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Profiling Buyer Opinions in Industry Trade Exhibitions

John J. Haydu¹ and
Alan W. Meerow²

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Summary. A major objective of trade-show organizers and exhibitors is to increase the number of prospective buyers attending the shows. To better understand the attendee profile, to seek their opinions on the show, and to gain insight into ways of improving the exhibitions, a survey was mailed to the majority of registered attendees at the 1991 Tropical Plant Industry Exhibition (TPIE) trade show in Florida. Results indicate that the primary reason people attended the show was not to make purchases, but to obtain information about new materials and to make business contacts. Of those who did purchase items at the show, sales were skewed towards large businesses. Representing only one-quarter of the sample, the very largest firms (>\$1 million) constituted 48% of all sales at TPIE. When asked how

the show could be improved, the most common response (38%) was that more educational programs were needed.

In the United States, information has become a highly sought commodity. Business and government leaders recognize that reliable and timely data are a prerequisite for sound decisionmaking. At the same time, a prevailing belief has been that such information is available only to institutions and organizations with sufficient financial resources to obtain it. Recently, this situation has begun to change due to the revolution that has occurred in the use of surveys in the United States (Dillman, 1989). Surveys have become recognized as cost-effective tools for obtaining information that is unavailable from other sources, or would be more difficult or expensive to obtain otherwise. The utility of a sample survey is the ability to obtain information from a few respondents to describe within specifiable ranges of accuracy the characteristics of a much larger target population. Modern businesses increasingly rely on surveys as feedback systems to anticipate trends, monitor production, and evaluate consumer responses.

For several decades, trade shows have been used by nursery operators as a major vehicle for promoting ornamental plant products and related services. As the number of local, regional, and national shows continues to escalate, and as costs of setting up these shows increase annually, trade committees and exhibitors are beginning to question both their efficacy and purpose. Interestingly, despite the heavy reliance on trade shows to expand markets, little effort has been made to evaluate them from the buyers' perspective. Conse-

quently, a survey was conducted that focused on people attending TPIE to determine: 1) the business profile of attendees, 2) how frequently these people attend trade exhibits, 3) how much customers typically spend, 4) why people attend trade shows, and 5) what steps or actions can be taken to improve the shows.

Materials and methods

The target population for the study was the more than 900 registered attendees for TPIE in Jan. 1991. The survey was designed to be representative of the study population by taking into account three key survey characteristics: A proper sample selection methodology; an adequate coverage of all groups or categories within the study population; and a suitable rate of response from the study sample.

First, to limit the possibility of sampling error, respondents were selected arbitrarily with a computerized random numbers generator. This program eliminated selection bias by ensuring that every individual in the target population had an equal likelihood of being chosen. Second, noncoverage error was reduced by sampling a substantial portion of the study population. In general, larger samples are necessary for smaller populations—i.e., under 2000 to 3000 (Alreck and Settle, 1985). Finally, the likelihood of response rate error was reduced by ensuring that a high percentage of the sample returned the questionnaires. In this way, the chance of error from respondents being different from nonrespondents was kept to a minimum. To achieve this, three separate mailings were sent to the targeted attendees. From the 500 questionnaires sent, 17 were disqualified from the list because of inaccurate mailing addresses. Of the remaining 483 buyers, 330 were returned after the third mailing, for a total response rate of 64%.

The questionnaire was designed in "closed-end" form to facilitate data compilation and analysis. The primary classification variable was size of business, differentiated by annual gross sales with size distributed among small (<\$100 thousand), medium (\$100–\$500 thousand), moderately large (\$500 thousand–\$1 million), and large (>\$1 million) firms. Frequency distributions and cross-tabulations were conducted, as well as tests of significance using χ^2 statistical procedures (SAS Institute, Cary, N.C.).

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¹Associate Professor, Food and Resource Economics.

²Associate Professor, Environmental Horticulture.

Table 1. Number of trade shows attended by TPIE respondents in 1991, by firm size.

| No. shows attended in 1991 | Firm size ^z | | | | Total |
|------------------------------|------------------------|-------|--------------|-------|-------|
| | Very large | Large | Medium | Small | |
| In Florida ^y | | | Response (%) | | |
| One to two (n = 218) | 23 | 13 | 29 | 15 | 80 |
| Three to five (n = 51) | 6 | 5 | 4 | 3 | 18 |
| >Five (n = 5) | 1 | 0 | --- | 1 | 2 |
| Outside Florida ^w | | | | | |
| One to two (n = 128) | 24 | 16 | 22 | 10 | 72 |
| Three to five (n = 34) | 9 | 3 | 6 | 1 | 19 |
| >Five (n = 16) | 7 | 1 | 1 | 0 | 9 |

^zBased on gross annual sales: very large (>\$1 million); large (\$500 thousand-\$1 million); medium (\$100 thousand-\$500 thousand); small (<\$100 thousand).

^yNot statistically significant.

^xLess than 0.5%.

^w χ^2 significance at $P > 0.01$.

Results and discussion

Respondents grouped themselves into seven business categories, with wholesalers and interiorscapers comprising nearly three-quarters of all people attending the TPIE. Specifically, the participant profile was distributed in the following manner: Wholesaler (37%), interiorscape (33%), retail (13%), broker (8%), florist (4%), input supplier (3%), and mass merchandiser (2%). Trade exhibitors and organizers may wish to examine whether this attendee distribution is consistent with the financial objectives of the show.

Most respondents attended fewer than three shows annually, whether in-

state (80%) or outside Florida (72%) (Table 1). Nearly 20% attended between three and five shows regardless of whether it was in or outside the state. Less than 9% attended more than five shows in- or out-of-state annually. Although business size did not influence exhibit attendance for Florida shows, a relationship was found for shows held outside the state ($P > 0.05$).

Participants did not consider making purchases at the show the primary reason for attending (Table 2). Rather, the two greatest incentives were determining new plant material availability (59%) and making business contacts (25%). Of less importance were making purchases (7%), attending social

events (7%), and seminars (2%). Although reason for attendance was not related to firm size, differences did surface when examined by type of business ($P > 0.10$) (Table 3). In contrast to retail establishments, wholesale businesses generally were less inclined to view new plant material and make purchases as reasons for attending TPIE. For instance, whereas 32% of retailers identified seeing new material as important, only 21% of wholesalers did. Conversely, business contacts were deemed more crucial by wholesale establishments (15%) than by retail firms (13%).

Although 82% of respondents declared they made purchases at the show, only 7% identified "making purchases" as a reason for attendance. This apparent contradiction is consistent with an earlier result in which "making business contacts" and discovering "new plant material" were the primary basis for respondents' visiting the show. This behavior can be interpreted as "information-seeking," a nontangible, but essential, factor for running a business enterprise successfully.

In terms of dollars spent, 74% of attendees bought less than \$5000 worth of material, 10% bought between \$5000 and \$10,000, and nearly 16% spent more than \$10,000. Although larger businesses purchased more product, when examined across size categories, differences in purchasing were substantial. Representing only 25% of the sample, the very largest firms (>\$1 million) constituted 48% of all sales at TPIE (Fig. 1). Large and medium-sized firms spent proportionately less, 19% and 26%, respectively; small firms accounted for only 7%.

When respondents were asked whether or not there were too many shows, 77% replied there were not (Table 4). However, when analyzed by size, this view was supported more by smaller businesses. Within-cell comparisons show that, whereas 40% of respondents in the largest category believed there were too many exhibitions, only 6% of the smallest firms did.

A related question sought information on how trade shows could be improved (Fig. 2). The most common suggestion was that more educational programs were needed (38%). At the same time, only 3% of respondents listed those programs as the main reason for attending TPIE. This finding

Table 2. Reasons people attended TPIE in 1991, by size of business operation.

| Reason for attending trade exhibit ^y | Firm size ^z | | | | Row total (n = 292) |
|---|------------------------|----------------|-----------------|----------------|---------------------|
| | Very Large (n = 89) | Large (n = 51) | Medium (n = 95) | Small (n = 57) | |
| | Response (%) | | | | |
| Business contacts | 10 | 4 | 7 | 4 | 25 |
| New plant material | 15 | 11 | 20 | 13 | 59 |
| Make purchases | 2 | 1 | 3 | 1 | 7 |
| Attend seminars | 1 | --- | --- | 1 | 2 |
| Social events | 3 | 1 | 2 | 1 | 7 |
| Column total | 31 | 17 | 32 | 20 | 100 |

^zBased on gross annual sales: very large (>\$1 million); large (\$500 thousand-\$1 million); medium (\$100 thousand-\$500 thousand); small (<\$100 thousand).

^yNot statistically significant.

^xLess than 0.5%.

Table 3. Reasons people attended TPIE in 1991, by type of business organization.^z

| Business category ^y | Reason for attending | | | |
|--------------------------------|----------------------|------------------|----------------|-----------------|
| | Business contacts | See new material | Make purchases | Attend seminars |
| | Response (%) | | | |
| Retail (n = 161) | 13 | 32 | 6 | 6 |
| Wholesale (n = 125) | 15 | 21 | 2 | 6 |

^zCategories defined as follows: Retail (retail nursery or garden center; mass merchandiser; florist; interiorscape). Wholesale (wholesale nursery of liners; wholesale nursery of finished material).

^y χ^2 significance of $P > 0.10$.

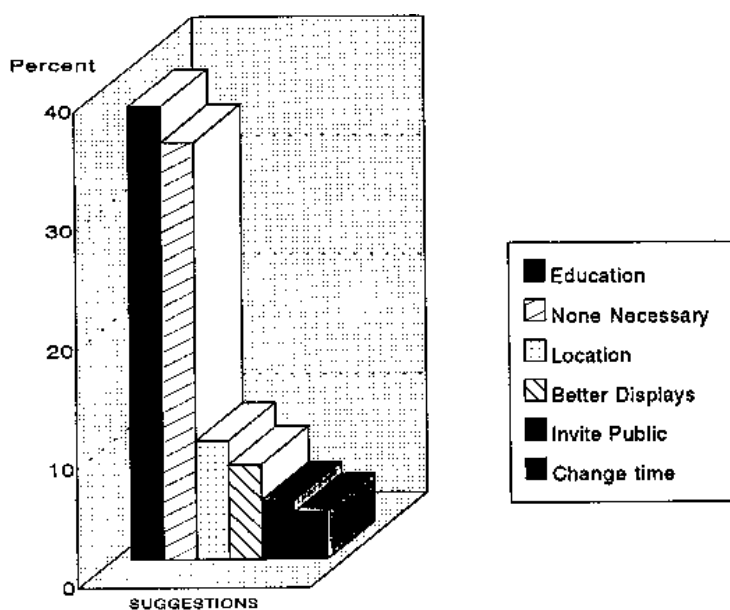


Fig. 1. Relative proportion of dollar purchases made at TPIE by different-size businesses in 1991.

Table 4. Response of buyers to the question: "Do you believe there are too many trade shows?"

| Response ^y | Firm size ^z | | | | Total (n = 250) |
|-----------------------|------------------------|-------------------|--------------------|-------------------|--------------------|
| | Very large (n = 74) | Large (n = 45) | Medium (n = 83) | Small (n = 48) | |
| | Response (%) | | | | |
| Yes | 12 | 4 | 6 | 1 | 23 |
| No | 18 | 14 | 27 | 18 | 77 |

^zBased on gross annual sales: very large (>\$1 million); large (\$500 thousand–\$1 million); medium (\$100 thousand–\$500 thousand); small (<\$100 thousand).

^y χ^2 significance at $P > 0.01$.

may indicate that existing programs do not have a broad enough appeal for

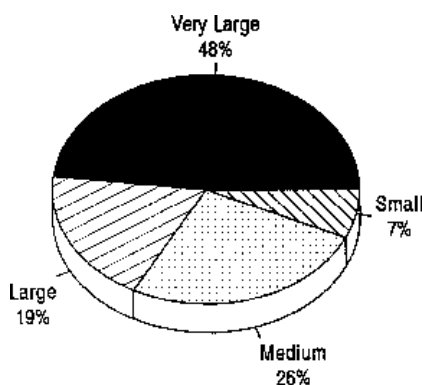


Fig. 2. Percent response of attendees regarding suggestions for improving TPIE.

the majority of attendees. On the other hand, nearly 34% of attendees liked the show, citing that no improvement was necessary. The remaining choices were not considered important by the majority of respondents—10% believed the location could be improved, 8% indicated that better displays were needed, 6% wanted the trade exhibit opened to the public, and only 4% felt that the time of year should be changed.

In summary, results of this survey lead us to several conclusions. First, the primary reason people came to TPIE was to obtain information on new material and potential business contacts. Show organizers should recognize this and promote these features

aggressively in their advertisement programs. Second, wholesalers were less inclined than retailers to view "new material" and "making purchases" as reasons for attendance, yet more likely to seek business contacts. This behavior may indicate that wholesalers who are located closer to the source of nursery products are more informed about new plant material than are retailers. If so, it may imply that this type of market information is not adequately reaching this important buyer group. Third, given the economic importance of large businesses, trade organizers may want to examine the expectations of this group closer. The significance of large firms can be established from the fact that: a) 48% of all purchases were made by them, compared to only 7% from the smallest group; b) large businesses represent greater unit value to the show because they typically purchase several booths, and; c) their larger, more-impressive displays influence attendee perceptions regarding the overall quality of the show. In fact, elaborate displays are encouraged by many organizers by the practice of advertising competitive contests for the best display. Finally, the fact that 38% of buyers surveyed wanted more educational programs underscores the important role education plays in trade exhibitions. This information should encourage educators to continue developing innovative research and extension programs targeted at trade-show clients.

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