



Why should I attend? The value of business networking events



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ABSTRACT

Despite an increasing variety of technological means enabling business people to exchange information without ever meeting in person, the events industry continues to grow. To help to understand why this is, a study was conducted based on 35 in-depth interviews with attendees and event organizers. The findings highlight the main types of value individuals extracted and identify the implications for measurement practice for what, where, how and when to assess value. These insights can help in determining the ROI of networking events for businesses.

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1. Introduction

“The most important value of an event is everything related to making relationships, professional or personal.” (attendee)

Despite the large variety of technological ways of exchanging information between individuals in business, the events industry continues to grow with more than 50 million trips worldwide and an estimated value of 30 billion dollars yearly (Caribbean Tourism Organization, 2012). This is partly because MICE (meetings, incentives, conferencing, exhibitions) are used for internal company purposes, such as salesforce motivation or cultural alignment as well as for external commercial gain such as business networking, business development, customer loyalty, and brand building (Arcodia & Robb, 2000; Schmitt, Brakus, & Zarantonello, 2015). While the business and industrial marketing literature has studied value for companies and businesses (see Lindgreen, Hingley, Grant, & Morgan, 2012, for a recent review), less has been said about value from the personal perspective of the individuals involved in the business relations, the so-called “consumerization of B2B”. Since many networking events attendance decisions are individually driven, rather than company driven, even to the extent that individuals can pay for them themselves, this paper focuses the individual value created. Networking events are unusual in that attendees create value for other attendees, yet relatively little is known about how customers engage in co-creation of value (Woodruff & Flint, 2006) and there are few models or frameworks to explore this despite calls for further

research (Grönroos & Ravald, 2011).¹ Thus our first research question is, “what value is created for individuals attending networking events?”

Measuring the customer value created in business markets has been identified as a key research area (ISBM, 2011; Lindgreen et al., 2012; Ostrom et al., 2010) and accountability has been highlighted as a major trend in the MICE sector with calls for “developing standardised methods and measures” (Getz, 2000; Getz, 2008; MacDonald, Wilson, Martinez, & Tossi, 2011). Using a qualitative study with delegates, organizers and speakers from networking events, we build on previous work (Phillips, Breining, & Phillips, 2008) to tackle these issues in the context of MICE events to help delegates and suppliers to measure and manage customer value to better understand ROI. Such understanding would potentially benefit at least three stakeholders namely; individual attendees, sponsoring companies and the MICE industry. On an individual level, better measures allow them to justify any individual or company time and money spent on attendance. At the company level, MICE events are one of the last bastions of accountability in a company’s marketing budget and better measures help in justifying its share of the budget. On an industry level, better measures help the industry justify the value they create and gives event businesses more ammunition to get more clients and fuel the continued growth. Thus our second

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¹ To be clear, here we are talking about networking events and not “strategic nets” or “network configurations” of companies as identified in the research from the Industrial Marketing and Purchasing Group (Axelsson & Easton, 1992) which also involve interactions, relationships and networks (Gummesson, 1996), but of an existing and enduring nature.

research question is, ‘how can the value created for individuals attending networking events be measured?’ The paper begins with a review of the value concept before briefly discussing the qualitative methods used. The findings of what value is created in networking events and proposals for a new framework to measure better the value of networking events are then explained.

2. Conceptualising value

Despite the value concept being discussed in many streams of the marketing literature, including relationship marketing, pricing and consumer behaviour (Khalifa, 2004), there is little consensus in terms of explaining and conceptualizing value (Boksberger & Melsen, 2011), hence a special issue in 2013 on the topic in *Industrial Marketing Management*. At a macro level value has been divided into organizational, and customer including customer perceived value (Huber, Herrmann, & Morgan, 2001). In the organizational context, some authors speak about economic benefits, technical benefits, service benefits and social benefits (Anderson, Jain, & Chintagunta, 1993; Anderson & Narus, 1999), while others speak about episode benefits, relationship benefits (Ravald & Grönroos, 1996), product-related benefits, service-related benefits, and relationship-related benefits (Lapierre, 2000). Traditional views on BtoB relationship value see it as either some higher-order construct defined by its dimensions such as; product quality, service support, delivery, supplier knowhow, time to market, personal interaction, price, and process costs (Ulaga, 2003). In this sense it is a proxy for the whole notion of value firms exchange between them. An alternative perspective defines it as being based on three aspects: economic, strategic and behavioural, each of them connected both to attributes that can be measured (hard attributes) and to other attributes that are more difficult to quantify (soft attributes) (Wilson & Jantrania, 1994), such as; providing activity links, resource ties, and actor bonds from an Industrial Marketing and Purchasing group perspective (Axelsson & Easton, 1992; Hakansson, 1982).

Customer value has been defined as the “consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml, 1988) and in general, can be seen as the difference between total customer value (i.e. the bundle of benefits customers expect from a good or service) and the total customer cost (i.e. the bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the good or service, e.g. monetary, time energy and physic costs) (Kotler, 2000; Holbrook, 1996; Rokeach, 1973).

Cost therefore is the other major component of the value equation and is seen as a broader construct than price alone, as it includes both monetary and non-monetary costs of a purchase experience (Boksberger & Melsen, 2011) such as; time, search costs, learning costs, emotional costs, (Huber et al., 2001) episode sacrifices and relationship sacrifices (Ravald & Grönroos, 1996), and even risks associated with a particular purchase (Cronin, Brady, Brand, Hightower, & Shemwell, 1997). Surrounding this general value framework, some authors have suggested a ‘fair’ value, which is the value each party appropriates from a relationship and is driven by the power-dependence balance (Cox, 2000 cited in Pinnington & Scanlon, 2009). Building on this transactional costs–benefits approach, Khalifa (2004) suggests two further conceptualisations, namely, the value build-up model (i.e. where value is built as an evolution from transaction to relationship) and the value-dynamics model (i.e. a classification of the elements of customer value into five categories: satisfiers, dissatisfiers, excitors, value magnifiers and value destroyers). This work sets the scene for our first research question: ‘what value is created for individuals attending networking events?’

3. Research method

As there was little information on customer perceived value in networking events, we began our exploration using qualitative interviews

(Creswell, 2009; Miles & Huberman, 1994). Whereas the vast majority of the BtoB value literature is focused on the firm as the unit of analysis, for networking events, the individual is the prime focus of attention and measurement and reflects the debate on the similarities and differences between value creation in BtoB and BtoC (Sheth, 2011). In order to achieve our objective, we aimed to improve the scope of our data by obtaining insights from respondents that were highly experienced and from the two major stakeholders in events namely, providers and attendees (Richards, 2009). 18 customers (event attendees, for personal purposes and/or representing an organization) and 17 providers (event organizers, speakers, trainers, and facilitators) were purposefully selected based on their experience in attending or organizing all types of professional events that make up the MICE sector. Most of the respondents (both attendees and providers) had been involved in more than one type of event and their experience ranged from small events (trainings and workshops with 20–30 participants), to large events (conferences and forums with 200 participants) and even mega events (congresses with up to 20,000 participants). Almost half of the provider respondents had more than 10–15 years of experience in the field and some are in organizations that were leaders in their markets.

Semi-structured interviews took place in 2012 and 2013, either face-to-face or via electronic means (i.e. Skype), with respondents from three European countries and from three countries in Asia. The interviewees were provided with the context of the study by a briefing before and a debriefing after the interview (Kvale, 1996). Separate interview guides were developed for customer and provider respondents. The guides were adapted as the interviews were conducted to reflect the new learnings. As our purpose was to understand how value is jointly created in networking events and how event value is perceived by attendees, aspects related to motivations that people have towards attending events, criteria used to judge the success of an event and the experience itself (prior to, during and after the event) were explored. Discussions lasted from 30 min to 1 h, were audio recorded, transcribed verbatim and translated all to English for a uniform analysis. Data were analysed using manual coding. To ensure data reliability and validity, we continuously checked on the transcripts and codes for accuracy and correctness, triangulated data from the interviews (attendee versus provider) with data from other sources (specialized literature), and employed peer examination. To answer our second research question of ‘How can the value created for individuals attending networking events be measured?’, we used; some data from the interviews, especially event organizers, looked at the current literature (e.g. Phillips et al., 2008) and used the team of researchers carrying out the study to brainstorm ideas.

4. Findings and discussion

In networking events, value is created not only for the organization via the individual (i.e. professional and learning value), but also personally for the individual in the shape of social, emotional and hedonic value and it is on these we focus to answer our first research question of ‘what value is created for individuals attending networking events?’ With the possible exception of professional value, these are not new values as such, and in Table 1 we outline both consumer and organizational types of value in the existing literature which are similar to those we have found.

4.1. Professional values

From a personal viewpoint, *learning value* (i.e., finding out information and practices to improve activities or solve particular issues) is a core value from events and a variation of the consumer epistemic value (Sheth, Newman, & Gross, 1991) as highlighted in the following quotes. “If I attend knowledge events, it’s important to find out what other organizations or other people do different or better than me” (attendee). “As an organizer, I want my event participants to gain knowledge shared by

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