Innovation in B to B trade shows
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Abstract

Events industry has many important economic impacts on hosting destinations and on participating companies. During business meetings and trade shows, market actors (clients and suppliers, competitors and business partners) meet, speak, learn, share their experiences, exchange knowledge, and though innovate. Recently, because of the economic crisis and recession which followed, professional events activity slowed down. Client companies had to reduce their expenses, including their participation and organization of professional events. This increased the overall competition on the market. For those reasons, professional events’ organizers, willing to maintain their position on the market, have to reinvent and renew their business. Thus, the issue of the paper is to analyze how a B to B trade show can be reinvented and transformed in order to remain credible and attractive. Interviews conducted with French events industry’ actors highlight this necessity and give some indications on innovations, which should be made in B to B trade shows. First important result shows that there is clearly a need to redefine the trade show, its format and roles. Second result states the importance of the ICTs. Finally, it indicates that the business cycle of trade shows is still changing, and even if professional events remain brief and ephemeral, they have to lead to long lasting partnerships and communities, in which the event organizer has an important role to play.

Keywords:
Events Industry, B to B trade shows, Innovation, Temporary Clusters

Introduction

Meetings and events industry includes not only conferences, congresses, conventions, trade shows, and exhibitions, but also corporate/business meetings and incentives. It is a gathering of professionals, which takes place in a given location for economic, strategic, or research purposes. Its organization requires material, technological and human resources. And it is by its nature temporary and unique (Getz, 1997). This industry plays a key role in the French economy. In 2013, more than 1.6 people attended conferences and congresses. Trade shows, fairs, and exhibitions attracted more than 20 million visitors. These figures illustrate a clear recovery in meetings and events industry, after the slowdown that was observed during last years. This rebound was confirmed in 2014. Each year approximately 10% of travelers come to France to attend business meetings and events, which represents 710 thousand of foreign participants. The industry generates €7.5 billion per year and employs 120 thousand people.

In January 2016, the French Minister of Economy, Industry and Digital Affairs, Emanuel Macron, highlighted the importance of trade expositions, fairs and shows, conventions, congresses and

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conferences, and other professional events in the French economy. The industry generates important economic spinoffs for hospitality and transportation sectors, and for local development of hosting destinations (€8 per €1 invested). It is essential for customer relationship management (CRM), communities’ development and management, and for innovation³.

Professional meetings and events bring together at the same time and in a specific location economic actors, decision makers, inventors, and researchers, who otherwise would probably never meet. Business meetings and trade shows bring together also market actors who already know each other (clients and suppliers, competitors and business partners). During the events partners, engaged in horizontal [Malmberg, Maskell, 2002, Bathelt, 2002] or vertical [Ziegler, 1992; Meffert, 1993] cooperation, meet, speak, and reinforce their collaboration. Business meetings and events are also a great opportunity for the companies to present their new products and prospect new clients.

Recently, because of the economic crisis and recession which followed, professional events activity slowed down. Client companies had to reduce their expenses, including their participation and organization of professional events. This increased the overall competition on the market, not only among hosting destinations, but also among the events per se. For those reasons, professional events’ organizers, willing to maintain their position on the market, have to innovate to surprise their clients, to learn and to adapt their events to visitors and exhibitors needs and wants [Lundvall, 1988; Lawson and Lorenz, 1999]. Indeed, because of the crisis demand has changed. Client companies and visitors have to satisfy their own hard budget constraints. Companies have to satisfy their own demand, which also evolves. Furthermore, because of technological innovations, easy access to information and enhanced attractiveness of all events, the demand of exhibitors and visitors is still evolving. To anticipate and to respond to its needs remains a great challenge for events’ organizers.

The second challenge they face concerns their competitors. In fact, since globalization has increased, competition on the market is no longer local, or even national. It became global. Consolidated destinations and organizing companies (originating from Western Europe and North America) compete with each other, but also with the new entrants (Eastern and Central Europe, Asia, South America).

Thus, given recent empirical developments, the issue of the paper is to analyze how a B to B trade show can face these challenges. How it can be reinvented and transformed in order to remain credible and attractive? Can it be considered as any other product and thus follow the path of “traditional” product innovation? What kind of transformation it should undergo to face all economic challenges?

In order to answer these questions, interviews with French events industry’ actors were conducted. They give some indications on innovations, which are being and should be made in B to B trade shows. The reminder of the paper is organized as follows. Next section provides a short literature review. Then, methodology is described, followed by main results of the study. Then, the results are discussed and finally, the concluding section presents the limits of this study and future research.

**Literature review**

To address the issue of the paper, two separate fields of literature are used. First, papers on innovation and its typologies are considered. Second, the contributions of the literature analyzing business meetings and events as temporary clusters, due to the nature of interactions that they involve, and their possible implications for innovation, are presented.

Innovation

Innovation can be defined as “implementation of a new or significantly improved product (good or service) or (production) process, of a new marketing method, or of a new intra-firm’, workspace’ or external relations’ organization” [OCDE].

The first author to consider innovation as an essential element of economics and economic change was Joseph Schumpeter [1911, 1938]. He argued that innovation provided entrepreneurs with market power resulting in better effects than price competition. His classification of innovations is generally considered as the theoretical basis of innovation analysis. He distinguished 5 types of innovation:

- **Product innovation**: the introduction of a new good – that is one with which consumers are not yet familiar – or of a new quality of a good.
- **Process**: The introduction of a new method of production that is one not yet tested by experience in the branch of manufacture concerned.
- **Business model**: The opening of a new market that is a market into which the particular branch of manufacture of the country of question has not previously entered, whether or not this market existed before.
- **Source of supply**: The conquest of a new source of supply of raw materials of half manufactured goods, again irrespective of whether this source already exists or it has first to be created.
- **Mergers & divestments**: The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or the breaking up of a monopoly position.” [Schumpeter, 1911, 1938, quoted by Thomas K. McCraw, 2009]

More recently Loilier and Tellier [2013] distinguish “service innovation”4, which focus on a new service (or usage) provided by a given product, from process innovation, defined as above by Schumpeter.

This paper focuses on innovation in B to B trade show, which is here considered as a product, but also on innovation in service that it provides to visitors and exhibitors.

Current issues concerning this industry refer to never ending debate on how to innovate: innovate in the short term, by continuous improvements, or in medium term, using disruptive innovation, by for example modifying the format of the B to B trade show.

Temporary clusters

Business meetings and events can be considered as “temporary clusters’, because they are characterized by knowledge-exchanging mechanisms similar to those found in permanent clusters, albeit in a short-lived and intensified form” [Maskell, Bathelt, Malmberg, 2005]. They are intense and ephemeral. They enhance tacit and implicit knowledge and information sharing [Maskell, Bathelt, Malmberg, 2004, 2005], and help to develop inter-firm networks. “Temporary clusters are significant vehicles for the integration of local and global communication flows and the connection between distant pockets of knowledge in different parts of the world” [Maskell, Bathelt, Malmberg, 2005]. As they connect actors having different skills, they enhance new ideas development, and may lead to product or process innovation development. During these events, planed and spontaneous business meetings with partners, suppliers, and clients take place. But the most important point is that members of the same community of practice meet [Lave, Wenger, 1991; Brown, Duguid, 1991; Wenger, 1998; Amin, Cohendet, 2004] and exchange on specific technical issues and problems. By doing so, they share their experiences, skills, and knowledge, which leads to learning.

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4 “Innovation de prestation” in French
Methods

In this paper interpretative approach is adopted. Interpretative analysis tends to describe, understand and explain actors’ experience. According to grounded theory, it is based on inside knowledge of the company and it intends to capture the phenomena by describing situations, actors’ thoughts, feelings, and actions [Charmaz, 2001].

To address the issue qualitative and exploratory analysis was conducted. Implementation of the qualitative research process “is first and above all to be willing to understand the how and why of events in specific circumstances” [Wacheux, 1996].

Seven semi-structured (semi-directive) interviews were carried out with business meetings and events industry actors:

- Eurexpo: Lyon exhibition center (I1)
- ViParis: group managing the ten main conference centers and exhibition/event/show venues in the Paris-Ile-de-France region (I2)
- GL Events Exhibitions: events’ organizer (I3)
- Meet and Com: events’ organizing agency, promoting business tourism (I4)
- Tarsus France: trade shows’ organizer (In particular it manages meeting and events industry trade show) (I5)
- ReedExpositions: events’ organizer (I6)
- Unimev: French union of events professionals gathering more than 400 members (I7)

The interviews ranged from 30 to 60 minutes, then were transcribed and coded. Thematic approach [Bardin, 2007] in two step-process [Ryan and Bernard, 2003] was used: according to literature review the majority of codes was identified (and dictionary of topics’ developed [Miles and Huberman, 1994]), then other codes came up at reading [Allard-Poési, 2003].

Collected information was completed with relevant specialized press (events reviews and journals such as L’Événementiel, Réunir) and websites (Événements, Culture événement etc.).

Results

Five main results emerge from the interviews’ analysis: hybridization of business meetings and events’ formats, introduction of social events into B to B trade shows, gamification of business meetings and events, organization of additional events “hors murs”, and the use of ICTs.

Hybridization of events’ formats

Progressively business meetings and events change and become increasingly more and more complex [Munos and Meyronin, 2014]. Their content and objectives are mixed (for example: business, science, sports, culture, society), thus enriched. They combine several formats of professional events (trade fairs and shows, conferences and congresses, workshops, exhibitions etc.). Nowadays, it became a normal practice to mix different formats of events, for example often during B to B trade shows, exhibition areas and conferences of public figures, famous practitioners or scientific experts are organized: “Since few years more conferences, animations can be observed during B to B trade shows” (I5). According to Unimev⁵, the objective of this operation is to match the offer with the changing preferences of the audience.

Meeting areas for one-to-one business meetings, where clients can exchange with exhibitors, are also organized.

According to MPI Foundation’s study on hybrid events [2012], another way of mixing the events’ formats is to combine the real-life (in person) ones with the virtual (digital) ones. “Business meeting and events’ professionals use hybrid event technologies to share content, ideas and experiences with attendees across multiple geographical locations and time zones.” The use of these technologies can be triple: 1) connect the

⁵ Source: http://congres.unimev.fr/
main event with remote locations (company meeting, simultaneous workshop, conference or presentation); 2) connect the event with remote keynote speakers, who were unable to travel; or 3) connect several locations within a broadcast studio. The results of the study state that hybrid events are at their early stage and that they will undeniably become an important part of the industry future.

**Introduction of social events into B to B trade shows**

Since few years social events, special events, festive and lively animations and entertainments became inalienable and integral part of business events. According to Getz [1991, 1997] special event “is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring or organizing body”. Goldblatt [1997] defines it as “a unique moment in time celebrated with ceremony and ritual to satisfy specific needs”. In fact, social events, which before were organized separately, now are an important part of the events’ programs, as they foster informal interactions among participants. These interactions are essential to establish a true dialogue and relationship of trust among stakeholders, leading to occasional or long-lasting partnerships: “It is clearly a novelty to find entertaining elements in B to B trade shows, it is like having a party during the trade show” (I3).

**Gamification**

“Gamification is the application of game-design elements and game principles in non-game contexts” [Deterding, Dixon, Rilla and Nacke, 2011; Herger, 2014; Huotari and Hamari, 2012; Robson, Plangger, Kietzmann, McCarthy and Pitt, 2015]. Its objective is to improve user engagement, organizational productivity, skills’ development and learning, employee recruitment, and evaluation. Games were introduced into the professional arena already in the 90’. For example L’Oréal launched Serious Games over 20 years ago, and was followed by many companies. Moreover, numerous incentives are conceived as games (sport games or treasure haunting among others). “B to B trade shows visitors want to live a unique experience, they want to be surprised” (I6). In addition, Millennials (or Generation Y), who recently accessed the corporate world, continuously seek innovation. They are very difficult to satisfy and to surprise, as they lose interest and get tired very quickly. Gamification enhances possibilities to develop new experiences, in order to attract and retain, motivate, educate, involve, and foster the sense of community among employees, stakeholders and clients. Nowadays, it is important to include “fun/games” elements for the success of each event. In the context of B to B trade shows, gamification development is in its early stages. Most often entertaining games, competitions, quizzes, lotteries or simulations are implemented.

**Organization of additional events “hors murs”** (I7)

In order to maintain trust relationship with their clients and/or business partners, events’ organizers were assigned a new role. They became organizers and managers of communities of practice. This new role implies not only an ongoing communication with community’ members, which was improved by the ICTs development and their increased usages, but also organization of one-time related events, all year round: “Digital interaction connects us with the participants several times a year and not only once, as it was before” (I3). B to B trade shows are no longer the place of information sharing. Information can be easily found everywhere and all the time. Business event is a federative medium for a given community. This community to exist, needs something more than just information sharing. That is why additional events all around year should be organized. They can take the form of mini-trade shows, thematic conferences or workshops, but also as more entertaining or “fun” events, such as theater or music shows, sports competitions, gathering members of the same community or profession. As a matter of fact, “we have to develop relationships, meetings and get closer to targeted audience, in order to foster the connection with
our clients” (I6).

ICTs - crucial tools

Partnerships are usually maintained and fostered using Information and Communication Technologies (ICTs). In fact, since their development, there is no longer a need for partner companies to be close geographically to communicate, cooperate, and work together. Nowadays, geographically distant companies interact, communicate, and share knowledge without any constraints [Amin and Cohendet, 1999; Lee, 2001]. However, to foster partnerships existing between companies, develop new collaborations, actors have to meet and exchange face-to-face. During business meeting temporary geographical and personal proximity is established [Torre, 2009]. It is a fertile ground for dialogue; it fosters knowledge sharing and innovation development. The function of this temporary space can be analogous to the role played by physical clusters [Maskell, Bathelt, Malmberg, 2004, 2005]. Thus, one thing is certain, business meetings and events will never be replaced by digital interactions neither by virtual events. The two distinct worlds, virtual and real-life, are complementary and not substitutable one with another (I3). ICTs make the event last even after it is finished, they create long tails. Participants share their experience on social networks, become ambassadors of the event. Digitalization of events is a reality. Moreover, it conveys precious data (big data). ICT make events evolve. Nowadays, the event is no longer just a show, where a company informs about its activities and innovations. During the event, networking and meeting possibilities are sold, through systems like match making for example. The use of digital tools is a necessity, but its good management is difficult. So many technologies exists, that it is easy to get confused. Events’ organizers have to be creative and reactive. They have to well understand their public needs and use technological advances in a smart way. For example, if a trade show organizer decides to develop a mobile application for its event, it should add value and not only be an extension of the website.

Technology and its appropriate use are extremely challenging. But at the same time, it presents many advantages. It is a very powerful tool and it can be perfectly embedded into business trade shows and “foster community spirit; it is nice, funny, amusing, and entertaining; it brings the feeling of spontaneity” (I4).

Discussion

According to literature and interviews’ results, it can be clearly stated that business events and meetings as developed today, are no longer the same as they were before. Their format and roles have changed and are still evolving. Events classification, as developed previously in the literature and official nomenclature, does no longer fit the reality. Similarly, the same statement can be made concerning the roles of B to B meetings and events.

“B to B trade show is a product. And a product evolves, changes, and moves forward; it gains market shares and if it is not reinvented, it could even disappear” (I1).

Innovation is the central issue of B to B trade shows. However market actors emphasize the fact that trade shows adapt to evolving exhibitors and visitors of needs and wants, and do not even consider any revolution in the profession. Events’ hybridization addresses different visitors and exhibitors’ motivations: “there is time for work and time for entertaining, for networking, information sharing, and for learning new skills...” (I4).

Concerning the profession of events organization and reception, it is no longer just the “sale of exhibition stands” (I2), but it is a real support for exhibitors and facilitator and advisor for visitors. Events’ organizers play the role of consultants and advisors in communication and marketing for exhibitors. Some even speak about “meeting architects”, as they are no longer “stand vendors”, but they have to create the content, manage it intelligently, using story-telling, share it, help to develop a community, and assure its existence. To
do so, events’ organizers have to manage participants’ emotions, help them to live real unforgettable experience, by making them discover the event and exhibitors in an unusual way; surprise them. B to B trade show has to be the meeting place for businessmen, who “search for new trends, new innovations, want to discover what the future of their profession will be” (I1). Yet, business participants expect unique and special experience, while maximizing effectiveness and professionalization process of their travel.

At the same time, as already mentioned in the previous section, events’ organizers became managers and leaders of communities of practice. Their missions are from now on not only to bring together people belonging to the same community or industry, but also to share and pass on information all year long, facilitate regular communication among community members between the two regular events. For this purpose, they develop digital platforms that foster exchanges among members and allow them to take the floor (I6). B to B trade shows’ organizers can also organize additional smaller events and meetings, bringing together targeted audience of the community, to enhance direct interactions among community members.

This way the event, which previously was a forum to exchange and share information, becomes now a waypoint, a real-world meeting of members, who every day communicate in virtual-world. Participants live this event as an important shared experience that should not be missed. It becomes the place to be and to demonstrate one’s membership in a particular community.

Thus, a B to B trade show is no longer a specific isolated event, taking place once a year or every two years. Now, it is a part of a broader cycle of events taking place all year round, involving a given community, which maintains regular contact and communication.

**Conclusion**

Business meetings and events are undergoing a full-scale revolution. Market actors start progressively to admit it. The economic model of B to B trade shows is challenged because of rapid evolutions of technology and of participants’ preferences. Their format, content and functions are changing. Some even say that in few years there will be no more stands, as business event becomes a network or community meeting conveying emotions and experiences. The new challenge is to imagine what the event of tomorrow will be and what the limits of the ongoing revolution are, when it is going to stop.

**Limits of the study and further research**

In this study, limited number of interviews was conducted. Moreover, all surveyed market actors are French and the focus was made on national trade shows. Therefore, the first extension of the paper should be to include international events and actors, as the market is global. The second possibility is to extend the study to other B to B and B to C events, as they undergo also important evolutions and face many challenges. Their formats and objectives are not the same, thus it would be interesting to conduct a comparative study. Finally, the results presented in this paper should be improved by a case study of one representative B to B trade show.

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**References**
