

# Effects of Tradeshow Participation on Expansion of Turkish Companies into Algerian Market

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Received: September 22, 2014

Accepted: November 7, 2014

Online Published: November 25, 2014

doi:10.5539/ibr.v7n12p53

URL: <http://dx.doi.org/10.5539/ibr.v7n12p53>

## Abstract

The purpose of this study is to explore the pre-show activities of Turkish companies which participated in the 2<sup>nd</sup> Turkish Products Trade Show in Algeria and effects of this trade show on expansion activities of these companies in Algeria. Istanbul Chamber of Commerce is the biggest chamber in Turkey with 350000 member companies. It organized a tradeshow between 7th and 10th of December 2013 in Algeria for its members to facilitate meeting with Algerian customers and making export agreements. This tradeshow could be a tool for Turkish companies to explore and enter both Algerian and African markets. The author conducted a study to these 134 companies which participated in this trade show. The data collection method is a questionnaire that was filled out by the owners of companies that participated in this tradeshow. 61% of the questionnaires were answered. Exploratory research method was used in this study. Frequency distribution analysis and crosstab analyses were applied to the data.

**Keywords:** trade show, Algeria, Turkey, export, international expansion

## 1. Introduction

Nowadays, companies need to be successful in their domestic market and explore expansion opportunities into the World. Global competition has become more challenging. It requires dynamism, innovation, allocation of substantial budget, and constant monitoring of competitive activities. Companies can use several methods to expand foreign markets. Exporting is considered as the easiest, the shortest and the least expensive method. Companies can have several approaches to starting exporting. Participating in international trade shows is an approach that facilitates global expansion. International trade shows have been popular due to their focus on one country or industry. Although they last couple days, they require dedication and commitment from companies to reach high performances. Mostly, trade shows have been discussed in the field of marketing. However, trade show strategies are also related and part of global expansion strategies of companies. Thus, it can be covered in the field of international business. In this paper, companies that attend to trade shows are called as participants and companies which are searching to buy products and services are called as customers. Benefits of trade shows are as follows: Companies can see, feel, and explore new markets. They can follow industrial trends. They exhibit their products, services, and prototypes. They can promote their innovations. They can establish networks with stakeholders such as customers, suppliers, partners, chambers, government officers. They can conduct researches on markets and customers for future expansion. They can observe their competitor's products, services, innovations, staff and competitive advantages. They can determine and revise their visions, strategies and competitive advantages realistically. They can assess their strengths and weaknesses much better. They can explore opportunities and threats which can be faced in that market. They can build images and brands. They can present themselves as a strong competitor in the market.

First of all, companies need to determine the appropriate trade shows to participate. They need to set their trade show objectives. They need to prepare strategic trade show plans and budgets. They should analyze benefits and costs of the trade shows. They need to allocate budget, train booth staff, prepare booths, promotional materials, and activities to attract potential customers. They should determine their target customers and invite them to the trade show before the organization. They should attract them with new products, innovations, and activities. They need to establish networks with customers. They can target certain companies for possible partnerships and as suppliers. They should be aware of trade show performance indicators and measure their performances after

trade shows. They should do follow up activities, conduct customer visits after trade shows to have stronger ties with target customers, partners, and suppliers. They should also participate trade shows constantly. Some markets may require long term efforts to establish networks, gain customers and receive sales orders.

Companies that attend international trade shows can be supported by incentives of governments, chambers and other organizations. Thus, they may need lower budgets and have guidance to explore new markets. Istanbul Chamber of Commerce (ICC) is the biggest chamber in Turkey with 350000 members. It is providing guidance and incentives for its members to expand abroad and start exporting. It organizes several international trade shows to lead its members to explore emerging and potential markets, and establish networks with potential customers, partners, and suppliers in these markets. It organized an international trade show in Algeria to encourage its members to expand in this market between 7th and 10th of December 2013 second time. Algeria has the biggest port in Africa to provide international trade opportunities for Turkish companies in this continent. Turkish and Algerian governments decided to increase international trade between their countries. The purpose of this study is to explore the pre-show activities of Turkish companies which participated in the 2<sup>nd</sup> Turkish Products Trade Show in Algeria and effects of this trade show on expansion activities of these participating companies in Algeria.

## 2. The Concept of Trade Show

Domestic and global competitions lead companies to gain and maintain competitive advantages both in their domestic markets and global markets. They need to conduct SWOT analysis and have the opportunities to expand abroad. Exporting is a short, low cost, low risk-taking and low commitment making requiring method for global expansion. Companies can use several approaches to finding customers, make export agreements with them, and initiate export activities. Participating in an international trade show is relatively cheap, fast, and focused activity which offers opportunities to discover foreign markets, learn about their customers, and trigger exporting.

According to TOBB (2007), a trade show is an activity which has a specific name, type, scope, organizer, date, duration, location to support benefits of a society and a certain industry. It leads companies to exhibit their products and services, demonstrate and transfer technological improvements, knowledge and innovation; develop and improve network and trade relationships with visitors to form strategic alliances, expand market share, and exchange information (Aycı, 2011). Black (1986) explains that a trade show is a tool for suppliers in a certain industry to show their products and services (Chiou *et al.*, 2007). Kotler (2000) defined a trade show as a mean of promoting sales (Chu & Chiu, 2013).

Alkibay and Songür (2002) believe that a trade show is a substantial tool to enhance export potentials of countries. Companies can globalize and compete in international markets by attending trade shows. Arzt (2006) adds that companies which attend trade shows can internationalize faster and stand lower costs than companies which do not attend (Aycı, 2011). Bello and Barksdale (1986) state that trade show participation leads companies exporting and gaining global business view cost efficiently (Chiou *et al.*, 2007). Shi and Smith (2012) believe that international trade shows are cost-efficient and quick way to increase exports and gather valuable market information to enter international markets.

Company level international trade show participation literature reveals that the incremental effect on exports is codified by managerial factors and international trade show participation in developed countries. According to UFI Statistics (2011), 12,500 trade shows were conducted between 2006–2008 in the world. Although, the number of exhibitions decreased by 16% in 2009, the half of this decrease was recouped in 2010. Reid (1980) believes that participating trade show included in export promotion programs is the most effective way to learn other countries' trade laws and facilities. Pfeiffer, Burgemeister, Hibbert, and Spence (1998) highlighted that trade shows' impact on exports and their use as an export promotion tool was examined in terms of company level effectiveness. Lee and Yang (1990) reveal that there is a positive relationship between the number of export markets and sales volume of exports. Wilkinson and Brouthers (2000) showed that there was a positive relationship between international trade show participation and exports in US. They (2000) found a positive correlation between times of trade show participation in the same country and aggregate state export (Li & Shrestha, 2013).

Kalafsky and Gress (2013) tried to figure out how machine tool producers in Korea utilise a global trade show in Seoul to minimize difficulties of global customers. Their trade show activity geared towards innovation. They found out that the amount of importance placed on trade show attendance as part of a company's internationalization strategies was related to growth of exports. They added that companies that participate in trade shows as part of their innovation process had higher rates of export intensity. According to Seringhaus and

Rosson (1994) participation in global trade shows, is a barometer of a company's degree of investment in international activities and a major part of its internationalization strategies. Dicken (2011) added that exporting was the first step of the company's internationalization activities (Kalafsky & Gress, 2013).

Several researches have been conducted related to trade shows in the field of business administration to investigate their importance as sales and marketing instruments to develop images, establish brands, and attract customers (Strothmann, 1992; Meffert, 1993; Backhaus & Zydorek, 1997) (Bathelt & Schuldt, 2010).

Borghini et al. (2006) believe that trade shows have been considered as temporary marketplaces where industrial participants invest in exhibitions and presentations to interact with customers and visitors by management academicians. Studies about temporary clusters revealed that trade shows provided both vertical opportunities for learning and interaction along the value chain and horizontal opportunities among competitors (Rinallo & Golfetto, 2011).

Maskell et al., (2004, 2006) claim that international trade shows foster to maintain networks with international customers and suppliers (Prüser, 1997, 2003), to identify and select regional and national partners, and develop new 'trans-local pipelines' (Borghini et al., 2004; Owen-Smith & Powell, 2004; Bathelt et al., 2004; Bathelt, 2005) (Bathelt & Schuldt, 2008). Maskell et al. (2004, 2006) believe that international trade shows define temporary presentation spaces and interaction between suppliers, producers, and customers of a particular technology or value chain. Vertical interaction with suppliers and customers draws upon information exchange about market trends, experience and new product requirements (Bathelt & Schuldt, 2008). Competitor companies participate in trade shows. This horizontal dimension facilitates opportunities for companies to observe and compare their products and strategies with those of their competitors (Porter, 1990, 1998; Dahl & Pedersen, 2003; Maskell & Lorenzen, 2004). Thus, companies can make investment and innovation decisions. Trade shows that are rich arena for learning provide rich ecology of information and knowledge flows (Bathelt & Schuldt, 2008).

Outland, Johnston and Wilson (2012) believe that participants can utilize trade show information to realize tangible benefits such as gaining new customers, increasing sales from current customers, purchasing new products, services, technical training, and enhancing customer support; and intangible benefits such as improving strategic planning, improving policy development, developing new products, and improving corporate image.

Several researchers have found out that the average cost of face-to-face contacts with current and prospective customers at trade shows is lower than the cost of a personal sales visit (Bellizzi & Lipps, 1984; Bello, 1992; Bello & Ritu, 1993). O'Hara, Palumbo and Herbig (1993) add that participating in trade shows require low costs to enter new markets for companies. Tanner (2002) found out that participating in trade shows was an opportunity for SMEs to compete with large companies. Browning and Adams (1998) stated that trade shows were means of sales promotion for SMEs and export-oriented companies (Chu & Chiu, 2013). Aycı (2011) conducted a research on SMEs which used government incentives to participate in trade shows in foreign countries. Figure 1 shows the model of Neven and Kanitz (2008) which summarized benefits of trade show participation to companies:

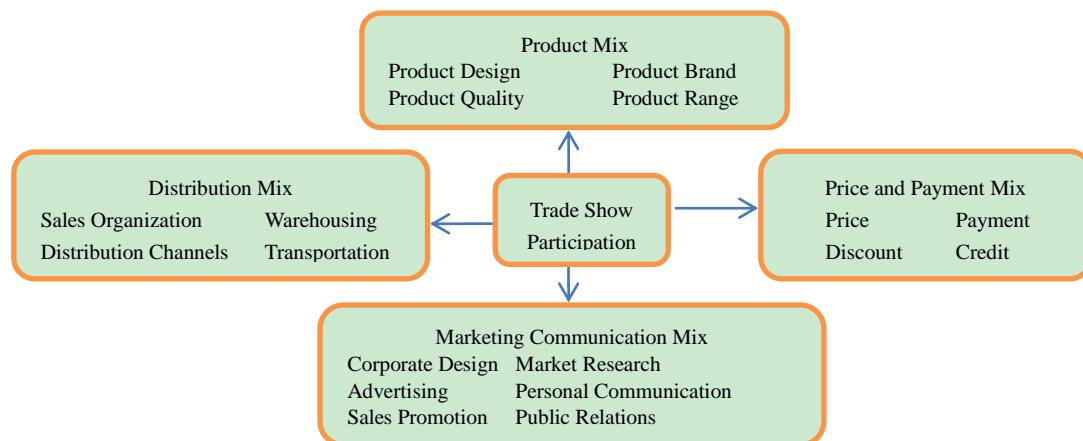


Figure 1. Model of Neven and Kanitz for role of trade show in marketing mix

This figure is adapted from Ali Aycı (2011). Pazarlama Karması Açısından Yurtdışı Fuarlar: KOSGEB Yurtdışı Fuar Desteklerinden Faydalanan Kobi'lere Yönelik Bir Araştırma. *Gazi Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 13(3), 1639.

### 3. Typologies of Trade Shows

There are different types of trade shows which compile different companies from the same industry or different industries, and from the same country or different countries. The most important factor for trade show performance is choosing the most appropriate trade show for the company's global expansion goals.

Wen and Duan (2008) state that trade shows can be organized by chambers of commerce, governments, industry associations, and exhibition companies. Trade shows are classified as follows:

- By origin of participants: international, national, regional, and local trade shows.
- By range of products offered: universal/general, special interest, and industry-specific trade shows (Gopalakrishna & Williams, 1992).
- By audience: business-to-business (B2B) and business-to-customer (B2C) shows. Trade shows are classified as "trade only" and "public" (Chu & Chiu, 2013).

Vertical trade shows and horizontal trade shows are two types of trade shows (Gopalakrishna & Williams, 1992; Rice, 1992). A vertical trade show is a platform for a single or related industry for special customers whereas a horizontal trade show is a platform for many industries and product categories. Participating in an international trade show is more expensive and requires more efforts for companies than participating in a domestic tradeshow (Chiou et al., 2007).

Participating companies can be domestic and international manufacturers, foreign traders, and trading agents. They may use different strategies for sales promotion (Wen & Duan, 2008; Gopalakrishna, Lilien, Williams & Sequeira, 1995; Herbig, Palumbo & O'Hara, 1996) (Chu & Chiu, 2013).

The 2nd Turkish Products Trade Show held in Algeria was an international horizontal general B2B trade show for various Turkish products from different sectors. Turkish companies stand more costs and made more efforts to participate in this trade show than another tradeshow that was organized in Turkey.

### 4. Trade Show Objectives of Participating Companies

Companies need to have trade show participation objectives to succeed at trade shows. Some of them focus on selling and another focus on non-selling trade show objectives.

Companies that determine their objectives and measure attainment levels of these objectives, usually, succeed. First of all, companies should determine their target visitors and their trade show strategies before trade shows. They need to select trade shows to participate in based on their sales and marketing objectives, importance of the trade show in the industry, appropriateness of the industry to the company, competitors participation in the trade show, demographic characteristics of visitors, and experience of the organizer. Companies need to highlight new products, services, and employees at trade shows by providing promotional materials. They need to give training to their employees who will work at booths during trade shows to lead customers to objectives of companies to increase their success. Companies need to attract visitors to their booths by considering them as potential customers. They need to provide service to attracted potential customers even if they are comparing products and services of companies with competitors'. Companies also need to follow competitors' products, services, booths and sales and promotional activities (Dallmeyer, 2005). The participation objectives of companies to trade shows should be determined in the beginning. Their objectives can be reaching their sales targets, collecting sales orders, promoting new products and services, training employees, gathering information from customers to develop new products and services (Aycı, 2011).

Objective-setting is an important antecedent to satisfactory trade show performance (Cavanaugh, 1976; Hatch, 1981; Bellizzi & Lipps, 1984; Gopalakrishna & Lilien, 1995). Bonoma (1983) categorized trade show objectives as selling and nonselling. Companies that participate in international tradeshow may have nonselling objectives (Sharland & Balogh, 1996) (Fu et al., 2007).

Trade show participants might have selling and non-selling objectives such as gathering market information, receiving customer feedback, identifying prospective customers, learning about competitors and products to be exhibited, taking orders, and selling products (Bonoma, 1983; Jackson, Keith & Burdick, 1987; Sharland & Balogh, 1996; Yao, 2007; Wen & Duan, 2008). Yao (2007) distinguished trade show goals of participating companies: (1) non-sales goals such as building brand/image, maintaining contact with current and new customers, improving corporate image, and gathering information about competitors; (2) sales goals such as making direct sales and finding local sales representatives. According to studies, non-sales objectives in trade shows such as maintaining public and customer relations, and building image and brand can affect purchasing decisions of customers in the long-run. Sales can increase in a longer period after the trade show. Tanner and

Chonko (1995) revealed that promoting sales were the first objective of participants. They (1995) revealed that the main objectives of trade show exhibitors were selling, generating new businesses, initiating new relations, servicing former relations, brushing up on sectoral contacts, and sizing up the competition (Chu & Chiu, 2013).

Trade shows have selling roles (introducing new products, solving problems of customers, making sales during the show, and testing new products) and non-selling roles (screening market opportunities, monitoring competitors, providing customer services, improving social relations, and building company and brand image) (Bonoma, 1983; Everett, 1989; Kerin & Cron, 1987; Schafer, 1987; Rice, 1992). Bello and Barksdale (1986) believe that companies that have budget constraints can explore foreign markets, find customers, distributors, and partners via trade shows (Chiou et al., 2007).

International trade shows are forums to build trustable and social relations between participants and potential customers. It is also important for participants to invite stakeholders to the trade show to develop and improve relations. It is an opportunity for companies to be and stay innovative. According to Cavanaugh (1976) and Rice (1992), companies can have chances to initiate sales person and customer relation, provide collateral support material, focus on products and services, and demonstrate them. Rice and Almossawi (2002) revealed that image enhancement, sales prospects identification, introduction of new products, conducting customer meetings were the most important objectives of trade show participants. Nelson (1991) found that main objectives of trade show participants were new customer contact initiation, new product launch, existing customer relation enhancement, and company mission promotion (Chiou et al., 2007).

There are several studies which focus on goals of trade shows: transactional goals such as generation of sales-lead and supplier selection (Gopalakrishna & Williams, 1992; Gopalakrishna & Lilien, 1994, 1995; Dekimpe et al., 1997) and non-transactional goals such as gathering intelligence and generation of awareness (Borghini et al., 2006; Blythe, 2000; Sharland & Balogh, 1996; Shoham, 1999). Hansen (1999) believes tradeshow performance has outcome based dimension which includes the sales related activities and a behavior based dimension which includes non-sales related activities such as information gathering activities, image building activities, motivation activities, and relationship building activities (Wu et al., 2008).

According to a study, main objectives of companies to participate in trade shows are gaining new customers and increasing awareness (Neven & Kanitz, 2008). Companies that have consistent trade show objectives and target market strategies can use trade shows efficiently. According to a study, 71% of companies that attend trade shows do not determine their objectives and strategies (Stevens, 2005) (Ayçi, 2011).

Both participants and customers are affected from the degree of technological innovativeness. When the technology lifecycle is short, participants and customers need to follow the latest developments in the core and adjacent industries (Zook & Allen, 2001) (Wu et al., 2008). Participants make big investments (Bonoma, 1983) to bring their innovations, prototypes, and expert employees to trade shows to prove their competencies to current and potential customers (Golfetto & Mazursky, 2004; Golfetto & Gibbert, 2006; Zerbini, Golfetto, & Gibbert, 2007) (Rinallo & Golfetto, 2011).

Wu et al. (2008) analyzed objectives of trade show participants and combined these objectives to formation and diversity of trade shows. They tried to summarize objectives of trade show participants as follows: Number of leads, quality of leads, introducing new products, meeting current customers, selling at the show, generating awareness for specific products, delivering a specific message, improving company awareness/image enhancing corporate morale, identifying new prospects, market testing for new products, and gathering competitive information. They categorized objectives of customers at trade shows as follows: Seeing new products/developments, fact finding for future purchases, purchasing, attending seminars/association meetings, seeing specific company(s)/product(s), finding products to represent, solving a problem, networking with peers, and obtaining technical or product specifications. They found out that higher selling and buying propensity is linked to more vertical shows. They added that higher breadth of product interests is linked to more horizontal shows. They revealed that a highly innovative industry is often linked to more horizontal shows.

Companies need to calculate trade show participation costs, analyze benefits, and costs of trade show participation after they determine their trade show objectives and select the trade shows to participate. Small companies may need to stand high costs to have long term benefits (Herbig, O'hara & Palumbo, 1997). If small companies do not want to stand high participation costs, their trade show success can decline. Companies need to announce their participation to potential customers 4-6 weeks before the trade shows. They need to invite potential customers by giving information about what they are going to exhibit at a trade show and to send the exhibition hall map by marking their booth location. Participating in international trade shows improves company image (Çağlar & Özcömert, 2002). Kessler (2010) highlights that companies can motivate their

employees, improve team performance, select the most appropriate trade shows, see results of their investment, and arrange the appropriate marketing mix by measuring trade show marketing results (Ayci, 2011).

### 5. Trade Show Strategies

Trade show preparation is an essential step for the successful attempts of companies during and after tradeshow. Companies need to be proactive and be prepared for tradeshow. They need to invite potential customers before trade shows and attract potential visitors to their booths by considering them as potential customers during trade shows. They need to establish networks with stakeholders at trade shows and maintain these ties after trade shows. They should get sales orders by follow-up customer visits, communication techniques and online activities.

According to a study, 50% of visitors come to trade shows for the first time. Participating companies conduct marketing plans for trade shows, determine their target markets, cluster visitors in different segments, and select segments according to their strategic goals. They define their target markets based on these market segments. This segmentation helps companies to use their budgets efficiently for their target markets. They need to figure out the percentage of their target market in all visitors and then find out percentage of interested visitors in this target market (Berné & García-Uceda, 2007).

Properly planned trade shows can be an integral part of companies' marketing communications program. Companies can convey desired messages to potential customers through graphic displays, train their staff for booth activities, demonstrate their products and services, and provide brochures and support materials (Cavanaugh, 1976; Konikow, 1983). The cost of customer contact is lower than average cost of sales call. Thus, companies can decrease their costs by attending trade shows (Browning & Adams, 1988) (Fu *et al.*, 2007). Fu *et al.* (2007) added that trade show selection which was a crucial pre-show participation sub-process is poorly treated. They designed a framework based on Tanner's framework (2000) to show an ideal process of effective trade show participation. Rich (1985) believed that appropriate selection of horizontal (show including many industries and professions) or vertical (show focusing on one industry or profession) show was the determinant of participation effectiveness (Fu *et al.*, 2007).

Several studies divided trade show strategies into the following stages: before, during, and after the trade show. Determining objective before trade shows (Kerin & Cron, 1987; Gadar & O'Connor, 2001; Tanner, 2002; Lee & Kim, 2008), selecting appropriate location and booth size, and determining display materials (Li, 2006; Lee & Kim, 2008; Kerin & Cron, 1987) are key factors in a trade show performance (Chu & Chiu, 2013). Customers, usually, give trial orders during trade shows. Main sales are finalized after follow-up actions. Participating companies should consider how to attract potential and current customers at a trade show. Promotions can ease purchasing decisions of potential customers (Chu & Chiu, 2013). Chu and Chiu (2013) tried to find out trade show strategies which improve participants' performance. They highlighted the trade show strategy classifications namely before, at and after the show. They found out that "follow-up after the exhibition" was the most important factor from the customer's perspective. On the other hand, "Active invitation before the exhibition" was the next most important factor to attract potential customers to the trade show. They added that the most important at-show strategy was staff knowledge of the product and trade details.

Interesting in different product categories can be called breadth of product interests. Vertically integrated industries will have lower breadth of product interests while highly integrated industries will have higher breadth of product interest (Williams *et al.*, 1993). Participant companies may need to stand space rental, booth setup, and entertainment costs at trade shows. When participants exhibit more products, they need more space. Thus, they will stand more costs at trade shows. If participant and customer companies have a large breadth of product interests, they can attend to a horizontal show instead of a vertical show (Wu *et al.*, 2008).

Larger companies can have bigger budgets and choose more employees to work for trade shows (Kerin & Cron, 1987). Companies can determine their tradeshow strategy based on the ratio of first time and international customers. When companies face first-time buyers, they focus on information exchange. On the other hand, when they meet with their existing customers, they may focus on trust, relationship building and enhance (Tanner, 2002). When most customers are international customers, participants can develop personal relationships and trust with them (Chiou *et al.*, 2007). Table 1 has summarized trade show strategies.

Table 1. Trade show strategies

| Strategy Objectives  | Dimension            | Strategies                                   | Reference  |
|--|----------------------|--|--|
| Delivering trade show information to potential visitors by sending invitations, advertising, and news releases.                              | Pre-show Strategies  | Invitations                                  | E-mail, telephone, mailing tickets, and invitation cards   |
|  |                      | Ads, News                                    | News releases and advertising  |
| Strategies for business visitors attraction, booth arrangement, product display, and staff reception.  | At-show Strategies   | Booth arrangement                            | Location, space, size, design, visibility, accessibility, and the news release                               |
|  |                      | Product display                              | Exhibited materials and demonstration activities   |
|  |                      | Staff reception                              | Active attitude, patient listening, reception, experience, and knowledge of the product and technical issues |
| Follow-up after shows for establishing relationships with business visitors by sending sales letters and samples and making personal visits. | Post-Show Strategies | Sending sales letters, catalogs, and samples |  |
|  |                      | Telephone contacts and personal visits       |  |

This table is adapted from Mei-Chin Chu & Sui-Ming Chiu (2013). Effective Marketing Strategies to Attract Business Visitors at Trade Shows. *International Journal of Business and Management*, 8(24), 66-67. ISSN 1833-3850. E-ISSN 1833-8119.

## 5. Trade Show Performance

Achieving better trade show performance should be a vital issue for participating companies because they dedicate budgets and time for the trade show. Most of the trade show performance can be observed after trade shows by maintaining and improving contacts with potential customers and all stakeholders.

Trade shows results are giving message, enhancing brand, increasing awareness, sales, and public relations. A booth attractiveness and effective communication with visitors can help companies to succeed at trade shows (Ducate, 2003). A trade show is an important promotion tool for communication which includes information exchange. Companies can determine prices and payment conditions based on information they gathered from customers at trade shows (Neven & Kanitz, 2008) (Aycı, 2011).

Kalafsky and Gress (2014) examined efforts of machine tool manufacturers to minimize the friction of distance of exporting through international trade shows. Individual export destinations, on the role of firm size vis-à-vis firm export intensities and overall export strategies and motivations, were found effective. They (2014) explored (1) companies' use of trade shows as a means to propel their exports, (2) companies' export performances, and (3) the impact of company's size on trade show dynamics.

Almost 40% of first-time participants do not return to the same show the following year (CEIR, 2008). Not understanding trade show visitors and their goals is the main reason for trade show failure (Gopalakrishna, Roster & Sridhar, 2010). Gopalakrishna and Lilien (1995) explored trade show performance indicators such as number of attracted attendees to the booth and number of effectively generated leads. They found out that impersonal promotional variables (competition, preshow promotion, attention-getting technique, booth size, and cumulative points) were effective to attract more potential customers to a booth, while personal promotional variables (number of booth personnel and training of booth personnel) significantly increased effective leads. Dekimpe et al. (1997) stated that effectiveness of attracting a potential customer was influenced by trade show type, preshow promotion, number of booth personnel, and booth size (Kim *et al.*, 2013).

Trade show performance indicators are sales during a trade show, number of leads, and efficiency of attraction (e.g.: percentage of potential customers attracted to company's booth) (Teng & Tzeng, 1993; Dekimpe, Francois, Gopalakrishna & Bulte, 1997; Gopalakrishna & Williams, 1992; Gopalakrishna & Lilien, 1995; Kerin & Cron, 1987) (Chu & Chiu, 2013).

Hansen (2004) expanded the trade show performance into the following dimensions: sales-related,

relationship-building, image-building, information-gathering, and motivation-boosting. Lee and Kim (2008) proposed the following dimensions sales-related, relationship-improvement, image-building, and information-gathering. Kerin and Cron (1987) showed an empirical evidence about trade show performance dimensions by performing PCA on eight trade show activities. The selling dimension is comprised of marketing activities related to introducing new products, on site sales and new product testing. The non-selling dimension includes activities including identifying new prospects, servicing customers, enhancing corporate image, and gathering competitive information. Bonoma (1983) distinguished between selling and non-selling performance expectations. The selling performance expectations consist of customer assurance, new market development, access to key decision makers, product information dissemination, on site sales and customer servicing. The non-selling performance expectations consist of maintaining company image, competitive intelligence, market information gathering, boosting employee morale, and testing new products. Shoham (1992) classified trade show performance expectations as selling and non-selling. The selling performance expectations are activities related to existing customers, new customers, and both. The non-selling performance expectations are activities related to intelligence-gathering, enhancing morale, enhancing image, generating new product ideas, managing relationship with suppliers, and forming strategic alliances. Shipley et al. (1993) classified participants' performance expectations as short term sales expectations (taking sales orders), long term sales expectations (meeting new customers, promoting existing products, and launching new products), and non-selling performance expectations (enhancing company image, getting competitor intelligence, and market research). Tanner (2002) distinguishes promotional and selling performance expectations (Tafesse & Korneliussen, 2011).

Fu et al. (2007) tried to measure Chinese SMEs effectiveness in international trade shows. They found out participants were negligent of non-selling objectives and non-selling indices to evaluate their performance. Gopalakrishna et al. (1995) showed the trade show's effects on for a manufacturer of gas chromatographic equipment manufacturer. Gopalakrishna and Lilien (1995) suggested that trade show performance for industrial products could be measured by booth attraction, contact, and conversion efficiency. Pre-show and post-show efforts are important to make a well-designed exhibit pay off (Bellizzi & Lipps, 1984) Kerin and Cron (1987) identified 13 variables in three categories that affected trade show performance. Hansen (2002) created a 16-item instrument to assess perceptions of participants of their trade show performance. Exhibit Surveys, Inc. developed three sets of indicators namely Audience Quality, Audience Activity, and Exhibit Performance to measure trade show performance. These indicators are still used. E.g.: Audience Quality is measured with Total Buying Plans, Net Buying Influences, and Audience Interest Factor (Cox, Sequeira & Bock, 1987). These metrics that can measure audience quality of trade shows enhance performance of the participants. Bello (1989) conducted a study to assess the impediments to exporting at US trade shows. He examined problems US companies encountered while they are selling to foreign customers (Fu et al., 2007).

Kim et al. (2013) investigated factors that influenced postshow behavior (e.g.: satisfaction and purchase intention) of tradeshow attendees from tradeshow held in eight Asian-Pacific countries. They also examined how these influences differed by attendees' show-attending objectives. They identified the following determinants of attendees' postshow behaviors: (a) booth design/location, (b) booth staff, (c) product promotion, (d) product presentation/demonstration, and (e) product. They concluded that there was heterogeneity in factors that influence attendees' postshow behavior based on their objectives for attending shows.

According to Chiou et al. (2007) when participants give importance to providing information, building trust, and relationship with their potential customers, they can have higher performance at trade shows. Higher number of participants can attract a higher number of visitors to the trade shows they (2007) tried to figure out effects of product innovativeness and trade show strategies on trade show performance. They conducted the research in IT companies in Taiwan. They figured out that the communication of information and strategies to develop relationships toward visitors affected perceived trade show performance. They have added that product innovativeness had a direct effect on perceived trade show performance.

Li and Shrestha (2013) examined the impact of international trade show participation on China's exports. They found out that international trade show participation caused incremental changes in exports. They developed a model and investigated whether international trade show participation was an important factor to increase the country's exports. They concluded that international trade show participation was one of the important factors which increase China's export to the World.

Tafesse and Korneliussen (2011) investigated dimensions of trade show performance in an emerging market context. They found out that trade show performance was multidimensional in an emerging market context. They suggested that trade show participants in emerging markets tend to utilize trade shows differently from their industrialized market counterparts.



## 6. Methodology

The purpose of this study is to explore the pre-show activities of Turkish companies which participated in the 2<sup>nd</sup> Turkish Products Trade Show in Algeria and effects of this trade show on expansion activities of these participating companies in Algeria. The data collection method is a questionnaire that was filled out by the owners of participating companies during the trade show. The author conducted a study to 134 companies that participated in this trade show to explore activities they have done before participation and contributions of this trade show to their expansion. The data collection time was limited and owners of companies were busy with the exhibition activities. Thus, 82 companies filled out the questionnaire. 61% of the questionnaires were answered. Exploratory research method was used in this study. Frequency distribution analyses and crosstab analyses were applied to the data.

## 7. The Findings

The findings of the study is as follows:

Table 2. Sectors of participated companies

|                   | n  | %   |
|-------------------|----|-----|
| Food              | 15 | 18  |
| Machinery         | 15 | 18  |
| Textile           | 12 | 15  |
| Plastic           | 12 | 15  |
| Chemistry         | 8  | 10  |
| Hygienic Products | 4  | 5   |
| Gifts             | 3  | 4   |
| Cosmetic          | 3  | 4   |
| Construction      | 3  | 4   |
| Automotive        | 2  | 2   |
| Decoration        | 1  | 1   |
| Packaging         | 1  | 1   |
| Furniture         | 1  | 1   |
| Utensils          | 1  | 1   |
| Mining            | 1  | 1   |
| Total             | 82 | 100 |

According to Table 2, 18% of participated companies are in the food, 18% of them are in machinery, %15 of them are in textile and %15 of them are in plastic sectors.

Table 3. Markets in which participated companies have operations (companies chose more than one answer)

|                  | n  |
|------------------|----|
| Middle East      | 70 |
| Africa           | 57 |
| European Union   | 54 |
| Turkic Republics | 46 |
| South America    | 19 |
| Russia           | 4  |
| USA              | 4  |
| Far East         | 3  |

Table 3 shows that Middle East and Africa attracted participated companies more than other markets.

Table 4. The company's market expansion method

|                           | n  | %   |
|---------------------------|----|-----|
| Export                    | 81 | 98  |
| Foreign Direct Investment | 1  | 2   |
| Total                     | 82 | 100 |

According to Table 4, 98% of companies prefer exporting whereas %2 of them had Foreign Direct Investment.

Table 5. Organizations that companies used their incentives (companies chose more than one answer)

|                                       | n  |
|---------------------------------------|----|
| Ministry of Economy                   | 21 |
| KOSGEB (SME Development Organization) | 19 |
| Istanbul Chamber of Commerce (ICC)    | 18 |
| İGEME (Export Development Center)     | 5  |
| Exporters' Association                | 1  |
| Other                                 | 18 |

Table 5 shows that incentives of Ministry of Economy, KOSGEB, and ICC were used more than other organizations.

Table 6. Preparation activity of the company to the tradeshow (companies chose more than one answer)

|                               | n  |
|-------------------------------|----|
| Brochure and Catalog Printing | 55 |
| Booth Preparation             | 43 |
| Additional Employee Hiring    | 23 |
| Promotion Provision           | 15 |

According to Table 6, 67% of companies printed brochures and catalogs whereas 52% of them prepared stands for the tradeshow.

Table 7. Plans and targets for the tradeshow

|  |     | n  | %  |
|--|-----|----|----|
| Was the Strategic Tradeshow Plan Made? | Yes | 68 | 83 |
|  | No  | 14 | 17 |
| Was the Tradeshow Budget Prepared?     | Yes | 66 | 81 |
|  | No  | 16 | 19 |
| Was the Budget Target Achieved?        | Yes | 66 | 81 |
|  | No  | 16 | 19 |
| Was the Cost-Benefit Analysis Made?    | Yes | 65 | 79 |
|  | No  | 17 | 21 |

Table 7 shows that 68% of companies made the strategic tradeshow plan, 66% of them prepared the tradeshow budget, 66% of them achieved the budget target and 65% of them made the cost-benefit analysis.

Table 8. Contribution of tradeshow to the company

|   |                            | n  | %  |
|---|----------------------------|----|----|
| Increasing Orders                       | Agree                      | 32 | 39 |
|   | Neither Agree nor Disagree | 22 | 27 |
|   | Disagree                   | 28 | 34 |
| Increasing Customers                    | Agree                      | 38 | 46 |
|   | Neither Agree nor Disagree | 17 | 21 |
|   | Disagree                   | 27 | 33 |
| Increasing Sales                        | Agree                      | 33 | 40 |
|   | Neither Agree nor Disagree | 19 | 23 |
|   | Disagree                   | 30 | 37 |
| Increasing Production                   | Agree                      | 21 | 26 |
|   | Neither Agree nor Disagree | 20 | 24 |
|   | Disagree                   | 41 | 50 |
| Increasing Profits                      | Agree                      | 18 | 22 |
|   | Neither Agree nor Disagree | 28 | 34 |
|   | Disagree                   | 36 | 44 |
| Finding Partners                        | Agree                      | 32 | 39 |
|   | Neither Agree nor Disagree | 16 | 20 |
|   | Disagree                   | 34 | 41 |
| Finding Suppliers                       | Agree                      | 40 | 49 |
|   | Neither Agree nor Disagree | 17 | 21 |
|   | Disagree                   | 25 | 30 |
| Developing Network in Algeria           | Agree                      | 41 | 50 |
|   | Neither Agree nor Disagree | 12 | 15 |
|   | Disagree                   | 29 | 35 |
| Creating and/or Improving Image         | Agree                      | 39 | 48 |
|   | Neither Agree nor Disagree | 15 | 18 |
|   | Disagree                   | 28 | 34 |
| Gathering Information About Competitors | Agree                      | 37 | 45 |
|   | Neither Agree nor Disagree | 14 | 17 |
|   | Disagree                   | 31 | 38 |
| Having Competitive Advantages           | Agree                      | 27 | 33 |
|   | Neither Agree nor Disagree | 23 | 28 |
|   | Disagree                   | 32 | 39 |

According to Table 8, 50% of companies believe that the tradeshow helped to develop network in Algeria, 49 % of them believe that it helped to find suppliers, 48 % of them believed that it helped to create and/or improve image, 46 % of them believed that it helped to increase customers and 45% of them believed that it helped to gather information about competitors.

Table 9. Assessment of the tradeshow

|                                     | n  | %   |
|-------------------------------------|----|-----|
| Very Unsuccessful                   | 2  | 2   |
| Unsuccessful                        | 3  | 4   |
| Neither Successful nor Unsuccessful | 30 | 37  |
| Successful                          | 41 | 50  |
| Very Successful                     | 6  | 7   |
| Total                               | 82 | 100 |

Table 9 shows that 50% of the companies assessed the tradeshow as successful whereas 7% of them assessed it as very successful.

Table 10. Crosstabulation was the tradeshow budget prepared? \* Was the budget target achieved?

|                                    |     | Was the Budget Target Achieved? |    | Total |
|------------------------------------|-----|---------------------------------|----|-------|
|                                    |     | Yes                             | No |       |
| Was the Tradeshow Budget Prepared? | Yes | 64                              | 2  | 66    |
|                                    | No  | 2                               | 14 | 16    |
| Total                              |     | 66                              | 16 | 82    |

According to Table 10, 64 companies prepared tradeshow budget before the trade show and achieved their budgets.

Table 11. Crosstabulation was the strategic tradeshow plan made? \* Assessment of the tradeshow

| Assessment of the Tradeshow            |     | Assessment of the Tradeshow |              |                                     |            |                 | Total |
|--|-----|-----------------------------|--------------|-------------------------------------|------------|-----------------|-------|
|  |     | Very Unsuccessful           | Unsuccessful | Neither Successful nor Unsuccessful | Successful | Very Successful |       |
| Was the Strategic Tradeshow Plan Made? | Yes | 2                           | 3            | 27                                  | 33         | 3               | 68    |
|  | No  | 0                           | 0            | 3                                   | 8          | 3               | 14    |
| Total                                  |     | 2                           | 3            | 30                                  | 41         | 6               | 82    |

Table 11 shows that 36 companies prepared strategic tradeshow plan and assessed the tradeshow as successful and very successful.

Table 12. Crosstabulation was the cost-benefit analysis made? \* Assessment of the tradeshow

|                                      |     | Assessment of the Tradeshow |              |                                     |            |                 | Total |
|--------------------------------------|-----|-----------------------------|--------------|-------------------------------------|------------|-----------------|-------|
|                                      |     | Very Unsuccessful           | Unsuccessful | Neither Successful nor Unsuccessful | Successful | Very Successful |       |
| Was the Cost- Benefit Analysis Made? | Yes | 2                           | 3            | 22                                  | 36         | 2               | 65    |
|                                      | No  | 0                           | 0            | 8                                   | 5          | 4               | 17    |
| Total                                |     | 2                           | 3            | 30                                  | 41         | 6               | 82    |

According to Table 12, 38 companies made cost-benefit analysis about the tradeshow and assessed the tradeshow as successful and very successful.

According to the findings, Africa is a major market for Turkish companies. Participating companies prefer exporting to expand abroad. Many Turkish companies got the advantage of incentives to participate in this trade show. Most of the companies made strategic tradeshow plans and prepared tradeshow budgets before their participation. They focused on brochure and catalog printing and booth preparation as preparation activities. Most of the participants achieved their budget target and made the cost-benefit analysis. Developing network in Algeria, finding suppliers, creating and improving image, increasing customers, and gathering information about competitors were considered as main benefits of this trade show. More than half of the participants believed that the trade show was successful and very successful. Most of the companies prepared tradeshow budget before the trade show and achieved their budgets. However, less than half of the participants prepared strategic tradeshow plan and assessed the tradeshow as successful and very successful; and made cost-benefit analysis about the tradeshow and assessed the tradeshow as successful and very successful.

## 8. Conclusions

Nowadays, more companies aim to gain competitive advantages to expanding into foreign markets. Trade shows are important tools for global expansion. Companies can learn and explore different markets in couple days. Chambers organize trade shows to facilitate their members' global expansion. Governments and chambers provide incentives to encourage companies to expand abroad. Participating in trade show requires planning, dedication, and long term commitment. It is not one-time activity; it has to be consistent and requires additional follow-up activities. Trade shows last couple days but offer opportunities to explore industries, innovations, competitors, potential customers, partners, and suppliers. Companies can establish networks with customers to reach steady sales in the future. They can determine their strengths and weaknesses and be ready for opportunities and threats of the environment. They can also determine their missions, visions, and strategic plans based on industrial and competitive facts. They should have trade show strategies and plans, and choose the most appropriate trade shows to succeed. They should start to prepare before couple months. They need to decide their booths, staffs, products, services, promotional materials, and activities which will be used at the trade shows. They need to target potential customers before trade shows by searching web, getting lists from chambers and trade consulates, and sending an invitation to them. They need to exhibit their products well, give extensive information about their products and payment terms to fulfill the needs of potential customers and receive sales orders. Companies also need to do follow-up activities after trade shows. They need to maintain their networks with new and potential customers and all stakeholders by visits, phone calls, e-mail, and internet.

Furthermore, the findings indicate that, participants have not received high sales orders at this trade show. Some of the companies were not prepared well. Hopefully, if participants are prepared well, they may have higher trade show performances in the next trade shows. This trade show was organized for the second time. Algeria is a new market for Turkish companies. It may take time to establish customer contacts and reach high sales volumes and values. On the other hand, participating in this trade show was a big step to explore a new market for export, foreign direct investment, and partnership opportunities. Participants also found a chance to explore activities and products of their competitors. They could observe attitudes and reactions of customers to their products and competitors' products. Thus, it was a big chance for companies to gain and improve competitive advantages. However, it was a major effort for ICC to encourage their members to explore a new market and establish strong ties with stakeholders. ICC organizes tradeshows every year in different countries to encourage international expansion of Turkish companies. It is proud of the success of Turkish companies in foreign markets. It was also beneficial for participants to use incentives of the government and ICC. This study is unique with its focus on Algeria the 2<sup>nd</sup> Turkish Products Trade Show. A follow-up study can be conducted at Algeria the 3<sup>rd</sup> Turkish Products Trade Show to compare the results. This study is the first study which focuses on Turkish Products Trade Shows in Algeria. It is believed that it is showing the preparation activities of Turkish companies before trade shows and highlights the major benefits of trade shows on companies global expansion strategies. Follow up studies can be conducted to see the changes of pre-show activities and trade show performances of Turkish companies. The findings of this study are expected to be used by both academicians who will conduct researches about global expansion of companies and companies which expand globally.

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