



Virtual trade shows: Exhibitors' perspectives on virtual marketing capability requirements



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ABSTRACT

Scant empirical research has examined exhibitors' experiences of participating in virtual trade shows (VTSs). This study aims to expand our understanding of the main drivers and challenges of participating in VTSs and the virtual marketing capabilities required for exhibiting organizations. In-depth interviews were held over a period of six months with managers from educational organizations located in Queensland, Australia, who had participated previously in a VTS. The findings show that the main motivations for participating in VTSs are increasing sales revenue, lowering costs, having access to new or different markets, and building brand credibility and organizational legitimacy among visitors who attend VTSs. The findings suggest that the future of VTSs will most likely depend on the technological development of VTS systems and the way they are integrated into existing technological and strategic firm processes for exhibitors and visitors.

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1. Introduction

Trade shows (TSs) are important platforms from which sellers meet new and existing customers, evaluate new channel partners, enhance their corporate image, carry out market research, and enhance a company's sales efforts (Kerin and Cron, 1987; Shipley et al., 1993; Blythe, 2002). A recent trend in the arena of TSs is the incorporation of virtual environments as a strategic marketing tool. Virtual worlds are a new medium in which users communicate and interact anywhere at any time (Kozinets, 2002; Dahlström and Edelman, 2013). This follows a recent paradigm shift of organizations that have been using virtual environments to communicate with (potential) customers (Mazurek, 2012; Saren et al., 2013). Initially the low-cost characteristics of the Internet were mainly driving the development of virtual services (for example dissemination of information such as attending exhibitors, ticket prices, etc.). However, more recently organizations have been increasingly focusing on the improvement of virtual delivery for customers (Klaus, 2013).

A virtual trade show (VTS) is a type of virtual event, where exhibitors and visitors connect with one another via the virtual environment (Internet), regardless of geographic location, to interact and exchange information. VTSs build on the rise of virtual market-

ing activities used by firms to succeed in the current marketplace (Talukder and Yeow, 2006). A typical VTS often includes a virtual exhibition hall, which users enter with specific permissions. Exhibitors can build virtual stands or booths to exhibit information related to their goods or services, just as they would at a physical TS (Remolar et al., 2015). VTSs may have other components, such as a web conference, a web seminar (webinar), or other educational presentations. Firms can also use tracking mechanisms that allow them to determine the flow of traffic in the VTS.

Despite this development, only one study (Lee-Kelley et al., 2004) has focused on the acceptance of VTSs among exhibitors, and surprisingly scant research examines exhibitors' experiences and challenges of participating in VTSs (Lee-Kelley et al., 2004; Li, 2010; Geigenmülle 2010). Given the virtual environment's unprecedented potential to reach customers globally it is surprising how research is limited in relation to understanding how a firm's practices and structure need to change to incorporate the virtual environment into their strategy and add value to the organization. Conventional marketing practice used in other environments will probably not work in virtual worlds, thus marketers have to learn new ways to operate in them through specific virtual marketing capabilities.

It has been argued in the literature that firms operating in fast-changing dynamic environments must possess capabilities so as to continually adapt, integrate, reconfigure and redeploy resources and capabilities to exploit the opportunities of dynamic environments, such as virtual environments (Teece et al., 1997). Marketing

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capabilities in a virtual environment refer to the processes, structures, and skills adopted by firms for planning and integrating virtual technology into the marketing practices environment (Sayre et al., 2012). These virtual marketing capabilities are necessary to adapt traditional marketing actions to the virtual environment.

In spite of the increased utilization of virtual technology by businesses as a marketing communication tool and distribution channel limited research exists on how companies incorporate and manage virtual technology in their processes. Specifically, from an academic perspective, very little is known about how organizations participate as exhibitors in VTSSs

This study aims to contribute to the lack of empirical research on VTSSs by investigating exhibitors' perceptions and experiences when participating in VTSSs. It draws on Chaffey's (2010) digital capability framework, applying it to a virtual setting. The author identified six key management challenges that organizations confront when engaging in virtual environments that need to be managed within an organization: virtual strategy development, virtual customer acquisition, virtual customer loyalty, virtual customer experience, cross-channel integration, and virtual channel governance.

Specifically, this study explores exhibitors' perceptions of the main benefits and constraints of participating in VTSSs. We also attempt to identify the main marketing capabilities required to integrate virtual technology into marketing practices (Chaffey et al., 2003). Understanding the specific drivers and constraints of VTS participation as perceived by managers is important to ensure that appropriate virtual marketing capabilities are developed to enhance customer experiences in the virtual environment.

The remainder of this article is organized as follows: the next section reviews literature on the TS and the virtual marketing context; this is followed by the methodology section and findings; and the final section discusses the findings and implications of the study.

2. Literature review

Existing literature has recognized TSs as an important and effective means to enhance an organization's marketing effort (Kerin and Cron, 1987; Gottlieb et al., 2011, 2014). Previous research has addressed TS selection (Bonoma, 1983; Rice and Almossawi, 2002; Smith et al., 2004), motivation (Parasuraman, 1981; Rittichainuwat and Mair, 2012; Whitfield and Webber, 2011), effectiveness (Gottlieb et al., 2011; Bettis-Outland et al., 2010; Cavanaugh, 1976), communication (Rittichainuwat and Mair, 2012; Gopalakrishna and Lilien, 2012; Kirchgorg et al., 2010), and visitor behavior (Borghini et al., 2004).

One area that has been neglected in the literature is the role of new virtual communication technologies on TS strategy (Geigenmüller, 2010). The term virtual refers to virtual reality which is the computer-generated, artificial world in which humans are free to explore (Stone, 1993). VTSSs are web-based platforms where customers, suppliers, and distributors can interact virtually at any time and from any place (Geigenmüller, 2010). Attendees can visit virtual booths to obtain information about a company's goods and services. As such, VTSSs as an element of e-commerce are a technology-mediated environment that lack direct face-to-face interaction (Levy, 2014). Exhibitors and visitors connect with each other to exchange information via the Internet, at any time, regardless of geographical location. Participants can communicate with staff, other visitors, and can select chat rooms, videoconferences, and forums (Lee-Kelley et al., 2004). Hence, VTSSs refer to highly sophisticated, computer-generated TSs that can involve complex virtual elements such as animated, three-dimensional

TS halls, as well as individual TS booths which invite visitors to roam around and experience the elaborate effects.

Initially the TS industry employed the Internet as a marketing tool, using it primarily to interact efficiently with the various TS participants for pre-show promotion, at-show selling, and post-show follow-up on a basic level of information exchange (Li, 2010). Yet, the flexibility of VTSSs has fostered applications of VTSSs as a marketing communication tool. However, it is not expected that VTSSs will ever render real-world TSs obsolete (Geigenmüller, 2010; Gilbert, 2003). The singular direction in which all these indicators for a successful future for VTSSs are pointing, in addition to the academic demand for a closer scrutiny of VTSSs (i.e., Geigenmüller, 2010), are seen as the commencing points of this research project.

Considerable evidence shows that companies and organizations that complement their traditional channels with virtual-based channels can be more successful than single-channel ones (e.g., Ranjay and Garino, 2000). This trend is expected to become even stronger as Internet use continues to grow and new technologies make available an increasing number of virtual channels, such as interactive TV and mobile devices.

The literature suggests that firm capabilities can lead to higher performance for firms in different areas (Teece et al., 1997). Capabilities are defined as clusters of path dependent firm assets resulting from deliberate investment actions dedicated at creating new types of competitive advantage (Teece et al., 1997; Ray et al., 2005). For instance, technology firm-level resources require specialized marketing capabilities to coordinate processes to respond to environmental changes (Mazurek, 2012). These capabilities can be considered as bundles of tangible and intangible assets, including a firm's management skills, its marketing processes and routines, and the information and knowledge the firm possesses (Barney, 2001). The strategic management and marketing literature highlights how firms can build a competitive advantage based on a combination of core technological and marketing capabilities (Song et al., 2005; Prašnikar et al., 2008; Yadav and Pavlou, 2014). These capabilities can affect a variety of organizational outcomes, such as increasing customer satisfaction and loyalty as well as improving communication and new product success rates (Bengtsson et al., 2007; Yadav and Pavlou, 2014).

Academic research into VTSSs is almost non-existent with only a few studies examining the use of virtual TS environments (Lee-Kelley et al., 2004; Li, 2010). Some researchers have recently been more active in conducting studies on VTSSs (McClure, 2009; Gargano, 2011; Soltis, 2010); however, these publications do not meet academic requirements and are based on an individual's personal experiences or expectations. Furthermore, even fewer studies have explored the marketing capabilities needed by firms to deal with virtual environments. Therefore, this study intends to answer the call for further research into this field by examining exhibitors' experiences with VTSSs (Gopalakrishna and Lilien, 1995; Dekimpe et al., 1997; Smith et al., 2004; Hansen, 1996), and explore managers' perceptions regarding the main drivers and constraints of participating in VTSSs, in an attempt to identify the main marketing capabilities required for this purpose.

3. Theoretical framework

The virtual environment can be described as a computer-generated setting in which interactions take place (Mazurek, 2012). Firms are gradually applying virtual technologies to firm processes and activities (Booth and Philip, 1998; Lichenthal and Eliaz, 2003). Specifically, firms are increasingly utilizing advanced information and communication technologies, such as the Internet, in hopes of improving the efficiency, cost-effectiveness, and/or

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