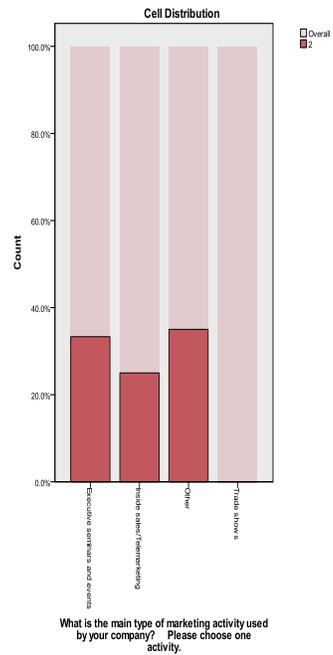
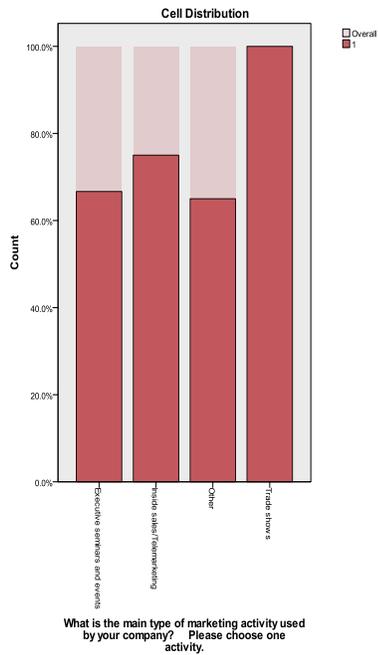




Question 7

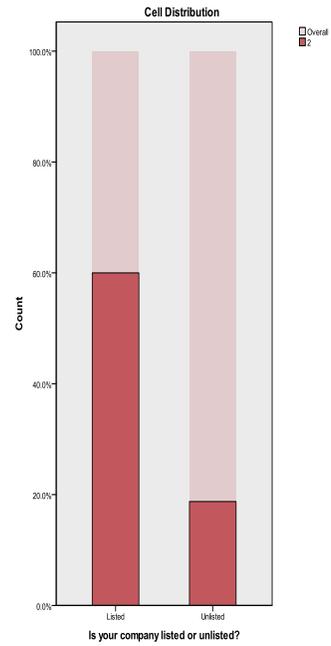
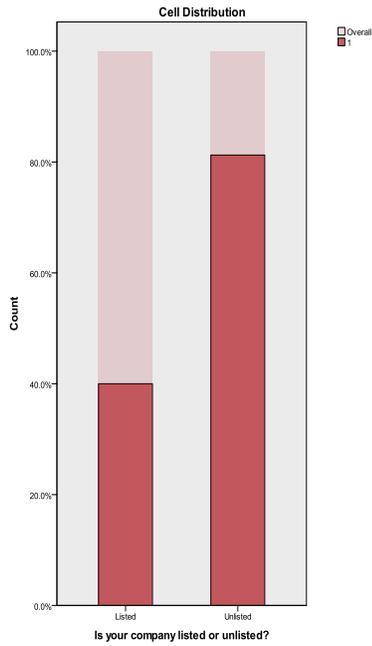


Question 8

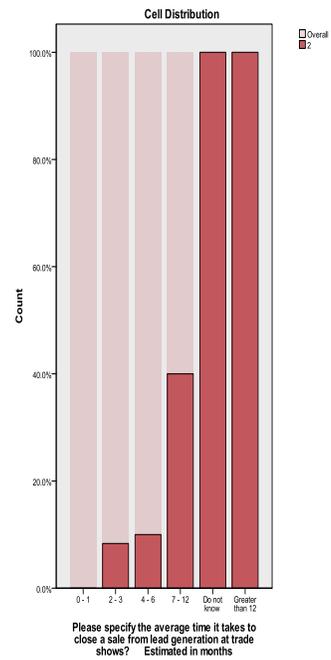
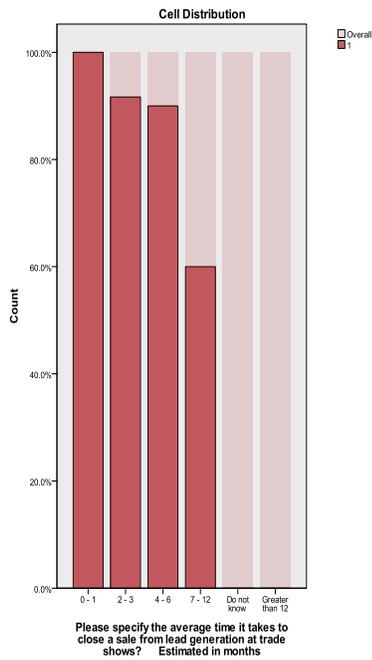




Question 9

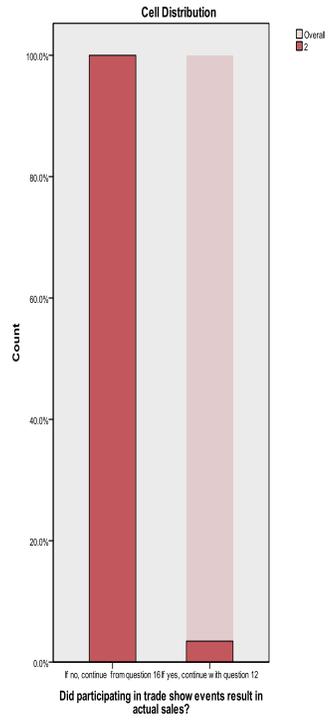
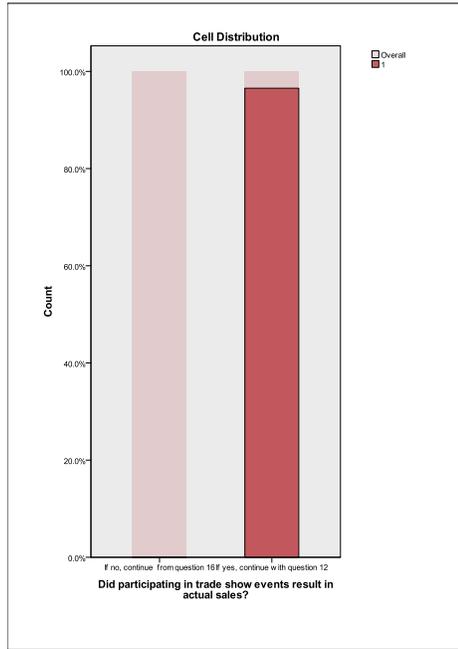


Question 10

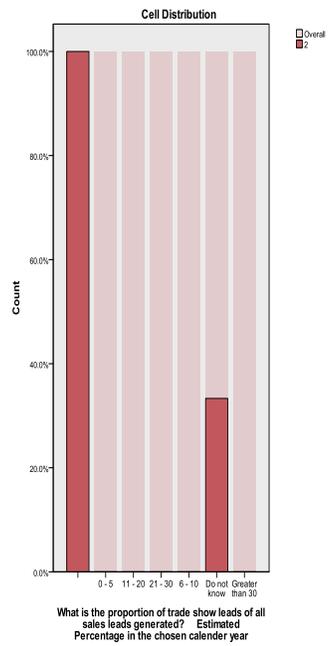
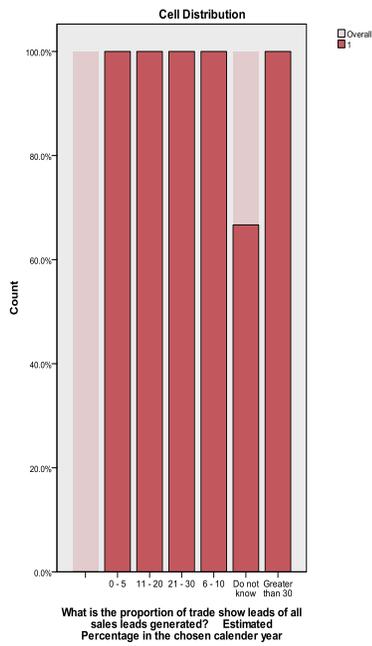




Question 11



Question 12





Question 15

