



# THE RISE OF VIRTUAL TRADE FAIRS

Trade fairs are essential events for the face to face interaction between producers, suppliers, distributors and consumers. The purpose of the events is to build reliable business relations, support the exchange of information and know-how by networking, and to generate ideas and concepts. Although many companies participate in trade fairs because they do not have the financial means to invest in more expensive marketing activities, taking part in a trade fair can be very costly for an exhibitor.

Text Patrick Wijsman

**F**or a visitor it can be extremely time-consuming to take in all that is presented at a trade fair. An other issue is that there is a dispute on the matter whether it is possible for companies to quantify the return on trade show investment. This issue is further enlarged by the fact that many companies cannot successfully link future sales to the actual clients. This problem could be solved by virtual trade fairs.

Actual developments in information and communication technology help solve the problems of the rising costs of trade fair participation and measuring its return. So-called virtual trade fairs are now becoming a cost-effective alternative for the traditional events. Virtual trade fairs are online platforms where clients, suppliers and distributors virtually convene at almost any time and any place. At a virtual trade fair, a digital multimedia environment facilitates the interaction between

“Actual developments in information and communication technology help solve the problems of the rising costs of trade fair participation and measuring its return.”

exhibitors and visitors by means of chat rooms, videoconferencing, tailor-made digital presentations and interactive online product demonstrations. You do not have to be a rocket scientist to create or visit a virtual stand, as normally speaking the platforms are pre-constructed. After completing a computerised registration, the contact data is included in the profile, enabling visitors to view and download these. Virtual trade fairs have better tracking devices (for instance the time a visitor spends at any virtual stand) than traditional shows, which can facilitate a better way to follow up on leads. At a physical trade fair it is virtually impossible to see all that is going on regarding presentations and demonstrations, whereas at a virtual



Patrick Wijsman is a graduate from the Erasmus Universiteit at Rotterdam, the Netherlands as Master of Science Entrepreneurship & New Business Venturing. For his master thesis he did research on the rise and feasibility of virtual trade fairs, for which he gathered research data from 104 visitors of the ‘Ondernemers Vakdagen’ trade show in September 2011 at the Evenementenhal Venray. Wijsman is co-founder of the Goodstore company ([www.goodstore.nl](http://www.goodstore.nl)), a web company with various webshops for sign&display, decoration and office products.



event, everything is logged: whether you click a brochure, attend a videoconference or start a chat session. This way, virtual trade fairs can combine the high level of virtual reality with the efficiency and popularity of the internet, enabling entrepreneurs to save time and money.

#### BETTER COVERAGE

Researchers, trade fair experts and visitors of physical trade fairs have different opinions on whether virtual trade fairs are suited to replace physical events. On the one hand, virtual trade fairs are as informative as traditional events; on the





other hand, they are more flexible because visitors from all over the world can visit whenever it suits them. Apart from that, virtual trade fairs have a better coverage without affecting the quality of the information on products and services. What is more, the obtaining and exchanging of high-grade information and its depth and details can even be enhanced. Virtual trade fairs also significantly lower the transaction costs, consisting of the time entrepreneurs, managers and employees spend searching for clients and suppliers, as well as the expenses for travel, physical meeting room and the processing of paper documents. The virtual trade fair's information technology can also effect a decreasing of the perceived social distance between people, thereby facilitating and enhancing the communication.

#### ADDITION

The biggest disadvantage of virtual trade fairs compared to the physical events is the lack of face to face contact. On a virtual platform, the 'personal touch', which could

be crucial in building and/or maintaining a business relation, is missing. That is why many researchers and trade fair experts think that virtual trade fairs can only be an addition to and not be a replacement for the physical events, as as yet, no substitute has been found for the effectiveness of face to face interaction. In general, face to face communication is considered an essential condition for the creation of reliable business relations and the communication of sensitive knowledge and information at trade fairs. An other important disadvantage of virtual trade fairs is the inability to actually see and feel the products. It can be difficult to fully understand digital products and technologies without viewing them in reality. As yet, a virtual trade fair can not provide the visitor with the experience of really seeing, feeling, smelling and actually testing the products.

#### HYBRID TRADE FAIRS

In spite of the fact that the major (dis)advantages of the virtual trade fair concept are obvious, researchers, trade fair

experts and physical fair visitors differ in their opinions on the suitability of virtual trade fairs as a substitute for physical events. This dispute is mainly caused by the recent developments in information technology, the actual economic situation and the next generation of 'digital natives' who will enter the working environment. According to some experts, it is not a discussion of virtual versus physical, but more one of how they can complement each other. The number of so-called 'hybrid trade fairs' will grow: physical events with digital additions in which the physical fair's face to face communication is combined with cost reductions, the comfort and the larger coverage of virtual technology. Although the concept of virtual trade shows is becoming more and more popular and has experienced a steady growth during the past years, it still is a novelty for the mass audience.