

Ongoing search among industrial buyers

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Abstract

Literature on organizational buying behavior pays little attention to ongoing search, i.e., information search activities that are independent of specific purchase decisions. This study employs ethnographic methods to investigate the nature of ongoing search in the context of trade shows. The study contributes to the literature on information search among industrial buyers by highlighting its bias in favor of search processes that lead to short-term purchases. The research findings have strong implications for trade show scholarship, as they cast a critical light on the “received view” on how to effectively select, manage and measure returns on trade show investments. This article offers a more complex and nuanced view of visitor behavior at trade shows and introduces a broader perspective on the significance of these events for their underlying markets.

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1. Introduction

Companies need to know the relative importance their customers assign to information sources in order to optimize the allocation of the usually limited resources available for promotion. Previous literature has investigated buyers’ perceptions of the importance of different communication tools (e.g., Turnbull, 1974; Parasuraman, 1981; Deeter-Schmelz and Kennedy, 2002), but these studies focus on pre-purchase or purchase situations (in other words, information gathering for a specific purchase problem). In contrast with studies of consumer behavior, literature on organizational buying behavior (Webster and Wind, 1972; Sheth, 1973; Bunn, 1993) pays little attention to “ongoing search”, i.e., search activities that are independent of buying decisions (Bloch et al., 1986). Only literature regarding trade shows – which represent some of the most important influential sources of information among industrial buyers – provides evidence of this phenomenon: visitors often attend trade shows for reasons unrelated (or, at best, only weakly

related) to purchase decisions (e.g., Bello, 1992; Bello and Lohtia, 1993; Godar and O’Connor, 2001).

The phenomenon of ongoing search among industrial buyers poses interesting challenges to the way companies traditionally manage their trade show participations or measure returns on trade show investments. What if the booth personnel does not dedicate sufficient attention to “curious” visitors who are not interested in an immediate purchase? What if a company stops exhibiting at a trade show where most visitors are already customers? Academic literature suggests concentrating effort on members of buying centers (Bello and Lohtia, 1993) and measuring returns on investments based on the number of attendees from target audiences who actually make purchases following their visit (Gopalakrishna and Lilien, 1995; Smith et al., 2004). Yet, visitors engaged in an on-going search are not curious, and focusing on short-term returns could be considered myopic.

This paper contributes to the literature on the buyer search process by investigating the behavior of industrial buyers as they look for relevant information in the context of trade shows. Methodologically, this study differs from conventional approaches in business-to-business marketing since it is based on the use of ethnographic methods, which are increasingly common in consumer marketing and research. The research findings illuminate the nature of ongoing search and provide managerial implications that cast a critical light on the ‘received

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view' on how to effectively select, manage and measure returns on trade shows.

2. Literature review

Studies of information search by industrial buyers build on a consolidated tradition in the literature that dates back to the pioneering work of the 1960s and 1970s. Taken together, extant research (for a review, see Moriarty and Spekman, 1984; Lichtental et al., 1997) provides practitioners with a rich understanding of how to define a company's promotional mix, as communication instruments and message contents can be modulated according to buyers' information needs (Turnbull, 1974; Bello, 1992; Godar and O'Connor, 2001). Subsequent literature investigates factors influencing the use of specific information sources during the purchasing process, highlighting for example the relevance of product typology (Jackson et al., 1987), buyer's stage in the purchasing process (Moriarty and Spekman, 1984; Brossard, 1998) and characteristics of the purchasing situation (Bunn, 1993). Other studies draw attention to the role of personal as opposed to impersonal sources (e.g., Parasuraman and Zeithaml, 1983; Wheeler, 1987), the rationale for adapting the promotional mix to the different members of the buying center (e.g., Bello, 1992; Godar and O'Connor, 2001) and the impact of the Internet revolution on industrial purchase decisions (e.g., Deeter-Schmelz and Kennedy, 2002).

Despite their relevance for the theoretical understanding of industrial buyer behavior, most of these studies focus only on pre-purchase or purchase situations (Webster and Wind, 1972; Sheth, 1973; Bunn, 1993) and fail to analyze the ongoing information search process which occurs irrespective of whether a purchase decision is being taken (Bloch et al., 1986). Literature on trade shows – which are considered one of the most important means industrial buyers use to collect information (Parasuraman, 1981; Godar and O'Connor, 2001) – has, on the other hand identified numerous reasons for attendance not directly correlated with purchasing processes.

Current buyers may look for information after a purchase to reduce cognitive dissonance rather than to find new products or suppliers (Godar and O'Connor, 2001). Industrial buyers may learn about the range of available products/services to gain new ideas for future use (e.g., Dudley, 1990; Munuera and Ruiz, 1999). Influencers of a buying center may gather information to preserve their credibility within their organizations (Krapfel, 1985). Moreover, non-buyers may be interested in gathering information about industry or technological evolutions (e.g., Morris, 1988; Dudley, 1990; Rosson and Seringhaus, 1995; Godar and O'Connor, 2001). From a relational point of view, visitors and exhibitors use trade shows to develop and work on existing business relationships (Blythe, 2002). In addition, all visitors presumably attend trade shows to establish and maintain relationships (e.g., Hansen, 1996; Godar and O'Connor, 2001) and to reduce the social as well as the technological distance from sellers (Ford, 1980).

While industrial marketing scholarship provides indirect evidence about the existence of ongoing search processes among industrial buyers, not much is known about the determinants,

motives, practice, and outcomes of these processes. This is a gap that should be overcome in order to help suppliers avoid the risk of adopting short-sighted communication strategies and reducing the effectiveness of trade shows and other marketing communication instruments as vehicles for networking and relationship building.

3. Method

The goal of the present study is to investigate visitor behavior at trade shows in order to theorize about the nature of ongoing search processes in industrial markets. As the information search processes of industrial buyers at trade shows – usually depicted as cognitive activities – manifest themselves in physical behaviors that can be observed and whose meaning can be elicited as they occur, this study relies on ethnographic methods (Arnould and Wallendorf, 1994). Together with other interpretive research methods, ethnography is increasingly diffused in “mainstream” marketing and consumer research. In these disciplines, scholars have challenged the bias of the dominant paradigm in favor of quantitative methods by questioning the most common misunderstanding associated to qualitative research, i.e. the study of particular contexts as ends in themselves, the lack of managerial implications and the refusal to use quantitative measures (Arnould and Thompson, 2005). In the field of business-to-business marketing, ethnographic approaches are still unconventional, but scholars have recently advocated the use of interpretive methods to make sense of industrial markets (Cova and Salle, 2003; Gummesson, 2003) and discover new phenomena that more conventional approaches would fail to recognize. Moreover, as studies of consumer trade fairs are available in previous literature (Peñaloza, 2000, 2001), the research benefited from the presence in the literature of rigorous methodological benchmarks that improved the quality of the research design.

The empirical field consisted of eleven European trade shows dedicated to different phases of the textile–apparel (yarns, fabrics, textile technology; accessories, apparel) and wood–furniture (semifinished products and accessories; wood-working technology; furniture) industries, held between May 2002 and February 2005, that in some cases the researchers visited for two consecutive editions (see Table 1). As common in ethnographic approaches, multiple methods and techniques were used to collect and analyze data (e.g., Arnould and Wallendorf, 1994; Sherry, 1995). Besides the field activities, quantitative data were collected from the archives of the leading Italian trade show organizer, who provided the results of visitor surveys regarding events held in Milan in 2003 and 2004. The research findings thus result from the combination of two data sets: a qualitative one that includes the interview transcriptions, field notes, photographs and videos most often associated to ethnographic research, and a quantitative one that was analyzed to provide support to the ideas and insights generated during the fieldwork.

The research team for the fieldwork consisted of 6 researchers who conducted extensive participant observation for the entire duration of each trade show (from 1 to 3–4 days). This included the realization of pictures, videos and field notes on various

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