

B 2 B

Relationship Marketing Management in Trade Fair Activity

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Marketing
Management
in Trade Fair Activity

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By

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and Marcin Gębarowski

Cambridge
Scholars
Publishing



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This book first published 2016

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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ISBN (10): 1-4438-8364-6

ISBN (13): 978-1-4438-8364-1

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INTRODUCTION

The book investigates the role of trade fairs with regard to business-to-business (B2B) relationship marketing management in the era of the world economic crisis using the example of the retail real estate industry. A vital issue tackled in this book refers to the exploration of the characteristics of retail real estate trade fairs from the perspective of creating conditions favourable for developing business relationships. Furthermore, the book also aims to explore marketing activities taken during trade fairs, which are particularly relevant in respect of relationship marketing management, such as experiential marketing and trade fair conversation. The utilisation of B2B relationship marketing management in trade fair activity, presented in this book, was put forward on the basis of four-stage primary research carried out in the retail real estate industry over a period of two and a half years, and including 7 trade fair events. The peculiarity of the retail real estate industry influences the conditions of, and requirements for, effective relationship management in the trade fair activity process.

The issues of B2B management and B2B marketing are generally of increasing interest. This is not only owing to the needs of practitioners and theoreticians representing the B2B sector, but also because of the more and more important trend of applying B2B concepts to B2C markets. The retail real estate industry is an example and a specific context for researching relationship marketing management in trade fair activity. With regard to the above-mentioned industry, the trade fair is one of the most important marketing tools in relationship management, which means that it is an important topic and thus worth writing about. Retail real estate is huge business with “big” money. Many entities are involved in it, being very interested in building, maintaining and strengthening business relationships.

Contemporary trade fairs provide their participants with something which cannot be ensured through other marketing communication instruments. A basic benefit to the exhibitors and visitors is the opportunity to have face-to-face meetings and to present the offer by appealing simultaneously to all the five senses. It can thus be assumed that trade fair performances – unlike any other medium (the radio, the press, television, printed materials, etc.) – are suitable for reflecting the

atmosphere of shopping centres. This observation refers to the special role that well organised trade fairs can play in the retail real estate industry.

In the retail real estate industry, the dominant type of business activity is services with intense contact, which are rendered in the B2B market. Owing to the peculiarity of complex service-based relationships with intense mutual interactions, the necessity for long-term relationship management is an essential matter when running a business activity in the retail real estate industry. The present situation in that industry is still the result of the world economic crisis. This intensifies the need for building credibility, especially in relation to new projects, and for developing relationships based on trust and relational loyalty (Juntunen 2010). This is relevant, in particular, from the perspective of developers making and keeping promises (Grönroos 2009) in the process of relationship management with tenants in the context of a noticeable negotiating advantage of the tenants over the developers. It is one of the consequences of the World Economic Crisis, which began in 2008.

The situation in the retail real estate industry, the specific context of B2B services in that industry, and the necessity of using the concept of business project management (Meng 2010; Valverde 2011) influence the conditions of, and requirements for, effective relationship management in the trade fair activity process. The uniqueness of the present situation, which exists in the industry under consideration, and its influence on industry participants, as well as the special context of B2B services have an impact on the need for, and requirements of, participation in industry-related trade fairs, and affect relationship marketing management by trade fair participants.

The book has international applicability and reach. First of all, the issue of relationship marketing management in trade fair activity tackled in this book refers to enterprises operating in the retail real estate industry, which are mainly international concerns conducting business activities on the European, and even the global scale. Furthermore, in the industry under analysis shares in the European market are highly concentrated in a relatively low number of dominant enterprises, which represent such industry specialisations as, for example: developers, investors, anchor tenants, and leasing agencies. A unique characteristic of the industry in question is that it is reactive to the condition of the global economy, for instance, the influence of the world economic crisis in 2008. Various local markets in Europe very promptly react to the global and European economic situation. Therefore, the level of internationalisation of enterprises that are present in the industry is very high.

Secondly, the international applicability and reach of the book results from the fact that empirical researches are of an international nature. Trade fairs are not easily studied from behind a desk, with just a dataset and techniques of correlation analysis. Instead, it is an area of study which requires extensive fieldwork (Solberg Søylen 2013). As has already been mentioned, the researches referred to relationship marketing management in trade fair activity and were conducted in relation to the European market, with special attention given to the region of Central and Eastern Europe, and particularly the Polish market. The research carried out in connection with the European market took place during a MAPIC trade fair in Cannes, France. Whereas the research orientated towards Central and Eastern Europe, particularly towards Poland, was done at a Shopping Centre Forum trade fair in Warsaw, Poland. The duration of the research was two and a half years – from September 2011 to February 2014. In total, 7 trade fair events were included in the scope of the research. The researched objects were trade fair personnel at a managerial level, who, in their enterprises, were usually responsible for expansion and development. With regard to tenants, the research predominantly investigated the chains of international retail trade enterprises. Similarly, the majority of service providers were chains of specialist enterprises operating on a global scale, such as financial institutions, leasing agencies and legal advisors. In the case of developers, the research encompassed both enterprises that had considerable experience of developing retail real estate projects in various European markets, and companies with little experience which operated on a local scale.

The book consists of 7 chapters. Chapter 1 is of a theoretical nature and refers to the reality of trade fairs and the trade fair activity of B2B enterprises. This chapter also presents theoretical aspects of methods employed in order to research trade fair activity, mainly the mystery visitor, which is a variant of participant observation. Chapter 2 is devoted to assumptions of the methods implemented for the authors' own research on relationship marketing management in trade fair activity in the retail real estate industry, and presents those methods in detail. Chapter 3 puts forward a model of managing retail real estate trade fair participants' relationships with customers and other trade fair participants. Four-stage research made it possible to propose this model. Various model components and their connections were explored at different stages of the research. The model presented in this chapter contains two basic areas. The first area constitutes an analysis of the situation of a trade fair participant, whereas the other one consists of planning, implementing and controlling the effects of using the concepts, tools and activities of the

relationship marketing management of participants involved in a retail real estate trade fair. This chapter also presents the first area comprised in the model. The subsequent four chapters continue with the presentation of the model elements, as well as show the results of primary research. Chapter 4 presents the issue of trade fair activity management in a project life cycle. Results obtained while researching shopping centre developers are shown in relation to the subject of this chapter. Chapter 5 is dedicated to the problem of relationship marketing management in B2B services, where special attention is given to the concept of promise management in business relationships. The chapter demonstrates results achieved through a case study method applied in order to research the developer of a large shopping centre. Chapters 6 and 7 concern the application of the concepts of experiential marketing and a trade fair conversation in relationship management in trade fair activity. Moreover, the results of the research pursued during the MAPIC trade fair in Cannes, France, and at the Shopping Centre Forum trade fair in Warsaw, Poland are revealed. The effects and managerial implications of the applicability of B2B relationship marketing management in trade fair activity are discussed in all the four chapters mentioned above.

The primary purpose of the publication is to present the role of trade fairs with regard to business-to-business relationship marketing management in the era of the world economic crisis using the example of the retail real estate industry. Furthermore, this book also aims to explore marketing activities taken during trade fairs, which are particularly relevant in respect to relationship marketing management, such as experiential marketing and trade fair conversation. The secondary purpose is the exploration of the characteristics of retail real estate trade fairs from the perspective of creating conditions favourable for developing business relationships. Another secondary purpose is the presentation of the methods of relationship marketing management for other industries.

The following can be identified as the new contributions of the book to the field:

- support of the relationship management of companies operating in the retail real estate industry,
- a more careful look at experiential marketing from the perspective of using that concept in trade fair activity,
- the implementation of the proposed approach to relationship marketing management in trade fair activity as a general rule, and not only in connection with the retail real estate industry,
- the utilisation of the proposed approach to the management of large, complex and long-term business projects,

- the proposals contained in the book may be applied by specialists who deal with trade fair marketing, both practically and theoretically, or may be a source of inspiration for them.

The book is addressed to practitioners, academics and students. Different specialisations of practitioners will use the publication as an inspiration and a practical guide for improving performance in business relationship management using trade fairs. The specific specialists are:

- specialists and managers from real estate agencies, especially retail real estate,
- specialists and managers working for developers, especially in the commercialisation of real estate space and promotion,
- managers responsible for retail real estate business project management,
- retail tenants' expansion specialists and managers,
- other participants of the retail real estate sector, such as: financial institutions, legal advisors, architects and construction companies,
- real estate media specialists and managers – secondary audience,
- organisers of trade fairs, not only for the real estate market but in general - specialists and managers – secondary audience,
- specialists and managers in companies responsible for trade fair activity – secondary audience.

It can be said that on the one hand it is a niche book, dedicated to the real estate industry, and specifically to the retail real estate industry. On the other hand, that industry can be treated as an example context for researching relationship management in trade fair activity, and a wider perspective on the researched phenomenon is thus available. This means the exploitation of the propositions contained in the book in other industries.

The book is the first ever product of this kind. First of all, there is no publication on trade fairs in the retail real estate industry. Trade fairs are a crucial marketing tool for the relationship management of companies operating in this sector. The book also presents an approach to the management of activity with regard to a series of cyclical trade fairs within a project life cycle, and it is a new approach in the publishing market. In the logic of the management of long-term projects, an essential issue is managing the participation in a series of trade fair events throughout a project life cycle (Westland 2006; Lester 2007).

Another unique characteristic is that it is the first ever book dedicated directly to the connection between two serious marketing concepts, i.e. relationship marketing management and trade fair activity management. Furthermore, yet another distinctive element is the presentation of

relationship marketing management in trade fair activity within the context of the World Economic Crisis phenomenon, which began in 2008. The book explores the exploitation of experiential marketing and the fair trade conversation in relationship management in trade fair activity. Although some authors (Rinallo, Borghini, and Golfetto 2010; Kirchgeorg, and Ermer 2012) have written about experiential marketing in the fair trade context, there is still a gap in the perspective on trade fairs.

What is also unique is that the book features the development of a theoretical approach to the research method of the mystery visitor in a trade fair environment, which has not been done before. Also, the application of that research method in trade fairs is presented together with results. An important feature of the book is that the authors are experienced both theoretically and practically in the subject matter of the book.

Dr Dariusz Siemieniako is an Assistant Professor at the Faculty of Management of Bialystok University of Technology in Poland. He was an Adjunct Senior Lecturer in the Department of Marketing, Griffith University in Brisbane, Australia. Dariusz Siemieniako's current research focuses on issues concerning, among other things, customer loyalty in the services context and B2B relationship management. In his work, he employs a relational marketing approach in complex services. He has published in quality journals, including *Journal of Marketing Management*, *Qualitative Marketing Research*, *Journal of Consumer Marketing*, and *Journal of Customer Behaviour*. Dr Dariusz Siemieniako has experience of working as a consultant and a manager in developing retail real estate projects. He has worked for almost 9 years, being involved in three real estate development projects. The last project in which he was involved related to a big hybrid of a shopping centre and a retail park. He was engaged in this project for more than 5 years, working as an expert and a Member of the Management Board of the developing company.

Dr Marcin Gębarowski is an Assistant Professor at the Department of Marketing, Faculty of Management, Rzeszow University of Technology in Poland. For many years Marcin Gębarowski has been dealing with exhibit marketing, and the scope of his scientific interest has included marketing communication. However, special attention is given to the area of exhibit marketing and experiential marketing. He attempts to combine both fields, and that is the main concern of his current research. Since 2010 he has been a partner and a consultant of the Polish Chamber of Exhibition Industry – the only Polish institution to which trade fair organisers and other companies that form the trade fair market belong. As a representative

of the Chamber he co-ordinates trade fair education in Poland at the higher education level. Marcin Gębarowski was an expert of *stoisko.pl* (the leading Polish Internet exhibition portal), and in the years 2009-2010 he was a member of the Editorial Board of “Targi” (a magazine about trade fairs). He conducted many business trainings devoted to exhibit marketing.

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CHAPTER ONE

CONTEMPORARY RETAIL REAL ESTATE TRADE FAIRS AND METHODS OF RESEARCHING THE MARKETING ACTIVITY OF EXHIBITORS

MARCIN GĘBAROWSKI

1.1. Retail real estate trade fairs in respect of trade fair classification

Trade fairs, organised cyclically, constitute the climax of the marketing activity of exhibitors, and engage a lot of people and allocate substantial financial resources to be properly prepared for participation in those events. Trade fairs create possibilities for face-to-face meetings among exhibitors representing many industries, because nowadays, every area of the economy has its own industry-specific exhibition events. Thousands of trade fairs are held worldwide every year, and they have diversified forms. Having considered such diversification, several classifications of the events in question have been developed. In the context of the matters discussed in this book, retail real estate trade fairs must be included in the proposed typologies.

The literature offers an approach according to which the geographical criterion is taken into consideration to classify trade fairs. In that respect, the following trade fair events are distinguished: local, regional, national, and international (Wojciechowski 1986; Cotterell 1992). Moreover, it is noteworthy that currently – according to UFI standards (The Global Association of the Exhibition Industry) – to be recognised as an international trade fair, the number of direct foreign exhibitors must be at least 10% of the total number of exhibitors, or the number of foreign visits or visitors must represent at least 5% of the total number of visits or visitors, respectively (UFI 2015).

Some authors put forward other divisions of exhibition events, and refer to vertical and horizontal trade fairs (Dekimpe et al. 1997; Herbig, O'Hara, and Palumbo 1997; Onkvisit, and Shaw 2007). Vertical trade fairs are also known as general fairs, whereas horizontal trade fairs are specialised ones (Gosztonyi 1997). Following this approach, additional subgroups of events are also sometimes indicated (Banting, and Blenkhorn 1974; Chapman 1995). In vertical trade fairs different industries present their goods and services to target groups belonging to one single field of activity (these events are very narrowly targeted and attract a specific type of visitor). In horizontal trade fairs, on the other hand, exhibitors from one single industry exhibit their products and services to professional target groups, such as sales agents or distributors from different industries (De Pelsmacker, Geuens, and van den Bergh 2010).

In one of the newer and more detailed classifications (Kirchgeorg 2005), various forms of trade fairs are identified. With regard to geographic scope, the following were discerned: international trade fairs, national trade fairs and regional trade fairs. As a part of the same typology, with respect to the scope of industry coverage, some other forms were proposed, such as general trade fairs, specialised trade fairs (mono-industry trade fairs), multi-industry trade fairs and corporate trade fairs. Another criterion for division is related to the types of goods displayed, and in that respect the following varieties are mentioned: trade fairs for capital goods (business-to-business trade fairs), trade fairs for consumer goods (public or consumer trade fairs), and mixed trade fairs (combined trade fairs). The fourth reference criterion is laid down in connection with the importance of an exhibition event for a particular industry, which makes it possible to distinguish premier trade fairs and secondary trade fairs. The next criterion for division refers to sales, which can be generated, among other things, through participation in trade fairs. Considering that aspect, two types were put forward: export trade fairs, as well as import trade fairs. The last criterion for classification was based on a view, according to which exhibition events were perceived as a communication medium, and in that respect traditional physical trade fairs and virtual trade fairs were pointed out.

The research results presented in this book stem from the analysis of empirical material collected during a MAPIC trade fair and a Shopping Centre Forum (SCF) trade fair. Both events centred on retail real estate. MAPIC trade fairs are held every year in Cannes, France, whereas SCF events are organised twice a year (an autumn fair and a winter fair) in Warsaw. MAPIC is considered to be the greatest retail real estate

exhibition event worldwide, while SCF is the biggest meeting point for the shopping centre industry in Central and Eastern Europe.

In the light of the above-mentioned classifications of exhibition events, MAPIC and SCF must be perceived as vertical, mono-industry, business-to-business, premier, export and import, traditional physical trade fairs. The difference between MAPIC and SCF is in their international significance, and what is more, one of the SCF fairs, when compared with typical trade fairs, is staged in a slightly unusual form. MAPIC is an international event, which plays a leading role with regard to its industry (in a global dimension). SCF, on the other hand, is a trade fair that creates an impact in one of the European regions. Furthermore, MAPIC takes the form of a typical exhibition event (during which presentations are made at booths), whereas the winter version of SCF is held at a hotel, and exhibitors do not use standard booths.

Both the trade fair organised in Cannes and the trade fair held in Warsaw refer to the retail real estate industry. Therefore, they have unique characteristics which differentiate them from events staged for other industries. Among such trade fair features, the following must be indicated (Gębarowski, and Siemieniako 2015a):

- the intangible nature of presented offers – as a consequence of that, exhibitors attach greater importance to the use of experiential marketing (e.g. they want to create the atmosphere of a shopping centre at their booths);
- special emphasis is placed on building relationships with trade fair participants, and the form of offer presentation is determined to a large extent by the concept of promise management;
- exhibitors are orientated more towards business meetings with existing partners than with new ones – many conversations are thus arranged before trade fairs (such an approach results from the configuration of power among developers, tenants and service providers in the market, and stems from the specialist nature of trade fairs);
- participation of exhibitors (particularly developers) and visitors in trade fairs is often included in long-term marketing activities – connected with the execution of a development project life cycle and the implementation of other projects (for example introducing a new shop format into the market);
- results obtained in connection with exhibition activity are greatly influenced by trade fair-related accompanying events – meetings which happen, in a sense, during trade fairs;

- exclusivity and the “posh” nature – are the features resulting greatly from the fact that the subject of trade fairs is very narrow, prices of trade fair tickets are high, and events are organised at prestigious locations (e.g. MAPIC events are staged at *the Palais des Festivals* in Cannes, and SCF at *the Hilton Warsaw Hotel*);
- being a barometer of the condition of the industry – trade fairs are very sensitive to the economic situation in the retail real estate market.

The characteristics of retail real estate trade fairs mentioned above create unique conditions for conducting marketing activity, including, first of all, performing actions aimed at building long-standing business relationships between exhibitors and visitors. The unique nature of retail real estate trade fairs was investigated on the basis of the research results demonstrated in this book.

1.2. Multifunctionality of retail real estate trade fairs

A common opinion that was expressed in the literature for many years was that trade fairs had significant influence on the industrial purchasing process (Foltyński, and Wojciechowski 1975; Moriarty, and Spekman 1984; Kerin, and Cron 1987; Bello 1992). Regarding the dominant function of trade fairs, a transaction dimension was indicated, and their capability to generate sales was highlighted (Kijewski, Yoon, and Young 1993; O’Hara, Palumbo, and Herbig 1993; Tanner, and Chonko, 1995). Over time, another view appeared, and it was observed that exhibition events could also fulfil non-selling functions (Bonoma 1983; Sharland, and Balogh 1996). Some authors maintained that non-selling activities were considered by some exhibitors to be more important than selling activities (Kerin, and Cron 1987; Blythe 2000). As for the main non-selling objectives, two activities are worth mentioning – informing about exhibitors’ offers, and enhancing their image and the image of their products. Some researchers who dealt with trade fairs paid a lot of attention to the significance of their promotional function (Browning, and Adams 1988; Blythe 1999; Palumbo, and Herbig 2002), as well as to their role in obtaining information (Ponzurick 1996; Bettis-Outland, Johnston, and Wilson 2012; Solberg Søylen 2013). Also, emphasis was placed upon the relational dimension of trade fairs (Blythe 2002; Ling-yee 2006; Farhangmehr, Sarmiento, and Simões 2010) and their importance in the process of knowledge sharing (Reychav 2009; Bathelt, Golfetto, and Rinallo 2014; Gębarowski, and Wiażewicz 2014).

The present state of knowledge about trade fairs makes it possible to articulate a comprehensive view on the functions which contemporary trade fairs perform with regard to economies, and in respect of marketing activities conducted by individual enterprises. In the light of such a view, Kirchgeorg (2005) approached exhibition events in a broad sense, taking into account four different perspectives, and thus attaching many functions to trade fairs. Considering the supra-economic/social perspective, he discerned an innovation function, a public relations function, an information (education) function, and a political function. Whereas, with respect to the macroeconomic perspective, he pointed out a market building function, a market development function, a transparency function, and an economic development function. An exhibitors'/visitors' perspective allowed the author to refer to an information function (market research goals), an influence function, a sales function, and a motivation function. The last view related to a trade fair company's perspective, which implied a service providing function, an earnings function, and a profile development function.

It can be thus assumed that retail real estate trade fairs, as specialist exhibition events, serve many functions for exhibitors, including, predominantly, an important information function, as well as being an essential instrument for building relationships. However, that assumption needs to be empirically verified, which has been undertaken by the authors of this book.

1.3. Exhibition events devoted to the retail real estate industry as B2B trade fairs

The subject of MAPIC and SCF is very narrow, and participants of such trade fairs are almost always specialists who know the retail real estate industry very well. This is the reason why both events must be perceived as business-to-business trade fairs. It is commonly accepted that this type of trade fair encompasses the trade fairs which are attended mostly by experts working in highly specialised (narrow) fields. A different group of events is represented by B2C trade fairs (business-to-customer) – whose subject is broader and whose nature is more common (as a rule, such events gather a much larger attendance), and which serve to exhibit consumer goods.

Events organised for the B2B and B2C markets are different from each other in terms of many aspects, which strongly determines the marketing activity of exhibitors. This dissimilar nature of exhibition undertakings should be reflected in the literature on the subject. However,

analysing trade fair-related publications, it can be observed that only very few authors have turned their attention to the distinctive features of B2B trade fairs. For example, Kästner, Springer and Kirchgeorg (2011) referred to the dissimilarity between B2B and B2C trade fair participants in respect to their goals. Gębarowski (2013), on the other hand, demonstrated distinctive characteristics of the exhibition activity of entities operating in the *business-to-business* sector. Compared to events staged for the B2C market, the following unique features of B2B trade fairs must be mentioned: stretching the process of organising a trade fair performance over a long period of time due to the fact that additional aspects must be considered (e.g. technical solutions must be presented precisely, trade fair personnel must be trained for establishing relationships); holding longer conversations with guests at a booth (meetings are often arranged before, and are of a confidential nature); raising detailed issues connected with a displayed offer during conversations (this is the reason why only people with extensive knowledge about the offer and the industry can be sent to serve trade fair guests); the dissimilar nature of promotional materials (advertising accessories and short printed materials are of lesser importance, and packages that include information and advertising materials are more often given to guests); when giving a presentation, greater emphasis is placed on factual aspects than on entertainment elements (exhibitors more seldom use means of expression which can be considered to be remarkable marketing events).

The above-mentioned characteristics stem mainly from the profile of B2B trade fair participants. Usually, they are people, either professionals or hobbyists, who are deeply involved in the subject of an event, and are well prepared to hold conversations based on facts and to evaluate a presented offer, as well as being aware of the goals of visiting booths. Moreover, B2B trade fair participants give less attention to how original a trade fair performance is (regarding visualisations and events included in a booth scenario), attaching greater significance to matters which are based on facts. Another feature of B2B trade fairs is also an increased opportunity for multiple contact with a single person who visits a booth – which is possible during subsequent meetings of the same trade fair or events organised in other places, where experts from this particular industry gather (this results from the fact that representatives of companies more frequently attend industry-related trade fairs than individual customers). Trade fair meetings thus become the “climax” to the processes of relationship development and promise management – which is because while carrying on cyclical discussions at booths, promises made during previous meetings are verified.

Owing to the features demonstrated above, B2B trade fairs create a favourable environment for developing relationships between exhibitors and visitors (Sarmiento, Simões, and Farhangmehr 2015), particularly through trade fair conversations and experiential marketing. However, the peculiarity of the industry, that is, to be precise, mainly different configurations of market power, requires conducting researches – concerning the extent to which methods and techniques of relationship marketing are employed, as well as relating to the management of the process of building relationships – in the context of individual markets. Such a special context for researches is created by the retail real estate industry, where relationships among developers, tenants and service providers are fostered. Furthermore, the industry in question offers services with intense contact and project logic in the management of enterprises.

Trade fairs are perceived as one of the most important marketing instruments in the B2B sector. This statement is confirmed by results obtained from representative surveys, which have been cyclically conducted for more than ten years for AUMA (*Ausstellungs- und Messeausschuss der Deutschen Wirtschaft*), and which encompass a sample of 500 companies exhibiting at B2B fairs (Chapter 4.3 presents the results of that research). The industry of real estate with modern retail space, which is analysed in this book, is a B2B market. Therefore, also in this industry, trade fairs play an important role, which has been revealed by the results of the research conducted during the MAPIC and the SCF events. The following chapters of this book demonstrate the aforementioned results.

1.4. Mystery visitor and other research methods adopted during trade fairs

The mystery visitor research method as a type of participant observation adopted during trade fair activities

In the literature on the subject, contemporary trade fairs are referred to as “a marketing research laboratory” (Solberg Søylen 2013). Such a belief stems from the fact that during exhibition events it is possible to conduct research among exhibitors and visitors using several methods of collecting data, such as a mystery visitor, an auditorium questionnaire, or a personal interview. Those methods allow for collecting data related to many research areas, including those which refer to relationship marketing management in the B2B market. Both the mystery visitor (which is a form

of participant observation) and the personal interview are classified under qualitative research methods. The auditorium questionnaire, on the other hand, represents quantitative research methods.

It is characteristic of trade fairs that people who participate therein can meet “face to face”, which allows for the indirect observation of exhibitors’ and visitors’ behaviour. Therefore, during exhibition events, it is possible to carry out marketing research using participant observation. That method is perceived as ethnographic research. Ethnography is the study of social interactions, behaviour and perceptions that occur within groups, teams, organisations and communities (Reeves, Kuper, and Hodges 2008).

In participant observation the main principle is that the person who carries out the research becomes directly involved as a participant in peoples’ daily lives (including professional life). Through the participation the researcher is able to observe and experience the meanings and interactions of people as an insider (Jorgensen 1989). This method connects the researcher to the most basic of human experiences, discovering through immersion and participation the how and why of human behaviour in a particular context (Guest, Namey, and Mitchell 2012). The participant observation process requires the researcher to become involved as a participant in a social setting and to make descriptive observations of him/herself, of others, and of the setting (Mackellar 2013). Every social situation can be identified by three primary elements: place, actors, and activities. While conducting the participant observation the researcher locates himself or herself in some place; he or she watches actors of one sort or another, and becomes involved with them; he or she observes and participates in activities (Spradley 1980). In the case of trade fairs, the place is an exhibition venue, the role of actors is assumed by exhibitors and visitors, and activities encompass everything which occurs at booths and during events that accompany the trade fairs (e.g. during conferences and banquets).

Participant observation represents a qualitative research method and is appropriate for use in a trade fair environment. This method offers an unobtrusive way to collect data, and to record and analyse important activities in the context of event environments, where the use of surveys can interrupt the flow of the event experience for consumers, or be precluded by the staging and operation of the event (Mackellar 2013). However, the conditions for using participant observation during trade fairs may be difficult owing to the limited time in which it is possible to research one trade fair booth (usually, a single conversation does not last longer than 15 minutes). Furthermore, a researcher who visits an

exposition booth frequently conducts research in great confusion and haste, which results from the fact that personnel hold conversations with other customers. Due to an amount of time that is needed to carry out research at one booth, and owing to the short duration of trade fairs (maximum 3-4 days), the researcher is able to conduct a limited number of visits. Moreover, it must be highlighted that carrying out research during trade fairs is influenced by multiple additional stimuli (disrupting factors), which exert an effect on both the researcher and the person under research.

It can be assumed that mystery visitor research is a variant of participant observation. The mystery visitor research method refers to mystery shopping research, which is a popular method of observing the behaviour of sales personnel. The main goal of using mystery shopping research is an appraisal of the level of customer service, which is done by people who take the role of “ordinary” purchasers of products. People who conduct mystery visitor research do not reveal during an interaction with a shop assistant that they are making observations. A trained researcher visits selected places where services are rendered, or eating places, and while pretending to be a customer pays attention to everything that he or she sees and hears. Usually, the observation is orientated towards finding an answer to a research problem formulated before, thus the mystery visitor behaves in a planned way. Everything which happens during the research is remembered, and as soon as the observation has finished findings are recorded in standardised forms (observation registers, called audit questionnaires). After leaving the place where the research was carried out, the forms are filled in. The observation may be recorded by means of a hidden video camera or a tape recorder.

The literature on the subject pays a lot of attention to mystery shopping, analysing its diversified aspects. Based on a literature review, it must be admitted that most of the publications refer to the practical dimension of using mystery shopping, and in particular they contain instructions on how to conduct research properly (e.g. PamInCa 2009; Smith 2010; Mooradian 2011; Moran 2014). There are also books and articles in which the central focus is placed on the usefulness of this method when one attempts to identify a level of service quality (Dawes, and Sharp 2000; Schmidt 2007; Varma 2008; Douglas 2015). However, some authors concentrate on using mystery shopping to check the quality of services rendered by entities representing selected areas of business or public activities, for example banks (Roberts, and Campbell, 2007; Pinar, Eser, and Strasser 2009; Sossong 2010), restaurants (Rood, and Dziadkowiec, 2010; Lai, and Chang 2013, Liu et al. 2014), hotels and travel agencies (Atef 2012; Minghetti, and Celotto 2014; Huang, Liu, and

Hsu 2014), libraries (Calvert 2005; Kocevar-Weidinger et al. 2010; De Diago 2013), or medical facilities (Hartley 1995; Moriarty, McLeod, and Dowell 2003; Baum, and Henkel 2010). The literature presents a trend connected with using the method under analysis to study the satisfaction and loyalty of customers (Van der Wiele, Hesselink, and Iwaarden 2005), as well as to create a business relationship (Mattsson 2012). The ethical dimension of mystery shopping is also indicated (Ng Kwet Shing, and Spence 2002). Furthermore, some authors believe that observation based on mystery shopping may be useful not only to accomplish marketing objectives, but also to manage human resources – in the process of controlling the work of sales personnel and coaching (Erstad 1998; Brender-Ilan, and Shultz 2005; Latham, Ford, and Tzabbar 2012).

So far, there have not been any in-depth scientific publications devoted to the mystery visitor method. Books on marketing research very seldom mention the possibility of using this method to study the behaviour of trade fair participants (Kaniewska-Sęba, Leszczyński, and Pilarczyk 2006). However, they do not refer to detailed matters related to any measurements performed among exhibitors. Similarly, trade fair publications do not describe the mystery visitor method in detail. One of the very few scientific papers concerning the issue under question indicates that a person who carries out such research “approaches a booth, pretending to be a potential customer, and after the visit, he or she gives an account of the manner in which the service was provided. On the basis of that practice, a person responsible for the organisation of participation in trade fairs is able to verify, whether the standards of dealing with guests who visit the booth, which had been established before, have been reached or not” (Mruk, and Kuca 2006). With reference to the mystery visitor method, the observation can concern both personnel behaviour (including many detailed aspects, among other things the way of presenting the show pieces, the attitude towards the customer, familiarity with the presented offer), as well as the appearance of the booth and the programme of the trade fair performance (carrying out marketing actions contained in its scenario). After the end of a discussion with exhibitors, observation results are recorded in questionnaires containing open-ended, closed-ended and semi-closed questions, which enable the standardisation of questions and comparability of results after their aggregation and analysis.

A review of the scientific literature on trade fairs demonstrates that the mystery visitor method has been very occasionally used in scientific researches. Herbst, Barisch, and Voeth (2007) introduced an innovative way of measuring interaction quality – a concept of mystery shopping – in industrial markets. The above-mentioned authors conducted research

during a famous international trade fair for the packaging industry, organised in Germany; and Polish researchers – Pilarczyk and Kwiatek (2010) – used the mystery visitor method in order to collect data from exhibitors who participated in one of the furniture business trade fairs, organised by the Poznan International Fair. Their research was focused on dyadic buyer-seller professional communication in business markets.

In addition to the above, it must be pointed out that the method was put into practice by providing the trade fair organisers with results that could be useful for the management of trade fair preparation and performance. The application of this method helped some entities that organise trade fairs check the level of service provided to people who visited booths. To provide examples of such actions one can refer to the following events, during which the mystery visitor method was used: International Confex (London), ED Expo (Dallas), ISTE (Philadelphia), Nowy DOM Nowe MIESZKANIE (Warsaw).

Mystery shopping and mystery visitor are very similar to each other with regard to the way in which they are employed – the only difference is that one of the methods entails carrying out observation in points of sale or places where customer service is provided, whereas the other involves making observation at booths. It can be assumed, however, that specific work conditions during trade fairs determine, to a large extent, the dissimilarity of the mystery visitor method. That dissimilarity with regard to the way of behaviour displayed during trade fairs predominantly entails working in haste, noise and confusion for many hours, which results from the fact that exhibitors enter into discussions with several customers at the same time. Comparing mystery shopping to mystery visitor makes it possible to identify the differences and similarities between the two methods.

Above all, the mystery shopping method is classified under a group of quantitative marketing research in which a researcher's purpose is often to obtain results that can be subject to statistical analysis. The mystery visitor method, on the other hand, must be considered to be a manifestation of qualitative research, in which the primary objective is to explore the phenomena which seem interesting for a researcher.

For the mystery shopping method it is crucial to find out to what extent sales personnel abide by customer service standards established for a particular entity (e.g. a chain store). Contrary to the above method, in mystery visitor-based research observation is made while visiting selected booths of various entities representing diversified businesses. Hence, the standardisation of research and the comparability of obtained results are far less important than in the case of mystery shopping.

In the context of standardisation one must also mention the fact that when using the mystery shopping method it is essential to compare the evaluated points of sale or customer service points. That is why rankings for individual chains are frequently prepared: banks, restaurants, petrol stations, etc. For the mystery visitor, on the other hand, it is relevant to grasp certain phenomena. It can be thus assumed that in the case of that method the quantity of booths under research is not as important as researching selected trade fair performances for which specific phenomena can be observed.

With regard to mystery shopping and mystery visitor, which are forms of participant observation, ethical doubts can be raised. They result from the fact that a person whose behaviour is under evaluation is not aware of being observed. However, both in points of sale (customer service points) and during trade fairs, the observation takes place in public places and can be made by representatives of almost the entire society. Consequently, it can be assumed that such researches do not violate ethical norms that are applicable in normal everyday life circumstances (see Wilson 1998, 149). On the other hand, there are more considerable doubts regarding a situation when a result obtained by the mystery shopping or the mystery visitor method is linked with a specific person employed by an organisation (then, the final appraisal of such a person may have an impact on his or her salary, or may even result in the dismissal of an employee who failed to perform well), and the observation process is recorded with a recorder or a camera without his or her permission. In that case, the issue in question must be considered not only in terms of ethical aspects, but also in relation to infringement of the law.

As has already been mentioned, mystery visitor-based research is carried out under specific trade fair conditions. Taking into consideration conclusions related to using the mystery visitor method during research conducted among exhibitors at a retail real estate trade fair (a detailed description of research methods is presented in further sections of Chapter 2), as well as the qualities typical of mystery shopping, one can identify the features that give mystery visitor-based research a distinct character. The below table shows these features.

Table 1.1. The characteristics of the mystery visitor method (in comparison to mystery shopping)

Characteristic	Mystery shopping-based research	Mystery visitor-based research
Place and subject of research	The research refers to many places belonging to one organisation, where contact with customers occurs (e.g. a chain store, a mobile telecommunications network)	The research often considers single performances of many exhibitors during one exhibition event (it is possible that the research focuses on the performances made by one attendee at many subsequent trade fairs, although the duration of such research would have to be several years)
Aim of research	Frequently, the aim of the research – apart from the assessment of the present-day level of customer service – is to set optimum standards of service for a single entity	The aim of the research is, first of all, to study the nature of trade fair performances (including the specification of the level of customer service) in very general terms – with reference to all exhibitors, and not only to one entity
Standardisation	The research refers to the (codified) standards applicable in a particular organisation, which facilitates the interpretation of results	Exhibitors do not enforce standards of trade fair visitor service which are appropriate for them and which oblige booth personnel to comply with general guidelines for holding discussions properly (this hinders the interpretation of results)
Auditor's competence	An auditor acts within the framework of “story life”, which makes it possible to compare the results of many observations and allows control of the research to a large extent	An auditor must be flexible, since it is difficult to follow only one pattern, since each exhibitor presents a distinct offer
Conditions under which observation is conducted	Observation is always carried out under comparable conditions – in similarly arranged points which offer the same products (for one research project)	There are diversified conditions under which observation is done – even though the subject matter of a trade fair is common for the exhibitors under research (sometimes the subject matter is significantly narrowed down) – entities who participate in trade fairs use various booths and can offer products which differ completely from each other
Duration of research	The duration of the research is unlimited, which makes it possible	The duration of the research is determined by the duration of a

	to carry out observation for a large research sample (several hundred, even up to one thousand points)	trade fair (it is often 2-3 days), which is the reason why in this time period only a limited number of observation attempts can be made (the sample size is also restricted by the number of exhibiting entities)
Duration of contact with customers	Usually, there is no time pressure resulting from the fact that an auditor is present at a facility which is being evaluated (he or she is the one who decides on how long the observation should be carried out)	Usually, a short time available for contact with a customer, which results from the nature of many trade fair discussions held in accordance with the “touch & go” approach
Control of sales personnel work	The research enables the checking of the work of salespeople (including the functioning of a team) during the time in which they are performing their daily (routine) duties	The research makes it possible to check how every single salesperson and the entire team running a booth work under specific trade fair conditions (when the area around is crowded, when they have to perform many activities simultaneously, and when they are under stress)
Nature and object of appraisal	The appraisal has a quantitative dimension and is often carried out in the context of clearly defined customer service standards, which must be met by employees of all points of sale (service points)	The appraisal is of a qualitative nature and is conducted in connection with personnel behaviour during a trade fair performance, which cannot be easily standardised
Costs of research	High costs of a single research study (which is, among other things, due to the fact that it is necessary to arrive at every point of sale which has been chosen for the appraisal)	Lower costs of observation, which is due to the fact that several hundred exhibitors are concentrated in one place during a trade fair
Necessity for personal contact	There are forms of research which are not performed personally (via phone or email)	The research always requires a visit to trade fairs and personal contact between an auditor and exhibitors
Documentation of research	Documenting the observation in the form of photographs creates serious difficulties for an auditor, as he or she has to take the pictures without being seen by the observed people	It is easier to take pictures of a booth and personnel working at it, because trade fair visitors very often photograph exhibition elements

Source: Gębarowski, and Siemieniako 2015b.

As has already been noted, the observation using the mystery visitor method is carried out similarly to mystery shopping-based research. Therefore, apart from the differences, it is also possible to indicate the

similarities between the two methods. The authors of the book have recognised the following main characteristics which the two techniques have in common (Gębarowski, and Siemieniako 2015b):

- the confidential nature of research, which makes researchers take any measures necessary to avoid being unmasked;
- necessity to specify main assumptions for research – the scope, time and context of observation;
- the use of standardised observation questionnaires, which are filled out in secret after a visit to a point under appraisal (a shop, a booth, etc.);
- necessity to select auditors who have desired qualities (which include, among other things, a good memory, perceptiveness) and skills (e.g. acting skills), as well as to train them later on with regard to observation assumptions in order to make sure that research is carried out properly.

In addition to the similarities, it must be mentioned that – adopting the typologies of the observation method presented in the literature on the subject – both mystery shopping and mystery visitor represent, above all, participant observation (a researcher becomes a participant of an observed society). Furthermore, both methods also refer to the following types of observation: hidden (a subject is unaware that observation is taking place), standardised (an auditor knows under which conditions he/she must conduct research and how and where he or she must record results), structured (an observer sets up in advance categories of behaviour in terms of which he/she wishes to analyse a problem, and keeps in mind a time limit within which he/she has to make observation) (Lal Das 2008; Zikmund et al. 2010). What is more, the essence of the two methods is in line with a triangulation trend of research methods. Triangulation – or, more specifically, triangulation methods, in the context of methods alone – refers to the use of more than one method while studying the same research question in order to “examine the same dimension of a research problem” (Jick 1979; Hesse-Biber 2010).

The researcher’s familiarity with the characteristics distinguishing the mystery visitor is a condition which determines proper use of this method in practice. And that is because it is impossible to transfer the commonly used mystery shopping method directly to trade fair circumstances.

Auditorium questionnaire and personal interview research methods adopted during trade fair activities

During trade fairs, an auditorium questionnaire, which is a quantitative research method, can be used as a method of carrying out marketing researches. This is a form of measurement suitable for application during such events as conferences, symposia, lectures and trade fairs. The research involves distributing questionnaires to its participants, and after answering the questions an interviewer collects the completed questionnaires. The possibility of measurement control is an advantage of the auditorium questionnaire, which allows for achieving a huge percentage of answers and preserving anonymity at the same time (Kaczmarczyk 2011). Moreover, one person is able to conduct the research by providing all exhibitors with the questionnaires during the first day of a trade fair, and finally, to collect them on the last day. This method is often exposed to the following limitations – first, personnel who run a booth do not have time to answer questions contained in the questionnaire, and second, due to many other duties, exhibitors tend to forget about filling them in. Therefore, during every single day of the trade fair the researcher should visit the booths and remind the personnel about the questionnaires that he or she has handed out.

While preparing a survey form for the auditorium questionnaire, it must be remembered that research will be conducted in difficult trade fair conditions (in great confusion), and the research participants will be under considerable time pressure – exhibitors' representatives will have to perform many activities simultaneously, which involve running the booth, and filling in the form, and visitors, on the other hand, will be in haste in order to see the expositions presented at the booths. Therefore, structured questions should be mainly used, and the number of pages of the survey form should be limited to a maximum of 4 (in the case of exhibitors) and 2 (in the case of visitors). Moreover, it is recommended that while preparing cafeteria questions, lengthy responses should be avoided.

During trade fairs it is also possible to carry out research using the personal interview method. When using that method a researcher approaches trade fair participants (exhibitors' representatives or visitors) and asks them to give answers to questions that seem the most interesting for him or her. While having the conversation, he or she records the answers in an interviewer questionnaire. The personal interviews may be of a quantitative nature – in the case of structured interviews (the researcher reads out questions contained in a standardised questionnaire) or of a qualitative nature – when holding unstructured interviews (a loose discussion with a respondent takes place, without a formal questionnaire).

Participation in B2B trade fairs may create a great opportunity to conduct interviews with experts. That is because such people are keen on taking part in exhibition events which are crucial for particular businesses (currently, every business has its leading trade fairs). Typically, expert information is obtained by unstructured personal interviews. It is helpful, however, to prepare a scenario to be covered during an unstructured personal interview. The order in which topics of the scenario are covered and questions are asked should not be predetermined. Instead, they should be decided as the interview progresses, which allows for greater flexibility in capturing the insights of the experts (Malhotra, and Birks 2007).

A limited number of questions addressed to respondents is the condition for carrying out an interview during trade fairs. In the case of exhibitors, what matters is the time of research – when there are fewer visitors at booths (usually, the lowest attendance is observed straight after the beginning of a trade fair day or at the end of it, 2-3 hours before the closing of trade fair halls). The fact that the researcher is present when conducting the personal interview makes it less possible that the respondent misunderstands the question or chooses an answer contained in the questionnaire incorrectly. There is, however, a risk of obtaining erroneous results, because the respondent's answers can be influenced by the researcher's behaviour (Kaniewska-Sęba, Leszczyński, and Pilarczyk 2006). People who collect data during face-to-face discussions can be supported by computer terminals, and then research based on Computer-Assisted Personal Interviews (CAPI) is involved.

In the case of both the auditorium questionnaire and the personal interview, a researcher reveals that he or she is carrying out research. It is thus impossible to conduct disguised and uninterrupted observation of personnel who run a trade fair booth. Only the mystery visitor method allows for such an opportunity.

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CHAPTER TWO

METHODS OF RESEARCHING RELATIONSHIP MARKETING MANAGEMENT IN RETAIL REAL ESTATE TRADE FAIR ACTIVITY

DARIUSZ SIEMIENIAKO

2.1. Assumptions of research on trade fair activity in the retail real estate industry

The literature on the subject demonstrates that B2B marketing research has intensified during the past few decades (Hadjikhani, and LaPlaca 2012). This book presents a concept of business-to-business relationship marketing management in the context of trade fair activity, which has been put forward on the basis of empirical research conducted among enterprises operating in the retail real estate industry. The specific nature of the industry in question and the realities of retail real estate trade fairs constitute a context for business-to-business relationship marketing management.

The dominant type of business activity in the retail real estate industry is services based on intensive contact, which are rendered on the *business-to-business* market. An example includes the services of leasing modern retail space provided by a developer. Those services are offered to retail trade enterprises, which are usually chains of international corporations, in the process of the commercialisation of a shopping centre that does not yet exist, but is under construction as a development project. Developers implementing shopping centre projects are, for example, recipients of services provided by specialist retail real estate agencies. A common type of service that can be identified in the retail real estate industry under research involves professional services offering, for instance, legal, financial, architectural or advisory support.

Relationships that occur among participants of the retail real estate industry can be considered to be relationships which involve intensive contact. This claim is supported by the fact that numerous qualities which

are typical of complex service relations can be observed in relationships that exist among representatives of the industry. Among these qualities one should point out (on the basis of: Siemieniako 2012):

- long duration of a full service cycle (from several months to a couple of years),
- great frequency of interactions between parties,
- constant contact between both parties, entailing, among other things, monitoring the implementation of service-related processes,
- a high level of capital involved by one or both parties,
- a high level of risk for one or both parties,
- a high level of the importance of problem solving for each party,
- great complexity and diversification of service processes,
- possibility of engaging other parties in the relationship between a customer and a service provider,
- the historical aspect of the intensity of experiences that both parties have already had as a result of an ongoing relationship.

Owing to the specific nature of complex service relations with intensity of mutual interactions, when running a business activity in the retail real estate industry it is essential to manage relationships in a long-term period. Therefore, among participants in the retail real estate industry cardinal importance is attached to initiating, maintaining, developing and ending mutual relationships in a successful way.

Business entities of the retail real estate industry mainly represent international concerns that run business activities on a European, and even a worldwide scale. Having considered the industry under analysis, shares in the European market are strongly concentrated in a relatively low number of dominant enterprises. A unique characteristic of the industry is that it is reactive to conditions in the global economy. Various local markets in Europe react very quickly to the worldwide and European economic situation. Owing to the global economic crisis in 2008, which had an impact on the industry under analysis, there occurred a series of negative consequences, for example, an aversion of retail trade enterprises to signing lease agreements on shopping areas in retail real estate development projects which were only at the planning stage. The present situation in the industry, which is the result of the world economic crisis, intensifies the need for building credibility, especially in relation to new projects, and for developing relationships based on trust and relational loyalty (Juntunen 2010). This is relevant, in particular, from the perspective of developers making and keeping promises (Grönroos 2009) in the process of relationship management with tenants in the context of a noticeable negotiating advantage of tenants over developers. During the

development of retail real estate projects, potential tenants devote special attention to the monitoring of the process of promise keeping by developers, with regard, among other things, to the accomplishment of milestones in a timely manner, treating the way of executing that process as confirmation of the credibility of promise-making. Due to the fact that the development of the retail real estate industry has been hampered, as well as owing to a relatively high level of market saturation in terms of modern shopping area and an excess supply of planned shopping area against demand, one may refer to the negotiating advantage of tenants over developers.

As far as the geographical context is involved, research on relationship marketing management in trade fair activity in the retail real estate industry was conducted in relation to the European market, with a principal focus on the area of Central and Eastern Europe, and particularly the Polish market. With reference to the European market, the research was carried out during a MAPIC trade fair, organised in Cannes, France. And in relation to Central and Eastern Europe, especially Poland, the research was carried out during the Shopping Centre Forum in Warsaw, Poland. The duration of the research was about two and a half years – from September 2011 to February 2014. In total, 7 trade fair events were included in the scope of the research. Table 2.1. presents basic information on the four stages of the research into B2B relationship marketing management in trade fair activity in the retail real estate industry.

Table 2.1. Basic information on the four stages of the research

Research methods	Places of research	Period of research	Main goals of research	Participants of research
First stage of research				
The main research method was mystery visitor, using unstructured interviews, an opinion poll; analysis of secondary materials was also made.	The MAPIC trade fairs in November 2012 and 2013; Shopping Centre Forum trade fairs: Autumn 2011, 2012 and 2013; Shopping Centre Forum trade fairs: Winter 2013 and 2014.	From September 2011 till February 2014	To recognise the trade fair activity of retail real estate developers who were not very experienced in the duration of a full investment project life cycle of a big shopping centre.	6 large-sized inexperienced shopping centre developers

Second stage of research				
Case Study Research Method	Shopping Centre Forum, Autumn 2013	From March 2013 till February 2014	To achieve a deep understanding of such elements as: the attitude, behaviour and interaction of the researching developer of a shopping centre under construction and potential tenants in the process of relationship management, particularly, promise management (Grönroos, 2009) in the context of a trade fair performance.	1 developer of a shopping centre under construction
Third stage of research				
Mystery visitor with observational questionnaire	A MAPIC trade fair	November 2013	To deepen understanding about the aims of participation in trade fairs by developers, tenants and service providers. To explore the most vital elements of trade fair performances showing forms and activities of experiential marketing and to explore a trade fair conversation held with personnel running booths under research.	34 research visits were undertaken at booths.
Fourth stage of research				
Mystery visitor with unstructured interviews	A Shopping Centre Forum trade fair	February 2014	Identifying the role of trade fairs in building relationships with customers and other trade fair participants. Exploring the aims and marketing activities of trade fair participants who supported relationship management.	13 interviews with developers, tenants and service providers.

Source: Authors' own elaboration.

Research units were enterprises participating in trade fairs, which represented three business specialisations, i.e. tenants, developers and service providers (mainly for developers). The researched objects were trade fair personnel at a managerial level who in their enterprises were usually responsible for expansion and development. With regard to the tenants, the research predominantly investigated chains of international retail trade enterprises. Similarly, the majority of the service providers were chains of specialist enterprises operating on a global scale, such as financial institutions, leasing agencies and legal advisors. In the case of the developers, the research encompassed both enterprises that had considerable experience of developing retail real estate projects in various European markets, and companies with little experience, which operated on a local scale.

The uniqueness of the present situation which exists in the industry under consideration, and its influence on industry participants, as well as the special context of business-to-business services have an impact on the need for and requirements of participation in industry-related trade fairs, and affect relationship marketing management by trade fair participants. The main research problem of the book is to investigate the role of trade fairs with regard to business-to-business relationship marketing management in the era of the world economic crisis using the example of the retail real estate industry. What is essential is the exploration of the characteristics of retail real estate trade fairs from the perspective of creating favourable conditions for developing business relationships. Furthermore, this book also aims to explore marketing activities undertaken during trade fairs, which are particularly relevant in respect of relationship marketing management, such as experiential marketing and trade fair conversation.

The four-stage research involved implementing qualitative methods. The results obtained in the first stage of the research were analysed, and served as the basis for posing new detailed research questions at the second, third and fourth stages of the research.

2.2. Method applied to research trade fair activity in a development project life cycle – 1st stage

In the first stage, as a research method, participant observation was chosen (Siemieniako, and Gębarowski 2014a). Enterprises with Polish capital, which were inexperienced or had very little experience in the retail real estate development business, served as research units, whereas decision-makers, project managers and board members who were

employed in those organisations were the subjects of the research. The research included 6 enterprises which were developing new (medium- or large-sized) shopping centres in Polish cities, with gross leasable areas (GLA) of 25,000 to 50,000 sq. m. One of the enterprises under research was developing two shopping facilities simultaneously, and the remaining companies were implementing one investment project. Some of the enterprises had before run manufacturing activity in the buildings located on the premises of the shopping centres to be developed. When the attractiveness of the land increased, its administrators and owners decided to carry out a development project related to shopping activity. Contrary to the above case, other enterprises, which represented diverse businesses (such as development housing services), purchased the rights to real estate in order to develop the shopping centre.

Field research was conducted by one of the authors of this book. The duration of the research was about two and a half years – from September 2011 to February 2014. It covered 7 consecutive cyclical exhibition events devoted to the retail real estate market, including 2 of the world's biggest retail real estate trade fairs, MAPIC, organised in Cannes (France), as well as 5 of the biggest trade fairs held in Poland and East-Central Europe, Shopping Centre Forum (SCF) – 3 in autumn and 2 in winter. Participation in the cyclical trade fairs allowed for the observation of the changes that occurred in development project execution and the marketing activity of the 6 indicated developers, whose representatives were present during most of the trade fair events in which the researcher also took part.

The basic method applied in the research was one of the varieties of participant observation, i.e. the mystery visitor (Gębarowski, and Siemieniako 2014). Chapter 2.1 provides a detailed description of that research method. Also, a few other qualitative methods were used, such as an unstructured personal interview, an opinion poll, and analysis of secondary materials (including trade publications and informative and advertising materials of the developer under research). For the mystery visitor method observation questionnaires served as research tools. Furthermore, the researcher used the scenario of an unstructured interview. Data collected from the observation questionnaires were quantified and analysed. Regarding the unstructured interviews, the researcher took notes immediately after the interviews had been conducted.

2.3. Method applied to research trade fair performance management in relation to the execution of promise management processes – 2nd stage

The second stage of the case study research concerned three phases: pre-show, at-show and post-show (Gopalakrishna, and Lilien 1995), of trade fair performance by a developer, who was at the same time an investor implementing a project of a large new shopping centre in Poland (Siemieniako, and Gębarowski 2014b). The main scope of the research included managing – by the developer under research – interactions with potential tenants of the shopping centre on the basis of promise management. The focus of this case study was on how and why the interactions management occurred in relation to the whole trade fair performance process. The performance took place at the biggest retail real estate trade fair in East-Central Europe – Shopping Centre Forum (abbreviated as SCF), which was held in September 2013 in Warsaw, Poland. The goal of the research was the exploration of developer trade fair performance actions connected with the process of promise management of renting out space in a large shopping centre under construction. These actions were directed towards potential tenants. The research was carried out over 12 months, from March 2013 to February 2014, and encompassed a process which began with a decision to participate in the trade fair, which as a consequence involved preparing and managing the trade fair performance, and finally ended with activities carried out after the trade fair had finished (follow-up activities).

One of the authors of this book conducted the field research that was a part of the case study of the developer under research. It used the inductive logic of conducting case study research by seeking to generalise from the particular study of developer interactions management in a specific trade fair context. As a research method it used a qualitative approach, mainly participant observation. In this case, for the study-based research, a series of various research methods was employed, which can be referred to as triangulation, since “achieving a deep understanding in CSR (case study research) usually involves the use of multiple research methods across multiple time periods” (Woodside, and Wilson 2003). Triangulation in the case study research involved using typical research methods, pointed out by Woodside and Wilson (2003), such as: “direct observation by the researcher within the environment of the case, probing by asking case participants for explanation and interpretation of “operational data” (Van Maanen 1979), analysis of written documents and natural sites occurring in case environments”. The sites observed were: the

head office of the developer under research, potential tenants, leasing agents, and the exhibition hall. One of the researchers employed a method that involved single researcher introspection (Gould 2012), analysing opinions expressed *post factum*, and his own behaviour towards the case study participants, with whom he entered into interactions.

2.4. Method applied to research marketing activities performed by exhibitors at MAPIC – 3rd stage

The goal of the research at the third stage was to deepen understanding about the aims of participation in trade fairs by the developers, the tenants and the service providers, as well as to explore the most vital elements of trade fair performances showing forms and activities of experiential marketing, and to explore a trade fair conversation held with the personnel running the booths under research (Gębarowski, and Siemieniako 2014). The research method employed in the third stage of the research was mystery visitor, which, as has already been mentioned, is a variant of participant observation. In the case of participant observation, a researcher assumes a double role, i.e. he or she is both the person carrying out research and a participant engaged in a particular event, in this example the exhibition, the MAPIC retail real estate trade fair.

The third stage of the research was conducted at the MAPIC retail real estate trade fair, which was organised in November 2013 in Cannes, France. MAPIC is the largest exhibition event in the retail real estate industry worldwide. The trade fair is attended by retailers, investors, developers and local authorities, as well as other entities who are interested in the real estate market and in making shopping area available for commercial purposes. The MAPIC event held in November 2013 gathered 740 exhibitors and 8,400 visitors. In total, the participants of the exhibition represented 69 countries (Anon. 2013).

The research was conducted personally by one of the authors of this book. Throughout the three days of the MAPIC trade fair, 34 research visits were undertaken at booths. During each day of the three-day event, more than 10 selected exhibitors were visited and researched. The sample size was determined by a number of discussions (in respect of relations existing in the B2B market) to be held by one person throughout the duration of the trade fair, i.e. over three days. Purposive sampling of the booths was determined by the diversification of industries (such as developers, tenants and service providers), countries of origin, as well as the size and attractiveness of the booths. The above-mentioned criteria for

selecting the sample constituted the characteristics which the researcher could notice before commencing the research, and which enabled him to qualify a particular exhibitor for the research. Previous surveys demonstrated that a relatively small number of mystery shoppers (i.e. mystery visitors) would be sufficient to obtain accurate and reliable results (Finn, and Kayandé 1999, 198).

The process of preparing and carrying out the research during the third stage consisted of several steps, which can be presented as follows:

- 1) developing a research concept – formulating a research problem, defining scope: objective, subjective, spatial, temporal;
- 2) selecting a trade fair for the research – it was decided to choose the MAPIC trade fair as it is the biggest retail real estate business exhibition event in the world, which guarantees a high attendance of exhibitors and a great diversity of trade fair performances;
- 3) constructing a scenario of behaviour for the person conducting the research – how the researcher had to behave and what to ask about was specified; the same scenario was implemented at every booth;
- 4) preparing a measurement instrument – an observation questionnaire was used which contained nineteen questions – mostly open-ended and closed-ended (both dichotomous and multichotomous); the application of such questions made it possible to significantly shorten the time needed to fill in the measurement instrument, and what is more, it ensured greater comparability of the results obtained at various booths; diversified aspects of the appraisal of trade fair performances were considered in the questionnaire, and they were, among other things, the appearance of the booths, the way of having discussions, and the scope of the applied forms of promotion;
- 5) gathering empirical material – participating in the trade fair for three days and carrying out research that involved: selecting the booths to be observed, holding the discussions (15 to 30 minutes long), recording the obtained results; after the researcher had left each booth, he filled in the observation questionnaire;
- 6) aggregating and elaborating on the collected empirical material – all of the 34 observation questionnaires were considered to be properly completed and to contain the data that were adequate to be analysed; the answers given to the questions contained in the questionnaire and additional researcher's remarks were gathered and analysed (in the case of the quantitative questions, a spreadsheet was used); the quantitative data were subjected to quantification for auxiliary purposes; consequently, the results were obtained, which were a qualitative description of the phenomena explored by the researchers.

While conducting the research at the MAPIC trade fair – the largest exhibition event in the retail real estate industry in Europe – it was possible to experience the greatest diversity of phenomena connected with relationship marketing management, and to observe the widest variety of participants from all over Europe, which provided a reflection of the present condition of the industry.

2.5. Method applied to research goals of participation and conversation at SCF – 4th stage

The research method used at the fourth stage of the research, which was conducted during the winter Shopping Centre Forum (SCF) held in February 2014 in Warsaw, was prepared based on the analysis of the results achieved at previous stages of the research (Siemieniako, and Gębarowski 2014c). The winter SCF trade fair is the second most important trade fair event in the industry in Poland, after the autumn fair. At the fourth stage, the goal was not a presentation involving a trade fair performance, but it was important to find out what were the opinions of the people who were subjected to the research in terms of identifying the role of trade fairs in building relationships with customers and other trade fair participants, as well as in terms of investigating the goals and marketing activities of the trade fair participants which supported relationship management. The type of research method employed was the participant observation, in the form of the mystery visitor. Throughout the fourth stage and the previous stages, the same author conducted the field research in order to use a cumulative effect of research experiences, which is a significant element of qualitative researches. At the fourth stage of the research, an unstructured interview scenario was used, which included 13 interviews. Subjects were selected for the research deliberately. The criterion for selecting the interviewees was to have a proportional number of three industries, i.e. developers, tenants and service providers. The research was conducted during meetings held at an exhibition hall, as well as during two evening events that accompanied the trade fair. Owing to the limited amount of time during which the commitment of exhibitors' personnel is possible, conditions for conducting participant observation-based research are usually difficult, and this was the case both at the SCF trade fair and during informal accompanying events of a social and entertainment nature (those events were included in the programme of the SCF trade fair). Some respondents took part in the research in two places. The data gathered from the interviews were grouped and analysed.

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CHAPTER THREE

EXPLANATORY MODEL OF RELATIONSHIP MARKETING MANAGEMENT OF RETAIL REAL ESTATE TRADE FAIR PARTICIPANTS

DARIUSZ SIEMIENIAKO

3.1. A general model of business project management correlated with relationship management in the retail real estate industry

The research conducted, based on the methodological assumptions which were set forth in Chapter 2, focused predominantly on the activity of developers, tenants and service providers, performed in connection with new retail real estate, both at the planning stage and under construction, mainly large- and medium-sized shopping centres. Some of the service providers and all of the developers under research engaged solely in implementing new retail real estate projects, which was within the scope of their business activities. The researched tenants, on the other hand, had organisational units that were dedicated only to the development of retail chains in new shopping centre locations. The commitment of all those industry specialisations to the construction of the new retail facilities defines project logic in the organisation and management of an enterprise.

Business project management includes a basic managerial approach with respect to activity in the retail real estate industry (Valverde 2011; Meng 2012). Projects of planning and execution of new retail real estate investments are characterised as long-term in nature. In this context, an essential concept is project life cycle (Westland 2006; Lester 2014), in which at various stages of project progress appropriate goals and tasks are established within basic functional areas. In the case of a development enterprise, such areas include technical and administrative execution, investment financing, commercialisation and promotion. From the tenants' perspective, the scope of a project encompasses initialising, planning and

constructing their shops in a newly developed retail facility. Thus, on the one hand, tenants monitor the implementation process of a development project, as they are dependent upon developers with regard to opening their own shop in a future retail facility, and, on the other hand, they manage a project related to their own shop. And regarding service providers – mainly for developers, the scope and level of their commitment depend on progress in the implementation of development projects at the various life cycle stages of those projects.

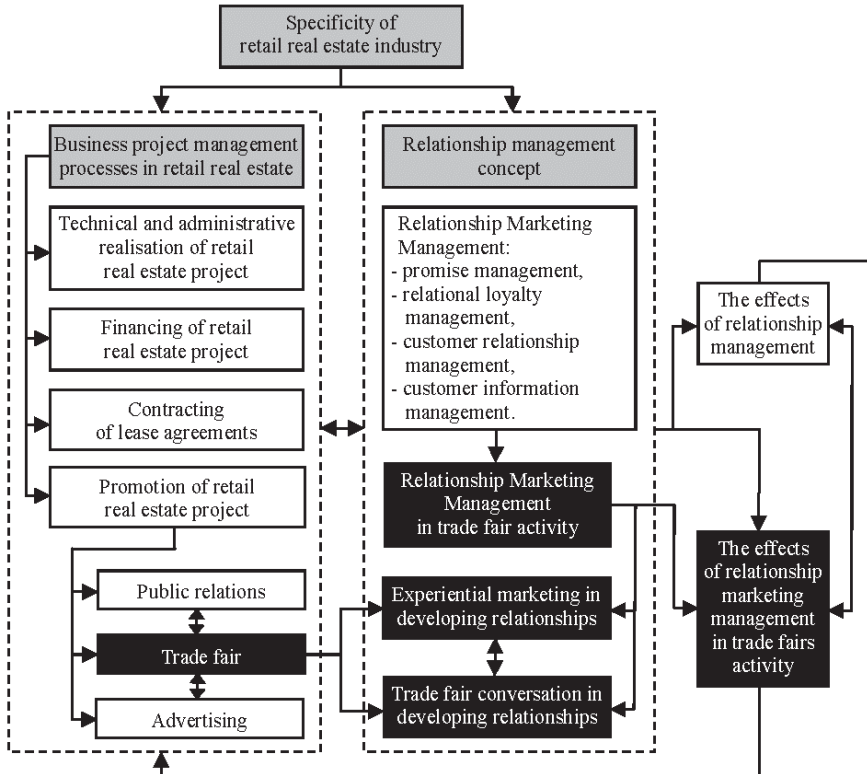
The peculiarity of the retail real estate industry makes it necessary to apply the concept of business project management and relationship management to activities performed by enterprises that represent the discussed industry. The effect of relationship management on project performance in construction was explored by Meng (2012). In other research Mainela and Ulkuniemi (2013) indicated personal interaction and customer relationship management in business projects. Whereas Jalil Omar and Heywood (2014) explored how branding theory can be used to understand corporate real estate management's (CREM's) relationships with its customers.

Figure 3.1. presents where the processes and activities connected with relationship marketing management in trade fair activity are located (black background) in the general model of the business project management in the retail real estate industry correlated with the relationship management concept.

Generally speaking, the essence of the relationship management in B2B is initialising, developing, maintaining and – if required – ending relationships with other enterprises/people, and using those relationships for attaining goals and gaining benefits by the entities involved in this process. In relationship management diverse methods and techniques of management are employed. In the retail real estate industry one may point out a great range of various types of enterprises and people which are involved in new relationships, and these relationships require a managerial approach. Figure 3.2. shows the entities with which a retail real estate developer should manage relationships.

The entities, indicated in the Figure 3.2., with which a developer should manage relationships, can be categorised into four groups: clients, outsourcing contractors, business environment and internal environment. Derrouichea et al. (2010, 531) refer to five dimensions of B2B relationship management: relation climate, relation structure, Information Technologies used in the relation, relation lifecycle and relation external context.

Figure 3.1. Relationship marketing management in trade fair activity in the general model of the business project management correlated with relationship management in the retail real estate industry

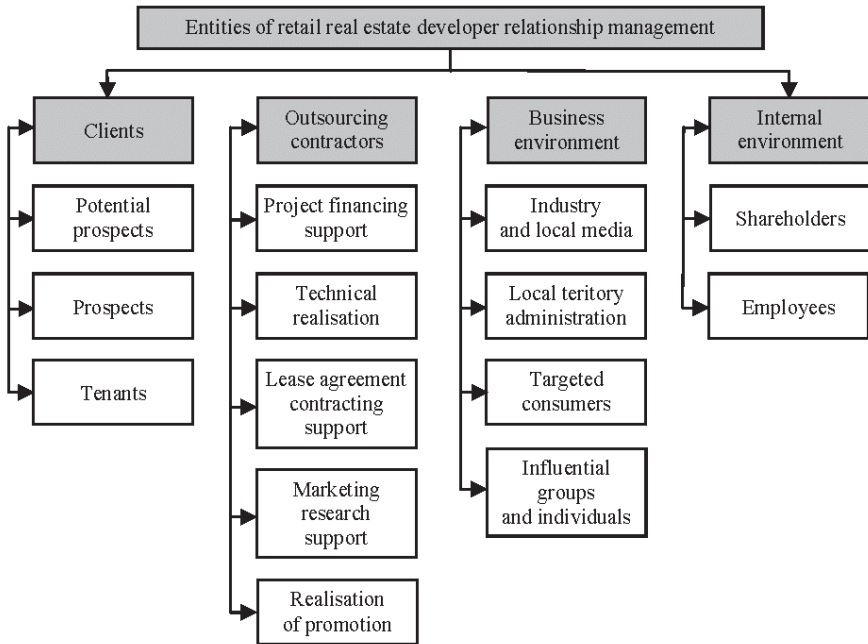


Source: Based on authors' own research.

Each of the dimensions is characterised by attributes distinguished by those authors, and the relationship management implementation is related with B2B company performance in terms of performance effectiveness and performance satisfaction. Also, Gil-Saura, Frasset-Deltoro and Cervera-Taulet (2009) confirmed in empirical research the positive influence of relationship value on trust, commitment and satisfaction towards the supplier, and the positive influence of commitment and satisfaction on customer loyalty. Geiger and Kleinaltenkamp (2015, 196) also proposed that increasing the value for the customer and creating switching costs for the customer leads to increasing customer loyalty, which is the main goal of B2B relationship management. B2B relationship

management, including building customer loyalty, is a strategy domain of the company.

Figure 3.2. Potential entities of relationship management of a retail real estate developer



Source: Based on authors' own research.

Managing relationships in the retail real estate industry occurs mainly while implementing key processes of business project management, indicated in Figure 3.1., such as contracting of lease agreements, promotion, technical and administrative implementation, and the financing of a retail real estate project. From the developer's perspective, first of all, considerable emphasis must be laid on the processes of commercialisation and promotion, in which methods of relationship management with prospects (potential tenants) must be adopted, which are advanced in lease contract negotiations, or with tenants of retail project leasing space.

In B2B relationship management the concept of relationship marketing management can be applied, which focuses on a strategy and a tactic of building mutually advantageous relationships with customers, and subsequently, on activities aiming to develop and maintain those

relationships in a long-term perspective (Grönroos 1994; Grönroos 2004). The specificity of the retail real estate industry and the importance of business project management indicate using appropriate concepts, tools and activities referring to the relationship marketing management of industry participants. Particularly important concepts include promise management (Grönroos 2009; Hetesi 2014) and relational loyalty management (Fournier 1998; Rundle-Thiele 2006; Siemieniako 2012), which emphasise the value of keeping promises with regard to building relationships based on mutual loyalty. Those concepts are important in a bilateral model of co-operation, for instance in information exchange (Chen 2001; Taylor 2002). Some researchers also distinguish a model of co-operation with a unilateral policy towards suppliers, where control is the key moderator of relationships, not trust or loyalty (Morris, Brunyee, and Page 1998).

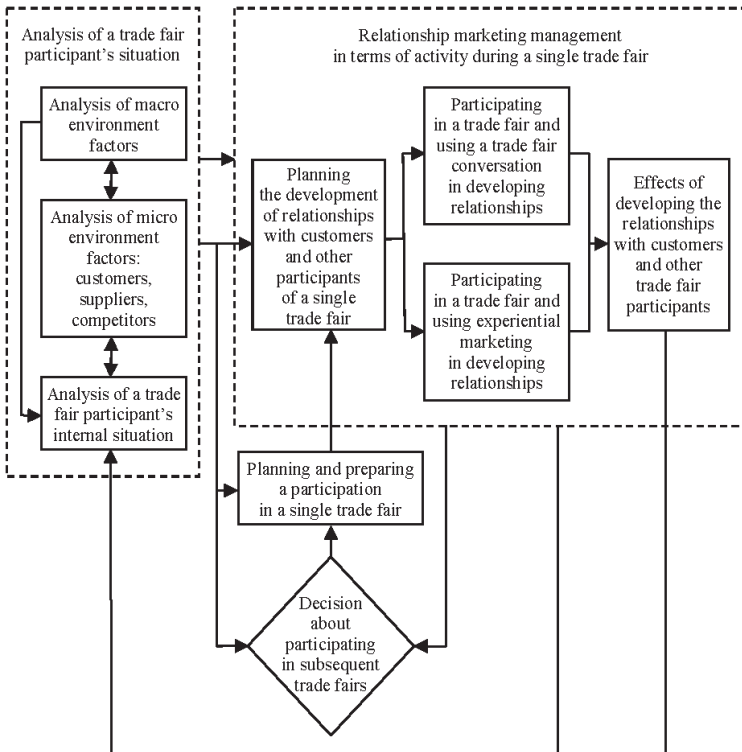
As suggested in Figure 3.1., in relationship marketing it is important to use a management approach with the implementation of special tools with IT support, such as customer relationship management (Wilson 2006; Grossberg 2014) and customer information management (Zahay 2008). Some researchers propose using B2B relationship management tools towards outsourcing contractors (Kalaiganam, and Varadarajan 2011) and also in the real estate industry (Freybote, and Gibler 2011).

In the general model of business project management correlated with relationship management in the retail real estate industry shown in Figure 3.1., it can be noticed that trade fair activity bears a relationship to concepts and specific activities connected with relationship marketing management which are used in the trade fair activity of a particular enterprise. As the above figure presents, activities connected with participation in trade fairs are performed as a detailed process, as a part of the management of the whole business project. It can be observed in schema (Figure 3.1.) that a trade fair activity process uses specific actions of relationship marketing, such as experiential marketing and trade fair conversation in developing relationships with customers and other trade fair participants. At the same time, all actions connected with relationship marketing management, and also those carried out during trade fairs, influence specific processes of a business project, including the process of trade fair activity. The schema also shows the effects of relationship marketing management which result from actions taken during trade fairs, as well as from all relationship marketing actions orientated towards business relationships. There is a mutual influence between general results in relationship marketing management and those results which are related to trade fair activity.

3.2. Scheme of the explanatory model of relationship marketing management of retail real estate trade fair participants

The four-stage research allowed, throughout the period of two and a half years, for a multiple conceptualisation of a model of managing retail real estate trade fair participants' relationships with customers and other trade fair participants. The results received at every subsequent stage of the research made it possible to look at the model in detail and to understand its components with connections in a better way. The final result of the four-stage research is the conceptualisation of the explanatory model illustrated in Figure 3.3.

Figure 3.3. Explanatory model of relationship marketing management of retail real estate trade fair participants



Source: Based on authors' own research.

It must be added that the above-mentioned model is based on the connection between business project management and relationship management in the retail real estate industry, which is illustrated in Figure 3.1. Further, the model presented in Figure 3.3. constitutes an expansion of the relationship between trade fair activity and relationship marketing management shown in Figure 3.1. (boxes with black background).

The model of the relationship marketing management of retail real estate trade fair participants is a managerial model and comprises four basic functions of enterprise management: analysis, planning, implementation and effects control. As for the model, there are two basic areas marked with dotted lines. The first area refers to the analysis of a trade fair participant's situation. The next three sections contain an analysis of the situation in the retail real estate industry from the perspective of macro and micro environment factors affecting retail real estate trade fair participants. How, and with what strength influence is exerted by these factors depends on the internal situation of a trade fair participant, which is determined, among other things, by factors such as:

- industry specialisation (the tenant, the developer or the service provider),
- the scale and intensity of business activity with regard to the following dimensions: geographical region, market sectors and the size and value of retail facility projects, both those which are at the planning stage and those which are under construction, as well as those which are already functioning,
- market position, understood as share in modern retail space in particular markets,
- brand recognisability and credibility,
- level of experience in one's own area of activity,
- country of origin of capital.

The second key area, marked with a dotted line in the explanatory model shown in Figure 3.3., consists of planning, implementing and controlling the effects of using the concepts, tools and activities of the relationship marketing management of participants involved in a single retail real estate trade fair. Additionally, the model comprises the activity of planning and preparing participation in a trade fair, correlated with planning the development of relationships with customers and other participants of a single trade fair. This is concurrent with Figure 3.1., in which trade fairs and relationship marketing management are connected with each other. The explanatory model shown in Figure 3.3. also includes a decision-making element referring to participating in subsequent trade fairs. In long-term project management logic, an essential issue is

managing participation in a series of trade fair events throughout a project life cycle.

As has already been mentioned, various model components and their connections were explored at different stages of the research. The results of the four-stage research are presented in the following chapters of the book. Chapter 4 tackles the problem of trade fair activity management in retail real estate development projects in relation to the life cycle of such projects. Chapter 5 presents how the concepts and tools of relationship marketing management are used, and predominantly, the concepts of promise management, with reference to trade fair performance using one's own booth. In Chapters 6 and 7, the authors present the application of experiential marketing and trade fair conversation in developing relationships with customers and other trade fair participants. The effects and managerial implications of the applicability of B2B relationship marketing management in trade fair activity are discussed in all of the following chapters.

3.3. Characteristics of the retail real estate industry

Retail real estate with modern floor space can be characterised from the angle of a technical standard (e.g. air conditioning, state-of-the-art ventilation system), a logistical standard (e.g. a functional arrangement of roads for vehicle traffic and routes for pedestrians, as well as an arrangement of shops, greater width of walkways), and an aesthetic standard (based on contemporary technologies), know-how related to the designing and the development of retail trade or requirements of international retail chains. In the type of real estate discussed in this book, state-of-the-art equipment and devices are applied which meet the high standards defined by the market and are adequate for this type of facility (e.g. a shopping centre, an outlet shopping centre or a retail park). Real estate with modern retail space can be defined as a single building or a building complex (designed intentionally) together with land development. The characteristics mentioned above distinguish this type of real estate from "old-type" retail real estates, whose typical feature is that it falls short of contemporary standards.

According to practitioners in the field of real estate with modern retail space, five types of retail real estate can be identified: a shopping centre, an outlet, a retail park, a strip mall and a high street. The above division is a result of diversified practitioners' approaches to the processes of development management (these are, among other things, the processes of planning, promotion, commercialisation, financing, and technical

implementation), the processes of administering a functioning facility, and the processes of selling each of the aforementioned retail real estate types.

A shopping centre is defined as “retail real estate which has been planned, constructed and is managed as one retail entity consisting of shops and common areas, with a minimum Gross Leasable Area (GLA) of 5,000 sq. m., and comprising at least 10 shops” (Knap 2013). A shopping centre is a large-area retail facility, either single-storey or multi-storey. An important and unique feature of a shopping centre is that its entrances are designed to enable customers to access a walkway directly from a car park. Retail shops and service establishments are located by walkways. Entities that run their business activities in a shopping centre usually have full and up-to-date offers related to the sale of products and provision of services.

As for an outlet shopping centre, this type of real estate is defined as a managed retail project, designed in a cohesive manner, with separate outlets where manufacturers or retail sellers offer surplus items, which are sold at a discount, or end-of-line or out-of-season products (Knap 2013). It must be emphasised that an outlet shopping centre is a single-storey large-area retail facility which can be accessed by customers directly from a car park through entrances leading into walkways. In retail outlets, located along walkways, entities offer their goods and services which are out-of-date, often incomplete or deficient in quality.

A retail park is described as a managed retail project which has been designed in a cohesive manner, comprised mainly of medium- and large-sized specialised retail facilities (Knap 2013). Therefore, a retail park is a large-area single-storey facility/building, or consists of several facilities/buildings. Entrances to medium- and large-sized retail shops lead customers directly from a car park.

The fourth type of modern retail real estate is a strip mall, whose characteristic feature is that its area is smaller than the area of a traditional shopping centre, between 2,000 and 7,000 sq. m. (Fabijańczyk-Antkowicz 2012). Facilities of this type are usually located in small towns, and entities who run business activities in them satisfy the most common consumer demand for items which usually represent low-end products.

High streets can be typically found in big cities, and they offer heavy pedestrian flow. Retail shops are located in high streets and can thus be accessed directly from the streets.

Similarly to other markets in countries with a socialist system, the development of the Polish market in real estate with modern retail space began a couple of years after the Iron Curtain had fallen. In the case of Poland, it happened more or less in the mid-1990s, that is approximately 5

years after a free market economy was created in the country. Throughout the past 20 years, Poland has experienced dynamic development of the retail real estate industry in terms of the size and standard of retail facilities, the development of domestic and international retail trade chains, as well as in terms of changing consumers' needs and requirements. Having considered the functional aspect of large area shopping centres, four generations of this type of facility can be pointed out (Knap 2013, 8-11). In the years 1995-1997, grocery hypermarkets connected with small shopping arcades (comprising fewer than 10 shops) were constructed. In subsequent years, second-generation shopping centres were erected in the suburbs of cities, which were comprised of a grocery hypermarket and a larger shopping arcade (between 40 and 60 shops). At the beginning of the last decade large-sized shopping centres (with more than 120 shops) were set up, which represented the third generation of this type of facility. Finally, the fourth generation encompasses vast shopping centres, which, in comparison to the third-generation centres, are more diversified in terms of the supply of services, and more multifunctional (i.e. apart from a retail function, they also serve entertainment and recreational functions, and provide hotel, medical and other services).

The example of the Polish retail real estate market also shows the development of the industry from a different point of view, i.e. with reference to the evolution of requirements for the professionalism of the involved entities. This resulted mainly from the fact that key European-scale, and also more than several times bigger global-scale players entered the Polish market. The analysis of the Polish retail real estate industry reveals that it is very sensitive to the economic situation, not only in Poland, but also all over Europe, and even in highly developed countries located on other continents. An example of the above may include a slump in the industry, triggered after the world economic crisis had begun, which will be discussed on the following pages of this book.

The area of retail real estate is a service-based industry in which *business-to-business* relationships occur. The above-mentioned industry mainly offers services related to the following areas: finances, construction, retail space leasing and professional services (like, for example, legal services or services connected with the commercialisation of retail space, lease co-ordination, real estate management, development services). What all these key services have in common is the fact that they depend on intense contact between the service provider and the client, which entails, among other things, long duration of a service cycle. An example of that may be commercialisation services rendered for developers by professional leasing agents for retail space for several years,

which is almost for the whole duration of a development project. Another example refers to services connected with leasing floor space, which are offered to international retail trade chains by shopping centre administrators and last for many years.

A significant characteristic of the retail real estate industry in which the dominant type of activity entails the provision of services is the intangible nature of those services. That characteristic causes difficulties in presenting an intangible offer, and makes it necessary to use physical equivalents of service, and also necessitates building credibility among business partners. This can be illustrated by the example of a developer's proposal to lease floor space in a new retail real estate project which is just at the planning stage and has not yet been constructed. Potential tenants of the shopping centre under development conclude lease agreements based on trust.

Apart from services with intense contact typical of the retail real estate industry, there is a very limited number of entities in the European market, and in particular, key players. Therefore, attention to developing long-term relationships based upon relationship loyalty bonds is a considerable challenge that entities participating in the industry have to face. Due to the fact that the number of key suppliers and customers is limited, it is difficult to change them for new ones.

3.4. Existing and planned modern retail space in Europe

The industry of real estate with modern retail space had been developing in Western European countries before states in Central and Eastern Europe (CEE) managed to transform their centrally planned economies, which were operating within a socialist political system. Throughout the last two decades the retail real estate industry with modern retail space has experienced accelerated development in Europe, especially in the period of several years preceding the world economic crisis. This dynamic development of the industry took place especially in the countries which entered the European Union in the current century, and also in other big European countries such as Russia, Poland and Turkey. According to Cushman and Wakefield's report (Cushman & Wakefield 2014), total shopping centre floor space in Europe is estimated at 161.4 million sq. m. by the end of 2014. This is a 4.5% increase year-on-year. This report stated that "while Western Europe accounts for 65% of total built GLA (Gross Leasable Area), development activity in Central and Eastern Europe (CEE) reached 1.4 million sq. m in the first half of 2014, over double the 637,000 sq. m. added to the Western European market".

At the moment, taking into consideration real estate with modern retail space, the European market is almost at a stage of demand saturation. However, there are still some countries where the above situation does not exist, such as Russia, Romania and Turkey, which have only recently opened up to the development of their markets to a greater extent. The biggest amount of modern retail space per 1,000 citizens by the end of 2013 was available in the following countries: Norway – 650 sq. m., Luxembourg – 550 sq. m., Sweden and Estonia – 450 sq. m., Slovenia, Finland and Ireland – 400 sq. m. (Cushman & Wakefield 2013). The same source reveals that the index of saturation of modern retail space per 1,000 inhabitants in some of the most populous countries in Western Europe (i.e. France, the United Kingdom, Spain) equals approximately 300 sq. m. Whereas in Germany the index remains at the level of above 200 sq. m. It is thus noticeable that – in the case of European countries where the population is small – the index is higher than in the case of countries with the largest populations in Europe. In the European markets which are opening up the index is not higher than 100 sq. m. Many countries from Central and Eastern Europe are now still showing great potential for developing retail space. In Ukraine, Romania, Serbia and Bosnia-Herzegovina, the analysed index is below 100 sq. m. per 1,000 citizens. In Russia, on the other hand, it is 130 sq. m. (Cushman & Wakefield 2013).

Having considered the amount of modern retail space in terms of Gross Leasable Area (GLA), France is number one among all European countries, with a score of 17.6 million sq. m. in the first half of 2014. Compared to other Western European countries, France will experience the highest increase in new retail space, GLA, between the second half of 2014 and the end of 2015, i.e. 904,000 sq. m. Germany takes second place with 560,000 sq. m., followed by third-placed Italy – 522,000 sq. m., while subsequent countries are Sweden – 223,000 sq. m. and the United Kingdom – 214,000 sq. m. (Cushman & Wakefield 2014). However, according to Cushman and Wakefield's forecasts, between the second half of 2014 and the end of 2015, the largest amount of modern retail space will be built in countries from Central and Eastern Europe. In Russia, it will be above 4.5 million sq. m. of GLA, in Turkey – above 2.2 million sq. m. of GLA, in Poland – above 535,000 sq. m. of GLA, and in Romania – 170,000 sq. m. of GLA.

The Polish market is a place where more than 400 shopping centres, retail parks and outlet shopping centres operate. The total supply of modern retail space in Poland up to the end of 2014 rose to 12.4 million sq. m. of gross leasable area. Nevertheless, it must be highlighted that the

dominant type of retail facilities comprises shopping centres, with total gross leasable area of 8.8 million sq. m., which accounts for 71% of the whole supply. When Poland joined the European Union in 2004, the total gross leasable area in shopping centres amounted only to 3.8 million sq. m. Regarding the retail parks sector, free-standing retail facilities and outlet shopping centres, at the end of 2014 it reached the level of gross leasable area equal to about 3.6 million sq. m. (Jones Lang LaSalle 2014).

The analysed industry of real estate with modern retail space dynamically developed in Poland, particularly in the first 14 years of the 21st century, and at the end of 2014 it had neared market maturity, with modern retail space at a level of about 230 sq. m. per 1,000 inhabitants. That index value is only slightly lower than the average achieved by Western European countries, i.e. 260 sq. m. per 1,000 citizens (Jones Lang LaSalle 2014), and is higher in large and medium cities, which results from the fact that existing shopping centres more and more fiercely compete with emerging facilities to encourage customers to come back, and to make them involved. With regard to the saturation level of retail space, the Polish market is similar to the markets of western countries. Between the second half of 2014 and the end of 2015 the amount of new retail space will increase in Poland by 535,000 sq. m. of GLA (Cushman & Wakefield 2014), which will be a relatively good result when compared to Western European countries.

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CHAPTER FOUR

MANAGEMENT OF TRADE FAIR ACTIVITY WITHIN THE PROJECT LIFE CYCLE

DARIUSZ SIEMIENIAKO
AND MARCIN GĘBAROWSKI

4.1. The situation of participants in the retail real estate industry in Europe as a determinant of development project management

The most important participants in the retail real estate industry are retail real estate developers (which implement development projects of modern retail facilities) and tenants of retail space (among which the main players are international retail chains offering popular brands). Entities who operate in the retail real estate industry also include institutions financing new retail real estate projects (such as banks and investment funds), and providers – in a broad sense – of specialised services which are indispensable for both the implementation of development projects (e.g. leasing agencies, general constructors, architects, entities rendering law services) and the functioning of existing shopping centres (e.g. shopping centre administration services).

The world economic crisis significantly influenced the retail real estate industry practically all over the world, including in Europe. The symbolic beginning of the world economic crisis was in the 3rd quarter of 2008, when the bankruptcy of Lehman Brothers was declared. It is believed that one of the most significant causes of the world economic crisis was an economic bubble that occurred in the real estate market and which was triggered mainly by a non-restrictive bank policy with regard to granting loans (Wang, and Wen 2012). Eventually, the economic bubble burst (Juntunen 2010; Wang, and Wen 2012) and the value of assets in the retail real estate market decreased considerably, which was reflected, among other things, in a drop in the Return on Investment Indexes in

relation to real estate in 2008 and 2009, for example: NAREIT (the National Association of Real Estate Investment Trust).

After the world economic crisis had begun in 2008, the financial situation of the industry under consideration severely deteriorated, particularly for investors and developers of new shopping centre projects. In 2005, buildings with a gross leasable area (GLA) equal to 6.2 million sq. m. were constructed in Europe and granted certificates of occupancy, and throughout the subsequent three years that rate increased every year until it finally reached a peak in 2008 – 9.8 sq. m. of GLA. After a dramatic decrease over the next two years the rate remained stable and was at a level of approximately 6 million sq. m. of GLA. According to the forecast for 2015, a rate of only 4.2 million sq. m. of GLA will be attainable (Mahmuti 2014).

According to research by Kirchgeorg (2005), an adequate barometer of the 10 years of growth and decline of the retail real estate European market is the level of development of trade fairs dedicated to this industry. The changes in the trade fair statistics which took place in the last decade correspond to the amount of GLA of shopping centres constructed in Europe and handed over to investors. It can be observed that from 2005 to 2008 there was an increase in space rented by exhibitors during MAPIC – the world's largest retail real estate trade fair. In 2005, exhibitors utilised for their booths an area equal to 7,970 sq. m. (UFI 2005), whereas over the next two years that number rose. The largest amount of space was rented out in 2008 – 12,628 sq. m. (UFI 2008). After a rapid decline in rented space in 2009 and 2010, the situation remained stable, and since 2011, booths established during MAPIC events have covered an area of approximately 8,000 sq. m. (UFI 2011).

With regard to the retail real estate industry one can indicate at the moment many consequences of the world economic crisis, which have a considerable impact on the planning and execution of new shopping centre projects. Generally speaking, after the crisis in 2008, the situation of all industry specialisations in the analysed industry deteriorated significantly. One of the most significant consequences concerned limitations on financing new investments, which were much more severe than before the crisis (Beltratti, and Stulz 2012). Financing institutions introduced a highly restrictive credit policy and became much more cautious about giving credit for the development of new retail projects. Many tenants slowed down the pace of development or stopped expansion completely. There was an overall decrease in confidence towards the proposals for leasing floor space in planned facilities. Since the crisis began, the proceedings and the performance of agreements by banks, developers and tenants had

been connected with an increased aversion to risk and decreased trust in relationships (Sapienza, and Zingales 2012). At the time of the economic crisis participants in the retail real estate industry became much more cautious about proceeding with business decisions. Current financial results of existing retail facilities and forecasts for financial results connected with projects which were both at a planning stage and under construction worsened considerably. Taking consumers into consideration, the world economic crisis caused, among other things, a decrease of retail purchasing power, as well as a change in consumer behaviour. For example, it increased the significance of consumer ethnocentrism (Smyczek, and Glowik 2011; Siemieniako et al. 2011). As a consequence of these consumer-related changes, a number of retail chains had to revise their expansion strategies. Many of those chains decided to stop or limit their expansion strategies by internationalisation (Evans et al. 2008), which led to a decline in demand for leasing new retail spaces. As a result of various consequences that ensued from the world economic crisis, the implementation of new retail real estate projects by developers became more risky and less profitable than it had been before the global crisis.

In the development of retail real estate projects, before a developer commences any administrative proceedings aimed at obtaining permits for the construction of a retail facility – that is long before starting construction works – commercialisation must begin, which means leasing of floor space in that planned retail facility.

The purchasers and users of services offered by developers are companies that lease floor space available in new retail facilities. The most important shopping centre tenants are, above all, international enterprises and domestic companies, originating from national markets, which create retail trade chains and offer their own popular and strong brands which attract purchasers. These companies, which are called anchor tenants, lease the largest retail space with an area ranging from 500 sq. m. up to even 10,000 sq. m. and mainly represent retail trade businesses selling products and services from different retail areas, for example: groceries, DIY (do it yourself), electronics, sport and fashion. Owing to the peculiarity of the commercialisation of a shopping centre under construction, it is required, first of all, to catch the interest of anchor tenants, and then to conclude agreements and enable them to launch their retail shops on the date of the grand opening of that facility. Only when a proper level of leasing is ensured (about 30 % of lease area) by some anchor tenants can the commercialisation of retail real estate under construction be finalised – which means that other, smaller tenants can be contracted.

The present situation in the retail real estate industry – including mainly the aversion to risk and the crisis in trust – makes it even more necessary to build credibility and relationships based on trust and loyalty among entities. This fact is particularly important in the activity of developers, which give promises about implementing new retail projects in a highly uncertain market, more and more saturated with modern retail space. This can be observed in relation to the evolution of the Polish retail real estate market, which will be presented in the next section. The present situation of the retail real estate industry, demonstrated in this book, which remains under the influence of the world economic crisis, shows the change of negotiating power with regard to developers and tenants, which gives the latter a decisive advantage over the former. This directly results from an excess supply of new development projects, which is connected with a decline in tenants' demand for new retail space. As a consequence, developers compete more and more intensely among each other to attract tenants' limited interest. The change of the situation in the industry and the change of the market power in the relationships between tenants and developers constitute major factors which change the importance and significance of, as well as the method of relationship management between these two industry specialisations. The situation in the retail real estate industry and the specific context of B2B services in that industry (which results from intense contact among its participants) have an impact on the conditions of, and the requirements for, effective relationship management in the trade fair activity process.

The above-mentioned consequences of the world economic crisis also relate to the Polish market. This is because the retail real estate industry is internationalised and susceptible to the global factors of the macro environment in relation to local markets.

For above 5 years the Polish development market in modern retail space has been perceived as a mature market with established investment project management rules. Having considered, for instance, the diversification of the project management processes, one can distinguish the following types of modern retail facilities: shopping centre, outlet, retail park, strip mall, and high street (Cushman & Wakefield 2013).

The maturity of the Polish development market in large shopping centres shows diversified management processes with regard to this type of investment project. They are carried out by experienced developers or developers who have very little experience in the business. The first group predominantly includes international concerns which offer not only development services, but also a wide range of services that support the growth of investment projects. The other group almost entirely

encompasses domestic companies which – due to the fact of possessing real estate situated in an attractive location suitable for a retail facility – frequently decide to choose a strategic option related to investing in the development of a shopping centre. Many of these entities have run – in the real estate intended for such a facility – business activities connected with manufacturing or warehousing before. Such companies perceive going into the retail real estate development business as a one-time opportunity, rather than a long-term development strategy. However, there are examples of enterprises which have attained a competitive position in the business and remained permanently in it. High standards of the management of complex and usually risky investment projects necessitate, especially in the case of developers who have little experience, making use of services provided by a number of specialist companies, for example lease brokers, legal and financial advisers, companies offering technical expert opinions, market research and analysis, architecture services and construction works. It can be claimed that undertaking to execute very complex and risky development processes of retail real estate by inexperienced developers, usually having local capital, is, in fact, typical of Poland and other countries from Central and Eastern Europe. In these markets the practice of building real estate with modern retail space has been known only for a relatively short time.

4.2. Managing a development project and project life cycle in theory

The concepts of project and project management have been known and widely used for a long time, both in theory and practice (Packendorff 1995; Hodgson, and Cicmil 2011; Söderlund 2011). Project management is implemented in industrial marketing, and the business is built around discontinuous, unique and complex deliveries of projects (Cova, and Hoskins 1997). According to Westland (2006, 3), project management is a combination of specialist knowledge, skills and experience necessary to reduce risk throughout the project execution phase, as well as a set of various types of tools used by project managers. Project management is also a series of different processes and techniques required to monitor and control the time, costs, quality and scope of a project. Lester (2007) proposed a definition of project management, which is a compilation of several definitions existing in the literature on the subject and contains all the relevant elements. According to the author, project management is “the planning, monitoring and control of all aspects of a project and the motivation of all those involved in it, in order to achieve the project

objectives within the agreed criteria of time, cost and performance” (Lester 2007, 5).

In respect of managing a retail real estate development project, one has to place emphasis on the project life cycle, from beginning to end. Projects may differ with regard to size, the diversification of activities and complexity, or, in other words, the level of the intricacy of the activities which require contractors to have high qualifications. The project life cycle is an important issue, whose duration depends, among other things, on extent and complexity. The project life cycle can be divided into stages which have their own unique features. Referring to the norms of British BS 6079 standards, Lester (2007, 37) distinguishes 8 stages of the project life cycle:

- 1) “concept: basic ideas, business case, statement of requirements, scope;
- 2) feasibility: tests for technical, commercial and financial viability, technical studies, investment appraisal, DCF, etc.;
- 3) evaluation: application for funds, stating risks, options, TCQ criteria;
- 4) authorisation: approvals, permits, conditions, project strategy;
- 5) implementation: development design, procurement, fabrication, installation, commissioning;
- 6) completion: performance tests, hand-over to client, post-project appraisal;
- 7) operation: revenue earning period, production, maintenance;
- 8) termination: close-down, decommissioning, disposal.”

A different and simpler approach to the project life cycle was presented by Westland (2006, 4-14), who sets forth four phases: initiation, planning, execution and closure. In the initiation phase this author distinguishes the following activities:

- developing a business case,
- undertaking a feasibility study,
- establishing the terms of reference,
- appointing a project team,
- setting up a project office,
- performing a phase review.

The planning phase of the project life cycle consists of activities, such as:

- creating a project plan,
- creating a resource plan,
- creating a financial plan,
- creating a quality plan,
- creating a risk plan,

- creating an acceptance plan,
- creating a communications plan,
- creating a procurement plan,
- contracting suppliers,
- performing a phase review,
Further, in the execution plan, particular activities are met:
- building the deliverables,
- monitoring and controlling management processes, such as:
 - time management,
 - cost management,
 - quality management,
 - change management,
 - risk management,
 - issue management,
 - procurement management,
 - acceptance management,
 - communications management,
- performing a phase review.

The project closure phase involves, according to Westland (2006, 14), the following activities: “determining whether all of the project completion criteria have been met, identifying any outstanding project activities, risks or issues, handing over all project deliverables and documentation to the customer, cancelling supplier contracts and releasing project resources to the business, communicating the closure of the project to all stakeholders and interested parties.” The final issue related to project closure is the review of its results.

As for retail real estate development projects, based on Westland’s (2006) or Lester’s (2007) proposals, developers may determine the phases of a project life cycle as per their own needs. Every typical retail real estate development project commences with a preliminary initiation phase, and planning usually starts from the time when the assessment of execution conditions is completed. Project execution, as another phase put forward by Westland (2006), can be divided into two phases, i.e. preparatory execution (bringing the project to the proper state which ensures its feasibility, cost-effectiveness and an acceptable level of risk for the commencement of construction works) and actual execution (from contracting main construction works to obtaining a certificate of occupancy for the building). The last phase concerns project closure after the grand opening of the retail facility.

Retail real estate projects are implemented with a long-term perspective, and due to the considerable importance placed on them by

involved parties, one may refer to the relationships of strategic partnering among these parties (Gulati, Nohria, and Zaheer 2000). Project management is carried out at two primary levels – the management of project portfolios and the management of the customer relationship (Skaates, Tikkanen, and Lindblom 2002). The complexity and uniqueness of new retail real estate projects raise specific mutual expectations among investors, developers, tenants and financial institutions, which concern the performance of general and detailed project elements. Such projects are implemented by intensive interaction among employees of the entities that are engaged (Skaates, Tikkanen, and Lindblom 2002), and with great emphasis laid on the application of information technology in customer relationship management and customer knowledge management (Stefanou, Sarmaniotis, and Stafyla 2003). The intensity of interactions in service processes (Gronroos 2009) can be considered from the angle of frequency of meetings, the duration of a meeting, the duration of a project life cycle, the complexity and uniqueness of service processes, the significance of service processes for parties engaged in interaction, and making third parties involved in the process of interaction.

4.3. Managing trade fair activity in theory

Trade fair activity management may have a powerful impact upon project partnering, since trade fairs represent an important context of interaction and a relevant instrument for relationship marketing (Sarmento, Simões, and Farhangmehr 2014). Trade fairs, among other things, provide opportunities for initiating and building relationships with key accounts (Blythe 2002). Every entity which conducts exhibit marketing-related activities manages the process of participation in single trade fairs. The literature proposes a three-stage division of that process: pre-show, at-show, and post-show activities (Gopalakrishna, and Lilien 1995). This framework is helpful for exhibitors to plan and prepare for a trade fair programme in order to interact effectively with the visitors (Lee, and Kim 2008).

Exhibition management is a larger and broader topic than exhibition marketing (Solberg Søylen 2013). Trade fair management can be considered from two perspectives – taking into account the strategic dimension and the operational dimension (Gebarowski 2013). In most cases, the literature on the subject is limited to the analysis of trade fair activities on an operational level, which refers to preparing and staging single performances (e.g. Siskind 2005; De Pelsmacker, Geuens, and van den Bergh 2010). Only a few authors have presented a broader

(managerial) context of exhibition activity, bringing it to the level of strategic decisions (e.g. Robertz 1999). The strategic dimension of trade fair marketing encompasses many performances of a company, including exhibitor's long-term positioning relative to its customers and competitors. In that respect, the key aspects are strategic analysis of the market situation, and the definition of marketing goals and strategies (Kirchgeorg, and Klante 2005).

The process of a single trade fair performance (the operational level) comprises many activities conducted in the period preceding trade fairs, as well as those undertaken during trade fairs. The final effects of exhibition activity also depend on the activities performed after the end of trade fairs (follow-up). One can mention the following basic activities which are subject to management as a part of the process of a single trade fair performance: establishing the goals of exhibition activity; selecting trade fairs which create the best opportunity for attaining the goals; defining financial needs and approving a budget; formulating the concept of the trade fair performance (the manner in which showpieces are to be exhibited, the nature of accompanying events) and deciding on the type of booth; arranging to take part in the trade fair; starting to work on the booth if it has been decided to have a custom-made booth; selecting and training employees who will represent the exhibitor; making promotional materials to be used at the booth (e.g. leaflets, brochures, advertising accessories); organising the personnel's stay in the trade fair city; inviting current and potential customers to visit the booth (by sending a written letter, via e-mail or by phone); setting up the booth; staging the trade fair performance (including, among other things, inspecting and motivating the personnel, co-ordinating marketing activities, observing competitors' booths); disassembling the booth; assessing the results of the trade fair performance; maintaining contact established during the trade fair (through face-to-face contact, by phone or via e-mail).

It is noteworthy that many exhibitors ignore the principles of exhibition marketing and focus merely on running a booth (the at-show stage), neglecting the performance preparation phase (the pre-show stage) and downplaying the importance of the activities conducted after the end of trade fairs (the post-show stage). However, research results confirm that the activities performed before trade fairs – such as pre-show promotion and booth staff training – have a greater influence on the final exhibition effects than the size and location of a booth, the number of booth staff, or at-show promotion (Lee, and Kim 2008). Moreover, it is believed that benefits derived from exhibition activity can be irretrievably lost if an

exhibitor fails to properly plan how to use contacts developed during a trade fair after the end of the event (Siskind 2005).

Exhibit activity management can be understood in a broader sense – from the point of view of all the marketing activities performed by one exhibitor during many events. Trade fairs should not be used as a one-off, ad hoc activity. They can be used more effectively when: 1) they are viewed as a possible series of exhibitions; 2) they are integrated carefully with other communications tools; 3) they are selected and planned well in advance; and 4) their effectiveness is constantly measured (Smith, and Zook 2011). Such a strategic approach includes the long-term utilisation of exhibit marketing in order to effectively achieve the goals of an organisation. Consequently, participation in particular trade fairs is not accidental (it results from the strategy which had been adopted before) and serves as a complementary element of the activities carried out during other trade fair performances. Furthermore, such a management perspective makes it possible to maintain cohesion between exhibit activity and the promotion of all types (advertisement, personal selling, sales promotion, public relations). This results from the fact that when considering the key dimension of trade fair management, it is highlighted that the exhibit marketing must be firmly integrated within the company's marketing strategy (Pitta, Weisgal, and Lynagh 2006).

During the trade fairs attended by entities who offer services, trade fair performance process management is determined to a great extent by the unique features of the offer that is being presented. The intangible nature of services, which makes it impossible to exhibit a showpiece, compels exhibitors to employ more diversified methods of presenting their offers. Therefore, they give in-depth information while talking with trade fair guests, using printed advertising materials and multimedia presentations that contain a large number of pictures and visualisations to support their performance. Also, diversified marketing events are utilised, and included in the scenario of trade fair performances, whose aim is to make expositions more attractive and to effectively capture visitors' attention. This wider dimension of conducting trade fair activity requires the efficient management of exhibition projects, which in the retail real estate industry stretch over a long period of time.

An approach to exhibition activity management is determined by the area of the market in which a particular exhibitor operates (B2B and B2C markets). The results of the researches that have been pursued up to now reveal that trade fairs play a special role in the marketing activities conducted by entities who operate in the business-to-business market. According to the research performed by the German organisation AUMA

(*Ausstellungs- und Messeausschuss der Deutschen Wirtschaft*), in B2B communication, 84% of exhibiting companies regard trade fairs as very important or important. The first place is occupied by their own homepages – 90% (AUMA 2016). For enterprises representing this sector it is particularly important that trade fairs – owing to the fact that exhibitors can talk directly with visitors – let them explain the complexity of products (including services) in a more efficient manner, compared to the majority of other communication instruments (Jensen, and Nuneva 2005). Exhibitors from the business-to-business area should take into consideration the differences between B2B and B2C markets (Kotler, and Pfoertsch 2006). This entails, predominantly, adjusting the booth and the concept of offer positioning to the needs of customers from the B2B sector, giving a proper form to a trade fair performance so that there is an opportunity to hold discussions with specialists, ensuring appropriate preparation (factual knowledge) of the team representing an exhibitor, gathering detailed information on potential customers (in the context of prospecting), and conducting follow-up activities consistently and completely (Gębarowski 2013).

Within exhibit activity management the exhibitor attempts to attain diversified marketing goals at each individual stage of a project life cycle, which necessitates modifying the components of trade fair performances – both physical components (booths, showpieces, advertising materials) and non-physical elements (interactions with customers, atmosphere during discussions). Trade fair performances can reflect three dimensions: informative, promotional and commercial. Depending on the stage of a project life cycle, each of the dimensions strongly prevails, or they occur to a similar extent. When the informative dimension is dominant the exhibitor pays attention, first of all, to matter-of-fact argumentation, supporting a trade fair demonstration with printed advertising materials and multimedia presentations. Should the promotional aspect be prevailing, a broad spectrum of the forms of influence on potential customers is used, and an appropriate atmosphere at the booth is created (according to the assumptions of experiential marketing). Contrary to the above, the commercial dimension concentrates on having more secret discussions, whose aim is to make a transaction (Siemieniako, and Gębarowski 2014).

To conclude, it must be stated that the effectiveness of using trade fair participation to build business interactions is dependent upon adopting the managerial perspective and perceiving exhibition activity as a series of planned trade fair performances that include other marketing actions of an organisation.

4.4. Managing trade fair activity in a project life cycle – 1st stage of research results

In order to define the stages of the life cycle processes of a huge and complex development retail real estate project, the authors have adopted Westland's (2006) approach. The research results have been presented in addition to connecting each stage of a project life cycle with goals and activities referring to the trade fair activity of exhibitors at individual stages. Such a model makes it possible to present systematically the attitude of the developers under research towards trade fair activity management – both in the whole life cycle of a project and at individual stages of the cycle – the earlier and less detailed version of the results of that study was presented in Siemieniako, and Gębarowski (2014). Table 4.1. illustrates the stages of a retail real estate development project life cycle and project management processes that comprise individual stages. Moreover, the typical duration of the stages expected by customers has been presented. For each stage of the project life cycle the table also shows the dimensions of the trade fair activity performed by exhibitors that are shopping centre developers entering into the market and having little experience.

The duration of stage 1 (initiation) can be completely different – 1 year, and even 5 or 10 years. A potential developer can observe and analyse the situation of an enterprise and the micro and macro environments from the perspective of readiness for the decision to initiate a development project. The results of participant observation showed the characteristic activities of the developers under research, which were carried out for stage 1:

- conducting market research and analysis,
- identifying and analysing key factors conditioning the project execution, including for example, the absorption rate of the market – consumers and competition, the level of real estate market attractiveness, adjusting the communication system in the vicinity of the real estate, the chance to get financing for the project, the level of competence and experience of their own resources with regard to feasibility to implement the project,
- preparing a preliminary architectural conceptual design of the project and its strategic indications,
- testing the conceptual design among people from the business, in particular among experts and the representatives of shopping networks.

Table 4.1. The dimensions of exhibitors’ trade fair activity in a typical development project life cycle of a huge shopping centre

The stages of a retail real estate development project life cycle	Project management processes comprising individual stages	The duration of a stage	The dimensions of the trade fair activity of exhibitors who are entering into the shopping centre development market
1. Project initiation	From identifying a development project as a strategic option to verifying the project as an attractive market opportunity for the investor	Above 1 year	- informative (gathering information)
2. Project planning	From the investor’s decision about commencing the project planning to obtaining a positive appraisal of project execution conditions	1.5-3 years	- informative (as above) - promotional (propagating the idea, project, creating the image)
3. Preparatory execution	From taking on the first considerable financial obligations (e.g. placing an order for the preparation of architectural design) to declaring readiness for ordering main construction works	1.5-2 years	- informative (as above) - promotional (as above) - commercial (negotiations, carrying out a transaction)
4. Real execution	From ordering main construction works to receiving the certificate of occupancy	1.5-2 years	- mainly commercial
5. Project closure	From opening the shopping centre to finishing the processes of execution, commercialisation and financing	3-6 months	- mainly commercial

Source: Siemieniako, and Gębarowski 2014.

Within stage 1 the developers attain the following goals connected with trade fair activity:

- becoming acquainted with mechanisms and situations in the retail real estate business,
- getting to know expert opinions from the business, which refer to the preliminary concept of the shopping centre,
- gathering information – especially about tenants and existing and potential customers.

The participation of the developers under research in trade fairs was either a public or secret action, depending on whether they preferred to

reveal their own intentions of shopping centre development or not. In the case of public trade fair activity, it is possible to arrange a meeting between a developer's representative and entities – especially experts – which are interesting for him or her.

At stage 2 (planning), the developers usually performed the following activities:

- ensuring material, financial and human resources; creating conditions for operating in a proper legal and organisational structure,
- conducting market research and analyses by themselves and by using specialist entities,
- selecting a commercialisation agent in order to test the tenant market,
- ordering and preparing an architectural conceptual design with visualisations,
- preparing a strategic plan consisting of the following parts: (i) a market analysis, (ii) a commercialisation plan, (iii) a promotion plan, a technical execution plan, (iv) a schedule, (v) a financial plan,
- commencing the commercialisation – it is possible to conclude at this stage rental agreements with entities that sell grocery items or house and garden furnishings, which require large areas for their business activities,
- commencing promotional activities (including public relations) of the project,
- ending all of the existing relationships which generate costs for the real estate,
- taking advantage of or evaluating positively the opportunity to fulfil basic conditions of project execution.

Apart from the informative dimension, the objectives of participation in trade fairs at the planning stage also had promotional aspects:

- gathering information about the situation in the business, financing, tenants, competitors and customers,
- getting acquainted with opinions, in particular the ones expressed by tenants, regarding the architectural conceptual design of the shopping centre,
- making the concept of the shopping centre recognisable,
- supporting the act of concluding rental agreements with key anchors, for example with an entity selling grocery items or house and garden furnishings,
- forming personal relationships with people from the business.

Throughout stage 2, the representatives of the developers under research took part in trade fairs as visitors, most often in the presence of a commercialisation agent who provided professional support regarding the

lease of the shopping area. Trade fair meetings had been usually arranged before the event began. However, ad hoc meetings took place as well. The developers' representatives presented technical and advertising materials and promoted their own projects in relation to basic parameters, i.e. location, information about the market, communication availability, zones of influence, size, and advantage over competitors.

Within stage 3 (preparatory execution), the developers under research indicated the following most important activities:

- performing promotional activities (including public relations),
- conducting commercialisation (including concluding the rental agreements with key tenants),
- obtaining approval for the project financing,
- producing an architectural building permit and/or detailed design,
- creating an interior design and a land development plan,
- receiving the building permit,
- selecting specialist entities for the execution of the project, among others: the general contractor, a tenant coordinator, building control officers, a law office to support the commercialisation process,
- carrying out preparatory construction works (e.g. demolition, clearing the real estate).

The biggest trade fair activity of the developers under research was precisely during the preparatory execution of the project. Additionally, the commercial dimension of participation in trade fairs occurred at this stage. Therefore, the objectives of trade fair activity concerned:

- gathering information about the situation in the business, financing, tenants, competitors and customers,
- building the credibility of the development project,
- informing the tenants about the progress in the construction of the shopping centre,
- speeding up the process of concluding rental agreements with a bigger group of potential anchor tenants,
- strengthening personal relationships with other trade fair participants.

Similarly to the previous stage, the developers' representatives were accompanied during the trade fairs by a commercialisation agent. It was of great importance to arrange the meetings in advance. The high point of the developers' trade fair activity throughout the whole project life cycle involved using their own booths, where the final visualisation of the project was presented in various forms, such as: a mock-up, multimedia presentations, printed materials, touch screens. The developers under research used their own booths once or twice in a row during two consecutive trade fair events. It was a common fact that the exhibit booths

were for the first time presented at the biggest trade fair in Poland – SCF, during the autumn fair, and sometimes for the second time during the winter fair (which is smaller than the one organised in autumn). The developers were given assistance by several commercialisation agents, law office representatives and interior designers. At stage 3, during the trade fairs the developers promoted the shopping centres under the development process, putting a heavy emphasis upon the interior design and the progress in commercialisation. They presented the offer using various forms of printed advertising materials and trade fair accessories. After closing their own booths they carried out short- and long-term activities intended for fulfilling the promises made during the trade fairs.

At stage 4 (Real execution), the developers performed the following activities:

- the technical execution of the shopping centre,
- the commercialisation of the whole project,
- the financial support of the investment,
- the management of the real estate during the technical execution,
- the co-ordination of shopping centre tenants,
- the preparation of the shopping centre for the opening,
- the process of obtaining the certificate of occupancy (an administrative procedure),
- the preparation for handing-over the administrative control of the facility after its opening.

The trade fair activity objectives were achieved mainly in the commercial dimension, and they involved:

- maintaining the credibility of the project,
- speeding up the process of concluding rental agreements with all potential tenants representing particular target groups,
- informing the tenants about the progress in the technical execution and the commercialisation.

The aim of the developers' participation in the trade fairs as visitors was to complete negotiations with the precisely indicated potential tenants of the shopping centre under construction. At this stage, the commercialisation agents provided very strong support. It should also be highlighted that the short-term activities conducted after the trade fairs had finished were important.

Stage 5 (project closure) can be defined with relation to the following activities:

- opening the shopping centre,
- completing all the execution-related and technical processes,
- finishing the commercialisation process,

- settling the account with the financing institution and commencing the process of discharging obligations after the opening,
- testing the processes of shopping centre management.

The developers under research, whose project life cycle was already at the completion stage, basically did not perform any trade fair activity. However, due to the fact that at the time of the opening there were some shopping areas that had not yet been leased, the developers declared that they would participate in trade fairs in the future in order to:

- inform the market about the fact of opening the shopping centre, and the effects of that fact,
- speed up the process of concluding rental agreements for the areas which were still not leased after the shopping centre had been opened,
- recommercialisation (leasing some of the areas again following the withdrawal of tenants).

At the completion stage, the representatives of some of the developers under research participated in trade fairs as visitors alone. It is not practised at this stage to use their own booths in order to avoid a feeling that too intensive marketing activities, relating to the shopping centre that is being promoted, are performed. Such actions – from the point of view of the market – could result in a negative judgement.

4.5. Summary – managerial implications

The objective of the first stage of the research has been accomplished by presenting the activities at the individual stages of the investment project life cycle, which was implemented by domestic developers with little experience, in relation to trade fair activity management at each individual stage. The development project life cycle of a huge shopping centre, which constitutes a copybook example, was identified and presented. In reality, especially in the case of the developers that have little experience, the cycle is usually subject to many disruptions, which results in extending the duration of individual stages. It is worth noting that in the retail real estate business, the time for the execution of a huge investment project life cycle, which is expected by the market (among others, tenants and financing institutions), as of the date of giving an announcement in the market (stage 2), is 4 to 7 years – a similar time period has been achieved in the results of the research (Table 4.1.). As a consequence of delay in project execution, a flexible approach to the management of various processes is required, including trade fair activity process management.

Therefore, trade fair activity management is by its very nature dynamic (Siemieniako, and Gębarowski 2014).

In general, one can observe that in trade fair activity management comprises three characteristic periods, related to progress in the investment project execution. The first period involves the management of a developer's representative participation in trade fairs, which performs the role of visitor. The period is preliminary and entails the preparation of an investment project for execution (stages 1 and 2 of the project life cycle). The second period of trade fair activity management constitutes a high point in a project life cycle, and involves a one- or two-time trade fair performance by a developer (stage 3). And finally, the third period means a drop in the developer's trade fair activity and is connected with the completion of an investment project (stage 4 and 5). The boundary between the second and the third period is quite fluid, and depends on the progress in project execution. This is the point where flexibility in trade fair activity management may occur.

The fact that the results presented herein are qualitative makes the research limited, and therefore no generalisation is allowed. However, the research made it possible to notice long time changes in the activities of the entities in question. The research goal defined herein required that qualitative methods be applied.

It can be expected that trade fair activity management performed by experienced retail real estate developers, implementing many investment projects at the same time, at various stages of sophistication, would be different. A substantial quantity of projects under implementation and, additionally, the broader scope of services provided by such developers determine a more complicated, multifactor relationship between the life cycle of a particular project and trade fair activity.

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CHAPTER FIVE

RELATIONAL LOYALTY AS A RESULT OF PROMISE MANAGEMENT IN THE PROCESS OF TRADE FAIR ACTIVITY

DARIUSZ SIEMIENIAKO

5.1. Relational loyalty in B2B relationship marketing

For many years, in B2B markets, a trend has been observed towards reducing the number of business partners and making the relationships with them closer, or even deeper (Ulaga, and Eggert 2006). Maintaining and strengthening long-term B2B relationships is mutually advantageous and can cause, among other things, the following effects: increasing effectiveness, sharing risk between the parties of a relationship, creating added value (Barry, and Terry 2008).

Enterprises which are participants in the retail real estate industry run business-to-business service activities. The peculiarity of the industry, which is connected with the implementation of new retail real estate projects over an extended period of time, and which refers to long-term co-operation agreements, causes the enterprises involved to operate in the realities of complex service relationships based on intense contact (Chapter 2.1 presents the characteristics of such relationships in detail). Examples of long-term agreements may be agreements between developers or entities administering specific retail real estates and tenants, or long-term agreements between developers and law firms, banks that make loans, or even construction companies.

The typical characteristics of services, such as intangibility, simultaneity of providing a service and consuming it, liability and heterogeneity, imply the need for and the ways of developing B2B relationships. This intangibility, as a unique characteristic of services, is particularly relevant in the case of developers who carry out new retail real estate projects. Developers, while developing relationships with potential

tenants that could lease shopping area, have to overcome the difficulties in presenting their offer in a credible manner, which are connected with the intangible nature of planned retail real estate projects. The simultaneity of the processes of providing and consuming services implies their relational nature, assigning the customer the role of the co-producer of the service, in which the customer is also a resource in the process. According to Grönroos (2007, 182), the customer perceives the process of producing services as a part of service consumption, and the service as an activity can be defined as “the process where a set of resources interact with each other and with the customer aiming to support the customer’s processes in a value-generating way. Service marketing, therefore, invites customers to use the service processes by making promises about the value that can be expected to be captured from the service, and to implement these processes in a way that allows customers to perceive that value is created in their processes (promise keeping through value fulfilment)”. The simultaneity of the process of producing and consuming the services which are rendered in connection with the implementation of new retail real estate development projects determines the unique nature of beginning and developing business relationships among investors, developers, tenants and other entities. It must be added that the development projects under consideration are long-term, complex, unique, and carry a relatively high risk of failure.

Relationship marketing focuses on the strategy and tactic of building mutually advantageous relationships with customers, and subsequently, aims to develop and maintain those relationships in a long-term perspective. According to Grönroos (1994), the objectives of relationship marketing are to “identify and establish, maintain and enhance and, when necessary, terminate relationships with customers and other stakeholders, at a profit so that the objectives of all parties involved are met; and this is done by mutual exchange and fulfilment of promises”. Grönroos (2004) emphasises the significance of the three elements which are necessary to achieve success in the execution of a relationship strategy: an interaction process, which is the core of relationship marketing, a planned communication process supporting the development and enhancement of relationships, and a value process as the output of relationship marketing. Gummesson (1999) defines relationship marketing as marketing seen as interactions, relationships and networks, thus emphasising three central phenomena in this marketing perspective.

Numerous researches on relationship marketing demonstrate that the basic variables of this concept are the trust and commitment of parties in relationships (Morgan, and Hunt 1994; Gilliland, and Bello 2002). Both

constructs mentioned above, apart from satisfaction, are also treated as the antecedents of customer loyalty. Most researches indicate that loyalty between partners is created as the consequence of using relationship marketing (Lindgreen, and Wynstra 2005; Palmatier et al. 2006).

Customer loyalty can be considered to be the source of a competitive advantage, as it has a considerable influence on enterprises' performance (Woodruff 1997). In principle, starting the co-operation that uses a loyalty-based relationship enables both parties to gain mutual benefits and helps to increase competitiveness and reduce transaction costs. Buan and Gilles (1990) point out a series of benefits that result from having loyal customers, such as:

- retaining existing customers is cheaper than acquiring new ones – loyal customers buy more of the company's products, complementary products and high-margin accessories, and they do it more often,
- the costs of servicing loyal customers are reduced,
- loyal customers accept higher prices for the same bundle of products,
- loyal customers are the company's advocates with regard to other entities.

The question arises of what perspective on loyalty is adequate with regard to participants of the retail real estate industry, where the dominant type of business activity is connected with long-term services based on intense contact, rendered in the B2B environment? The literature on the subject provides two main views on customer loyalty:

- static, i.e. customer loyalty is constant over time – customer loyalty is understood as a one-sided concept, according to which the customer is the one that must display loyal behaviour or a loyal attitude towards the service provider;
- dynamic, i.e. customer loyalty is variable over time – loyalty is understood as a two-sided concept, according to which both the customer and the service provider must display loyal behaviour and a loyal attitude towards each other.

The static perspective on loyalty, that is the one-sided concept, is dominant in the literature on the subject. This can be noticed, for example, in one of the most frequently quoted definitions of customer loyalty, put forward by Oliver (1999, 34). According to that author, customer loyalty is "a deeply held commitment to rebuy or repatronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour." Referring to the above definition, it follows that the most important

loyalty-based behaviour entails making repeated purchases and sharing positive opinions about an object of loyalty with potential customers. The definition refers both to the behavioural and attitudinal component of customer loyalty. This is consistent with other definitions that have been proposed in the marketing literature. For instance Uncles, Dowling and Hammond (2003) include attitudinal loyalty (e.g. an affective feeling of a bond) and behavioural loyalty (e.g. repeat purchase behaviour) in their definition.

Taking into consideration Oliver's (1999) definition, it follows indirectly that customer loyalty can be exclusive in nature, when a specific customer chooses only one object (e.g. a product brand) from among all available substitutes. Another possible option is partial loyalty, which, apart from the preferences of a specific object, also means choosing other substitutes. Further, Oliver's (1999) definition exhibits the characteristics typical of the loyalty attitude which leads to behaviour. Thus, according to that author, expressing a positive attitude in the form of an activity is the condition for customer loyalty. The loyalty attitude was specified as a deep and long-standing commitment, which is constantly demonstrated by the customer regardless of the situational influence and marketing-related efforts made by competitors.

The definition of loyalty presented above assumes the constancy of the customer's attitude, which in the reality of relationships with the objects of loyalty is subject to frequent changes – where a positive attitude can be shifted to a negative one, and the intensity of both the positive and negative components can alter. The static perspective of that concept prevails not only in Oliver's (1999) interpretation, but also in the overwhelming majority of academic researches into customer loyalty. Such an approach takes into account a specific state of loyalty in a time unit, which can have higher or lower intensity of the features of loyalty. It must be noted that such an understanding of loyalty is abstract and almost does not exist in the reality of relationships between parties. It can be assumed that this is a model perspective which simplifies the understanding of that concept, and which, simultaneously, facilitates the segmentation of customers according to the level of their loyalty, and helps performing marketing activities which are orientated towards various groups of customers, who are divided with regard to the level of loyalty.

In complex service relationships, particularly those based on intense contact, understanding loyalty as a static concept with a one-sided manifestation of loyal behaviour and attitudes, only on the part of the customer and towards the service provider, does not work in practice. Carrying out long-term and complex retail real estate development

projects, where the parties involved in a relationship must demonstrate great commitment, requires mutual loyalty. The loyalty that is of a relational (mutual) nature is created during intense contacts, in which interactions among parties take place. The loyalty understood as behaviour or an attitude is thus a significant result of a healthy and effective partnering relationship – while carrying out retail real estate development projects – which is built using relationship marketing (Egan 2008). Researches on B2B relationships show that loyal customers initiate – more often and with greater commitment than disloyal customers – co-operation when carrying out business projects (Gil-Saura, Frasquet-Deltoro, and Cervera-Taulet 2009).

The peculiar nature of a strategic partnering relationship, which exists in complex service relationships in the retail real estate industry, determines an approach to loyalty which can be referred to as relational loyalty. Having considered the relationship theory proposed by Fournier (1998), loyalty behaviour and attitudes concern both parties of a relationship, which means that a characteristic feature of loyalty is mutuality. According to Fournier (1998, 346), “relationships are constituted of a series of repeated exchanges between two parties known to each other; they evolve in response to these interactions and to fluctuations in the contextual environment”.

In the retail real estate industry, service relationships are undoubtedly of a complex nature, and relations can be categorised as relations with intense contact. Regarding the services which are rendered in the analysed industry, with intense contact between the service provider and the customer, there are many possibilities of finding out the reasons for customer loyalty, and therefore the process of building loyalty can be more effective. Among the factors which create favourable conditions for finding out the reasons for customer loyalty, one should mention, for example, such elements as a relatively small circle of customers and contracting parties; a group of customers which act as advocates for particular services; the utilisation of relationship marketing; high competence of professional customer service personnel; the necessity for face-to-face meetings with customers. As for this type of service, the most characteristic reasons for loyalty are (Urban, and Siemieniako 2008):

- the customer’s sense of participating in the process of creating supplier’s services,
- the customer’s sense of being important for the service provider,
- the sense of personal bond with the service provider’s personnel,
- the customer’s identification with the values presented by the service provider,

- the sense of freedom of choice,
- the sense of obedience to people with authority,
- the willingness to share information with a group of customers.

The research results of Siemieniako, Rundle-Thiele and Urban (2010) demonstrate a customer perspective in relation to the concept of loyalty. According to that perspective, loyalty between parties exists only when it is mutual, and thus relational. Taking into account the research results of the aforementioned authors, one can claim that the characteristics of relational loyalty in the retail real estate industry are similar to the features of relational loyalty considered in the general view. These characteristics, or even conditions for relational loyalty, are as follows:

- mutual trust,
- the free will of both parties – remaining in a relationship owing to external compulsion caused, for example, by barriers to ending the relationship, cannot be perceived as loyalty,
- complexity – refers to various elements (a service, a brand, the service provider’s employees, a network of connections among several entities, the place of business and social meetings, colleagues and friends from the industry),
- permanence – parties are faithful to each other, both in good and difficult times,
- dynamics and evolution in the process of interaction – the level of loyalty can increase or decrease; loyalty can also gradually disappear or come to an abrupt end, for example, as a result of a specific fatal incident.

Geiger and Kleinaltenkamp (2015, 196) emphasise that it is necessary to consider loyalty in a time perspective, “because loyalty is time-related in nature, maintaining the status quo is not enough to achieve a long-term customer benefit. Loyalty is founded on a business relationship over a time span, and it must be developed again and again”. Similarly, Aksoy (2013) has also discerned the dynamic nature of loyalty. This author proposed that loyalty requires that there be: a perceived specialness to a relationship which results in a bond and actions taken which defend and reinforce the relationship.

According to Naumann, Williams and Khan (2009), authors who analyse the trends of future researches on loyalty in the B2B market, starting and developing customer loyalty in the B2B market depends on a series of factors, i.e. factors on the part of the customer (especially satisfaction), the situation in the industry and competitive factors, factors on the part of an enterprise (for instance, a change of strategy), and

macroeconomic factors. It can be stated that the factors mentioned above are also adequate with regard to building customer loyalty in the retail real estate industry.

When understanding loyalty as a relational phenomenon in creating loyalty among participants of the retail real estate industry, a service process must be taken into much more careful consideration. In the analysed industry the service process is particularly complex and diverse, and the method of the ongoing execution of that process influences the level of relational loyalty between the service provider and the customer. The concept of promise management in service processes put forward by Grönroos (2007) seems to be especially useful in building relational loyalty in the retail real estate industry. The essence of that concept is in keeping promises given to the customer and maximising the customer's values, in other words, maximising various benefits in the simultaneous service processes of production and consumption. The concept of promise management is established in the broader paradigm of service dominant logic (SDL), proposed for the first time by Vargo and Lusch (2004).

5.2. Relationship marketing management in B2B services

B2B relationship management in the retail real estate industry corresponds to a necessary layer of such project management. Business project management constitutes a fundamental managerial approach in the retail real estate development industry (Meng 2012). Chapter 3 presents the general model of business project management correlated with relationship management in the retail real estate industry, Figure 3.1. The model is based on the assumption that relationship management is necessary in all key processes of project management. Having considered the implementation of projects in the retail real estate industry, relationship management, for instance with regard to the developer, concerns a series of stakeholders, which can be categorised into four groups: clients, outsourcing contractors, the business environment, and the internal environment (Figure 3.2.). The most prominent group consists of the tenants who have already concluded lease agreements and the prospects which are potential tenants substantially involved in the process of negotiating lease agreements with a developer.

In general, the essence of B2B relationship management includes initiating, developing, maintaining and, if necessary, ending relationships with other enterprises and people, as well as using those relationships for attaining goals and gaining benefits by the entities involved in such

relationships. Derrouichea et al. (2010) proposed an integrated model of B2B relationship management, which shows the characteristic features of collaborative relations between two or more partners in a supply chain, and presents an assessment of the results of such collaboration as the perceived satisfaction of the relationship and its perceived effectiveness. The authors put forward five dimensions of B2B relationship management. The first dimension, which is the relationship atmosphere between partners, consists of the following attributes: commitment, confidence, power exerted, intensity of conflicts, the methods of solving the conflicts, and compatibility and the solidarity between the partners of the relationship. In a relation structure, which is the second dimension, were identified: flexibility, exchange of information, participation, efforts of reconfiguration, centralisation and synchronisation of decisions, formalisation, activities of control, interdependence, finality (objectives), and economic structure. The next dimension is the level of Information Technologies used in relations and satisfaction from it. A relation lifecycle, as another dimension of relationship management, consists of typical phases of the evolution of a relation, such as exploration, construction, maturity, decline and deconstruction. The last dimension distinguished by Derrouichea et al. (2010) is the relation external context, which refers to the internal situation of a relationship partner and the environment influencing the relationship.

As highlighted by Skaates, Tikkanen and Lindblom (2002), managing relationships with customers and contracting parties as a part of outsourcing (Gibler, and Freybote 2011), as well as managing the components of a project, constitute two fundamental levels of development project management. Relationship management, referred to as partnering in development projects, is presented as an essential factor of success in project performance (Odeh, and Battaineh 2002; Meng 2012). As emphasised by Gulati, Nohria and Zaheer (2000) and Meng (2012), while carrying out construction projects, including retail real estate development projects, the long-termness and the strong commitment of parties determines the building of a strategic partnering relationship between the parties. Partnering is understood as a collaborative supply chain relationship. In addition, Meng (2012) considers the partnering relationship in a project in respect of short-term and long-term co-operation. Key elements of successful partnering in development projects are trust, commitment to a win-win attitude, mutual objectives, the clear definition of responsibilities, timely communication, effective problem solving, and regular monitoring of the partnering process (Hellard 1995; Chan et al. 2004). According to Meng (2012), based on an analysis of existing literature on traditional and collaborative approaches, ten key

relationship indicators can be distinguished, which describe a construction supply chain relationship: mutual objectives, gain and pain sharing, trust, no-blame culture, joint working, communication, problem solving, risk allocation, performance measurement, and continuous improvement.

The literature on the subject refers to the positive effects of relationship management that are orientated towards co-operation while implementing construction projects. For example, the research results by Meng (2012, 196) confirm the fact that time delays in a project can be substantially reduced by initiating co-operation, and a cost overrun on a project can be limited by properly using key relationship indicators, such as open and effective communication, clear and fair risk allocation, abandonment of the blame culture, regular performance measurement, and effective problem solving. Quality defects can be significantly avoided by establishing an effective problem-solving mechanism.

B2B relationship management is undoubtedly within the scope of marketing. It is thus possible to refer to relationship marketing, which focuses on the strategy and tactics of building mutually advantageous relationships with customers, and subsequently concentrates on the actions aimed at developing and maintaining those relationships in a long-term perspective (Grönroos 2004). According to Egan (2008), not every market context allows for the successful introduction of the relationship marketing management concept. The author implies that a potential area where that concept can be effectively applied is in services with a high level of the intensity of contact between personnel and the customer. In the B2C market, these can be professional services (e.g. medical, legal, financial services) or even some types of personal services (e.g. a hairdresser, a travel agency). In the B2B market, the majority of services are suitable. This results from the fact that the peculiarity of the B2B market requires intense contact between the supplier and the recipient.

There are various management concepts, methods and techniques which can be applied to relationship marketing management. Particularly important is the concept of promise management (Grönroos 2009), orientated towards building relational loyalty (Siemieniako 2012). This concept underlines the importance of promise-keeping in the management of relationships based on mutual loyalty, and, what is more, emphasis is laid on the proper management of personal interactions, which is the key aspect of building loyalty. The concept under consideration is essential specifically with regard to the models of bilateral co-operation, for instance while exchanging information between parties (Taylor 2002).

In the concept of customer relationship management (CRM), what is highlighted is the orientation towards the technology whose aim is to

increase the effectiveness of marketing and sales, lower the costs of customer service, and thus increase profits. Caring about the quality of relationships and their long-termness is not applicable in this case. Therefore, CRM is utilised by enterprises which operate in various market contexts, regardless of the level of intensity of contact with customers. However, in practice, such an approach to CRM has ended in many more failures than successes. Hence it is understood that practitioners and theorists have become discouraged about that concept of marketing, and consequently, about the idea of building customer loyalty. In relationship marketing, as opposed to CRM, attention is drawn to the personal relationship between the customer and the supplier's personnel, which serves for building a strengthened bond that has the nature of loyalty. Undoubtedly, in this case the importance of personnel in the context of proper customer service increases.

While managing relationship marketing, for example in retail real estate development projects, IT tools are rarely utilised in customer relationship management (CRM), customer information management (Zahay 2008), or even in customer knowledge management (Stefanou 2003). Customer information management can be considered to be a component of customer relationship management, both in the conceptual and information technology layer. In the aforementioned development activity, the elements that matter in the first place are attention to the quality of relationships and their long-termness with mutual loyalty. Therefore, the dominant approach is relationship marketing management orientated towards promise management, and not the technological solutions of customer relationship management.

The literature on the subject puts emphasis on the importance of knowledge about customers and contracting parties, which serves as the key determinant of successful relationship marketing management. Uit Beijerse (1999) put forward the following fundamental actions and instruments in customer knowledge management: assess customers, carry out customer satisfaction research, obtain knowledge from customers and interview customers. In the case of developing new retail real estate, using various concepts and tools in relationship marketing management should take into account the uniqueness of the needs that exist at individual stages of the project life cycle.

5.3. Promise management as a relationship marketing concept in loyalty formation in the B2B service process

Taking into account the continuous slowdown in the development of the European retail real estate industry, in an era of worldwide economic crisis, and considering the negative influence of that situation on the key components of inter-organisational relationships and partnerships (Hellard 1995; Chan et al. 2004), the concept of promise management in services, put forward by Grönroos (2009), has assumed particular significance. Ndubisi (2003) also confirmed that establishing, maintaining and enhancing relationships with customers and other partners, in a manner which guarantees making profits and reaching other goals, is achieved by symbiosis and the fulfilment of promises.

Supplier promises are a fundamental issue in marketing as the fulfilment of the customers' expectations created by the promises made. According to Weber (2013, 117), "promises are important because they have become a standard by which the customer judges the utility of continuing the relationship". In the marketing literature making promises is part of the business relationship in regard to the "communication strategy of any organisation that wants to differentiate its offering from that of the competition" (Weber 2013, 118). Keeping promises is perceived as a domain of relationship marketing, including interactive marketing (Grönroos 1990; 2007; Bitner 1995; Weber 2013). That is why making promises to customers is perceived as a task of external marketing. Cochoy (2015) used the concept of making promises in relation to advertising. Kopalle and Lehman (2006) analysed the promise in terms of a firm entering a market. Anker et al. (2012) clarified the commonplace assumption that brands make promises by developing definitions of brand promise delivery.

Promise management can be understood first in terms of how the promise holds up in the customer's product performance experience (Steinhart 2012). This author investigated the effects of bundling products with guarantees (explicit promises of product performance) or with diagnostic kits, which allow the user to measure actual product performance (implicit promises of product performance) on pre-purchase product evaluations.

In service processes an enterprise is involved in customer value creation through dedicating resources to the process of producing and rendering services and to the process of customer consumption. A broad understanding of the consumption process entails taking into account

various elements of the service process, which are perceived by the customers who enter into interactions with those elements, for example: material goods, information, interactions among people, interactions with systems and infrastructure, possible and interactions with other customers (Grönroos 2007, 183). Some of these elements are interactions, mainly interpersonal ones, and some of them form a context for initiating interactions between the customer and the enterprise. When analysing long-standing relationships with customers, attention must be given to interactions in terms of episodes, that is the situations when interchange between the enterprise and the customer occurs (Storbacka, and Lehtinen 2001). According to these authors, episodes consist of activities. In general, one can refer to interaction levels in a service relationship – where the most elementary interactions are acts, the next level includes episodes which are comprised of interrelated acts, and finally, sequences, i.e. a series of episodes (Holmlund 1997, 96).

As an example of the act, one can consider the activity of servicing a customer, giving specific information. For an episode, this can be a negotiation meeting held during a trade fair, between a retail real estate developer's representatives and a potential tenant interested in renting space in a shopping centre. And lastly, a sequence can be exemplified as the closure of the whole process of negotiating a lease agreement. However, in practice, due to the need for the efficiency of management, especially in the case of tenants that are interested in renting large spaces in shopping centres (and for such tenants the process of negotiating lease agreements is complex and long-term), the process under consideration can be divided into smaller sequence units, e.g.:

- reaching the agreement on basic business terms and conditions, often set out in a letter of intent or outlined in a so-called Heads of Terms, a set of agreed principles;
- accepting technical drawings – mainly horizontal projections and cross-sections of a shop;
- obtaining corporate permission from an international tenant;
- concluding the lease agreement negotiations.

In service processes the enterprise puts a value proposition to customers, and co-creates customer value by interacting. One can refer to an approach to interaction management in services based on the concept of promise and value in the use in marketing activities (Grönroos 2007). The importance of interactions in business relationships is the main reason for the promise management concept (Grönroos, 1990; 2007; 2009; Bitner 1995; Weber 2013). The key component of that approach, which is keeping promises, related to trust and commitment in relationships

development, is crucial in effective business interactions, leading to achieving relationship goals, such as signing the contract, increasing sales, or just increasing relationship quality (Palmatier et al. 2008; Haas et al. 2012; Weber 2013). Using promise management for improving interactions can be referred to the idea of moments of truth (Carlzon 1989; Beaujean et al. 2006), in which a single interaction can be considered in terms of the customer's perception of the level of fulfilling promises which were made earlier by the supplier.

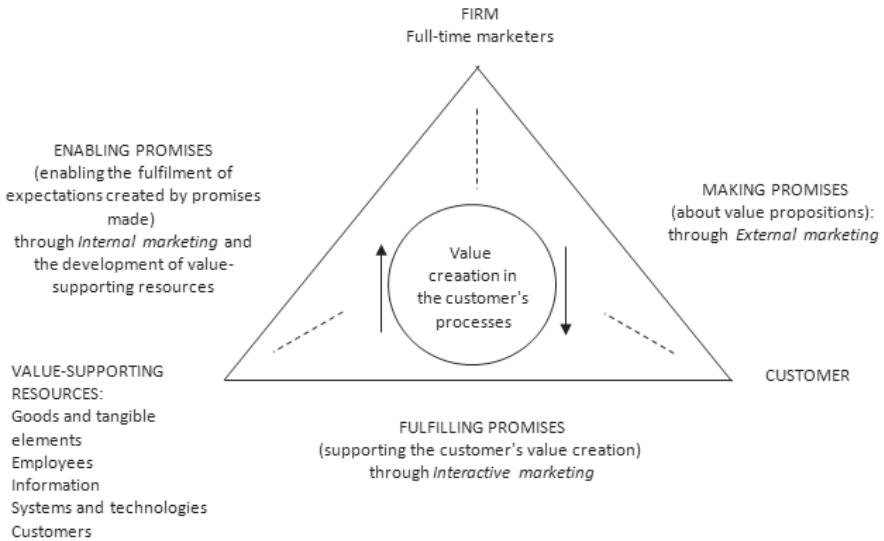
In their research, Mainela and Ulkuniemi (2013) stressed the importance of personal interactions and customer relationship management in business projects. These authors indicated three levels of personal interaction which constitute components of relationship management in business projects. The first level concerns person-to-person interactions, which entail building trust, applying tactical knowledge, and drawing special attention to social values. The role of the second level of personal interactions in existing relationships is distance reduction with regard to project planning and implementation, the selling of ideas, and the management of sleeping relationships, i.e. using the knowledge gained during previously completed projects. The third level of personal interactions includes socialisation and informational networks within the community sphere, in which existing, potential and sleeping relationships exist.

As for relationship marketing management in the retail real estate market, an essential factor behind the success of building relationships is the selection of the personnel who enter into interactions with customers and contracting parties. Such selection should be made with regard to the knowledge personnel have, and should take into account whether they are able to take decisions independently. Mainela and Ulkuniemi (2013) distinguished two functions of personal interactions: presence and expertise, and two situational factors: consistency of the actors and troubleshooting events, which create specific contexts for personal interaction. The authors draw attention to the importance of these two functions and both situational contexts in effective customer relationship management.

The concept of promise management can be perceived as a special method of managing relationship marketing (Grönroos 2009). For practical reasons, the following three areas can be mentioned with regard to promise management: making promises, fulfilling promises and enabling promises (Figure 5.1.). The essential elements of this concept involve keeping promises given to the customer and maximising customer values, in other words maximising various benefits with regard to the

simultaneous service processes of production and consumption. This leads to customer retention and other customer loyalty attitudes and behaviour.

Figure 5.1. The marketing game plan



Source: Grönroos 2007.

In the B2B market, in complex services with intense contact and with a long service cycle, it is vital that the promise regarding a value proposition given to a potential customer should be attractive on the one hand, and should not be exaggerated on the other, because it will not be possible to keep that promise even in the first area of promise management (Fabien 1997). The role of fulfilling promises must be perceived as fundamental (Grönroos 2007). Promise-keeping happens through the service provider's interactions with customers. The most relevant form of marketing used in keeping promises in services is interactive marketing (Grönroos 2009; Weber 2013), in which the role of part-time marketers in supporting the value created by customers is highlighted (Gummesson 1991, 60-67). This marketing is particularly suitable for B2B services with personal intensive contact, which are rendered and consumed in respect of implementing retail real estate development projects. With regard to the activity connected with enabling promise-keeping, the most important element is the enterprise's personnel. Therefore, at this level of promise management internal marketing must be used. Lawler (1986) proposed the

high-involvement management of employees, both financially and psychologically. In terms of relationship management this means orienting employees on the crucial nature of keeping promises to customers. The lack of promise management in terms of relationship management leads to failing in making connections with prospects and customers in professional service provider activity (Goldring 2013).

The process of trade fair performance management with a three-stage division of that process: pre-show, at-show, and post-show activities (Gopalakrishna and Lilien 1995), can be considered as one of the marketing actions supporting business relationships in retail real estate development projects (Çobanoğlu and Turaeva 2014). Active participation, including trade fair performance in the series of trade fairs during the retail real estate project implementation, along with direct sales, are the most important actions in supporting the renting of retail space to the tenants. Renting retail space to anchor tenants is key in future retail premises and reflects a long term process. It ranges from one year to multiple years, beginning with the first contact with the prospective tenant and ending when signing the leasing contract. The long term of the process of renting the space in retail projects and completing the implementation of those projects according to the signed leasing agreement leads to considerable risk. This highlights the importance of promise management in these long term and complex business relationships.

The process of trade fair performance combined with the process of promise management can be understood in terms of time flow and time periods. According to Van De Ven and Poole (1995, 512), processes are defined “as the progression (i.e. the order and sequence) of events in an organizational entity's existence over time”. The three stages of trade fair performance are structured according to past, present and future (Halinen et al. 2012). The pre-stage and the post-stage can be considered as the processes of business relationship time flow (Halinen et al. 2012). The at-stage activity during a trade fair is condensed to one, two or three days, and can be considered as a critical business relationship time period. This time period is a critical event in business relationships created by external conditions (Hedaa and Törnroos 2008), and the performance during retail real estate trade fairs is the culmination of moments of truth (Carlzon 1989; Beaujean et al. 2006).

5.4. Relational loyalty management based on obligation

On the basis of the reasoning employed so far, it can be asserted that promise management, as the concept of relationship marketing management put forward by Grönroos (2007), should lead to mutual loyalty among the parties in business relationships. This opinion is confirmed by the results of Hetesi's (2014) research into relational loyalty in the B2B market in the context of the inter-organisational relationships of buyers and suppliers. In general, the research results demonstrated that trust, commitment and reliability are important for loyalty on both sides of the relationship. Among a series of the manifestations of suppliers' and buyers' loyalty analysed by Hetesi (2014) the highest or nearly the highest scores on the six-level Likert scale were obtained by the answers connected with loyalty manifestations that referred to promise-keeping. In particular, the majority of respondents were unanimous (a score equal to 4.9) regarding the answer which manifested loyalty on the suppliers' side, i.e. "If they promise something, we know they will do their best to keep it". With respect to the manifestation of loyalty on the buyers' side, which was connected with a promise, the answer "If they promise something, we know they will do their best to keep it" took second place, with a score of 4.4.

As noted by Geiger and Kleinaltenkamp (2015, 196), the main goal of relationship management in B2B is to build customer loyalty by increasing the value for the customer and by creating switching costs for the customer. Numerous researches indicate that the strength of the company's relationships with customers, which is reflected, among other things, in loyalty, is an essential indicator of a company's performance (Bell et al. 2002; Berger et al. 2002; Hogan, Lemon, and Rust 2002; Rust, Lemon, and Zeithaml 2004). According to Rust et al. (2004), almost every company must consider the fact that orienting to and making efforts to create, maintain and reinforce customer loyalty is imperative for the long-term success of the company. Undoubtedly, these observations are suitable for enterprises, participants of the retail real estate industry. And such suitability is evidenced not only by the long-termness of service relationships with intense contact, but also by other characteristics of those services, which have been displayed in this book and which are typical of enterprises operating in the industry under consideration.

Both attitudes described above – relationship marketing management and promise management, in the context of the enterprises operating in the retail real estate industry, constitute a proposal for managing an enterprise

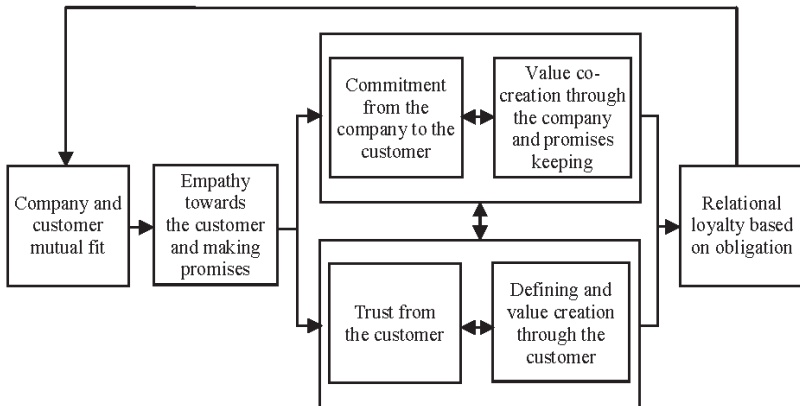
orientated strategically towards the building of relational loyalty with customers and contracting parties. The marketing literature puts forward a term of customer loyalty management with respect to the processes of loyalty measurement and customer information management (Aksoy 2013; Ferreira et al. 2015). Such an approach is adopted in the context of large data sets. However, in the context of the enterprises operating in the B2B retail real estate industry that approach is inappropriate. Due to the fact that loyalty is a multidimensional concept (Soderlund 2002), one can refer to the management of various loyalty dimensions (Aksoy 2013), such as a behavioural dimension, an attitudinal dimension or both, depending on the context in which the enterprise performs its activities. In the industry under analysis relational loyalty must be perceived in terms of both dimensions. Some researchers suggest that the attitudinal dimension in a service-based activity should be divided into a cognitive dimension and an affective dimension (Lu, and Lu 2009), and analyse each of them separately. However, having considered the business activities of enterprises representing the discussed industry, where long-term relational loyalty exists, the cognitive dimension is of crucial importance. The individual dimensions of loyalty are influenced by various factors. Furthermore, behavioural and attitudinal loyalty is manifested in many different ways.

Taking into account the importance that is attached to the influence of promise-keeping on the mutuality of loyalty in service-based activity with intense contact between the service provider's personnel and customers, one can mention the loyalty management based on obligation. Siemieniako (2012) put forward a model (Figure 5.2.) of relational loyalty management in services with intense contact. The model displays how relational loyalty is created both on the customer's and the service provider's side. Also, the model aims to illustrate the dependence of the service provider's activities connected with promise management and the commitment that is created on the part of the customer (the commitment which accompanies loyalty towards the enterprise).

Before a service provider and a customer begin developing a relationship, attention must be directed to the mutual fit between the customer and the service provider, which improves the chances of obtaining greater benefits by both parties. The mutual fit between the customer and the service provider is an essential factor of the higher level of service encounter, which is required in relational loyalty "leading to meeting a higher order of customers' needs, and the creation of emotional bonds between the customer and the organisation, thus leading to behavioural and attitudinal loyalty" Haghighi (2014, 255).

In an ongoing relationship between the customer and the service provider, the level of mutual fit can be determined on the basis of the relationship quality, and the quality can be examined by means of various scales. Using the example of relationships among exporting and importing enterprises, Lages et al. (2005) proposed a scale for measuring the quality of the relationship (RELQUAL). The research results revealed that the higher the quality of the relationship, the greater the benefits from the co-operation received by the parties with respect to the following areas: amount of information sharing, communication quality, long-term orientation, as well as satisfaction with the relationship.

Figure 5.2. Model of relational loyalty management based on obligation in services with intense contact



Source: based on Siemieniako 2012.

Another scale, put forward by Lages et al. (2008), refers to the results of an ongoing relationship in B2B markets (B2B-RELPERF). One can notice that the better the results of the business relationship, the greater the fit between both parties. On the B2B-RELPERF scale, which is applied to measure the relational results of relationships, the authors distinguished five dimensions: relationship policies and practices, relationship commitment, trust in the relationship, mutual co-operation, and relationship satisfaction. The above dimensions are referred to in the literature as the typical antecedents of loyalty.

Making a promise to the customer means taking on an obligation by the service organisation towards that customer. Obligations in service relationships can occur at various relationship levels. One can refer to a legal obligation of parties, and the obligation arising from the feeling of

appreciation towards the other, which most often entails doing a “favour”. Apart from the two aforementioned levels of obligation, there is also an obligation understood as a legally non-binding declaration to the other party in the relationship. This level of obligation refers to the customer on the one hand, which can declare, for instance, its intention to purchase the service, and the service provider on the other hand, which, for example, promises the particular level and scope of service before starting to render it.

Establishing the customer’s trust in the service provider is the precondition of the customer entering into the relationship based on mutual loyalty. The results of research conducted by Siemieniako, Rundle-Thiele and Urban (2010), which related to the connotations of the word “loyalty” and encompassed more than 280 respondents from five countries (Poland, Australia, Canada, Portugal and Belarus), revealed that “loyalty” connoted trust, and that was clearly the most important denotation. The analysis of the qualitative data of the research results showed that the most essential connotations of the word “trust” were as follows: faithfulness, honesty, respect, promise-keeping and sincerity.

The mutual fit, which involves responsiveness and customisation, and also empathy, are among the evaluative elements influencing the customer’s overall experience with the service and loyalty Kolesar and Galbraith (2000). Similarly Zeithaml, Berry and Parasuraman (1996), in his RATER model, identifies, *inter alia*, empathy and responsiveness as the main elements contributing to the creation of loyalty. Empathetic customer service on the level of making promises by the service organisation constitutes one of the most important antecedents of inspiring trust and building loyalty in services. In this case, one can mention obligating trust, where the service provider undertakes activities which are aimed at obliging the customer to fulfil the service provider’s expectations. According to Sztompka (2007, 77-78), “the variety of obligating trust entails demonstrating one’s trust not only to oblige the partner to be credible (...), but also to create mutuality on its part. In this case, special trust is placed in somebody, and this is obligating trust, with the intention of triggering the analogous reaction from the other party, mutual trust”.

As a matter of fact, it is the simultaneous processes of providing and consuming the service, where it is of crucial importance not to lose customer trust, but rather the other way round, to strengthen it. Such behaviour should also create various types of obligations on the part of the customer, including the obligation in the form of a legal relationship. Strengthening customer trust is possible because the processes of providing the service support customer value.

The model (Figure 5.2.) presents the creation of loyalty on the part of the customer as a result of the effective promise management process, both in the process of providing the service and after the service has been provided. The service provider supports the process of creating value by the customer, which enables the customer to maximise the value derived from the service. This contributes to the confirmation of customer trust. Simultaneously, the customer can take on an obligation towards the service provider at various levels, i.e. an obligation understood as the feeling of appreciation with the need for mutuality, an obligation perceived as the legally non-binding declaration of purchase, and finally, an obligation in the form of a contract.

The model under consideration shows that customer loyalty is created in connection with an obligation. Growing trust, and consequently, loyalty, which is built as the result of such growth, can influence the customer to take on obligations. However, an obligation on the part of the customer, or even the service provider, is not identical to loyalty, which – as it is commonly assumed – requires the free will of both parties and can be terminated at any time by one or both parties, regardless of existing obligations. The model displays creating customer loyalty as the answer to experiencing loyalty by the service provider, which is concurrent with the results of Rundle-Thiele's (2006) research. The results demonstrated that:

- marketing activities performed by enterprises were orientated towards buying customers' loyalty; yet the respondents claimed that loyalty could not be bought, and what was more, to have customer loyalty, one had to deserve – or even earn it;
- in order to deserve customer loyalty, organisations have to perceive loyalty as a mutual phenomenon or a two-way concept; if an enterprise intends to win customers' loyalty, it should display loyalty towards those customers in the first place.

The fact that each of the parties engaged in a service relationship can terminate, strengthen or retain loyalty at the same level, demonstrates that the phenomenon of loyalty is dynamic in nature. Loyalty is a continuous phenomenon rather than an episodic one, and its characteristic feature is the variability of the behaviour and attitudes of both parties involved in a service relationship. The variability of relational loyalty exhibited in the model presented above determines the direction of building loyalty, according to which the main task is to manage the variability of loyalty – first of all – the customer's loyalty towards the service provider, but also the service provider's loyalty towards the customer.

Customer loyalty management in services with intense contact, among other things, in services rendered in the retail real estate industry,

entails, *inter alia*, counteracting various factors that influence a decrease in, or the passivity of, customer loyalty. Discovering the reasons for decreasing customer loyalty, which can be achieved through intense contact in the interaction process, improves the chances for conducting the activities which allow for meeting customers' expectations, thus preventing them from leaving. In a problematic situation, the quick and proper reaction of the service provider can result in strengthening customer loyalty.

5.5. Promise management in the processes of trade fair performance – 2nd stage of research results

The second stage of the research on B2B relationship marketing management in the trade fair performance process was the case study research of a developer which was at the same time an investor implementing a project of a new large shopping centre in Poland. The case study was carried out throughout the period of 12 months covering all of the three phases of trade fair performance management, i.e. pre-show, at-show and post-show (the earlier and less detailed (lacking of analytical depth) version of the case study research results were presented in Siemieniako, and Gębarowski (2014a)). The developer under research took part in the biggest retail real estate trade fair in East-Central Europe – Shopping Centre Forum (abbreviated as SCF), which was held in September 2013 in Warsaw, Poland.

At the end of the first phase of the case study, during the interview with decision-makers, the researcher was informed that at the beginning of the 2nd quarter of 2013 the state of progress of the development project (the large shopping centre) was at the preparatory execution phase. As the researcher has assumed, that phase of the development project involved tasks beginning the main construction works. The preparatory execution entailed, among other things, developing necessary architectural designs (the building permit design, the detailed design, the interior design and the land development plan), obtaining the building permit, ensuring that the investment property was free and clear of any and all encumbrances and liens, arranging the bank loan, and completing demolition works. The process of managing the promise of renting out the retail space at the executed shopping centre was performed by the developer throughout the three phases of trade fair performance, Table 5.1.

Table 5.1. Matrix of trade fair performance management processes in relation to carrying out promise management processes

Trade fair performance management processes with their own booth	Stages of cyclical promise management process		
	Making promises	Enabling promises	Keeping promises
Pre-show			
(1) making a decision about the trade fair performance at SCF			
(2) technical preparation for the trade fair performance			
(3) developing relationships with potential tenants as the preparation for the trade fair performance			
At-show			
(4) the trade fair performance with their own booth at the trade fair			
Post-show			
(5) short-term service of contacts after the trade fair			
(6) long-term actions with regard to potential tenants after the trade fair			
(7) making a decision about running the booth at a cyclical retail real estate trade fair to be organised next year			

Legend: the grey colour in the cell means that a particular stage of the promise management process was performed as a part of the specific trade fair performance management process.

Source: based on Siemieniako, and Gębarowski 2014a.

Seven processes of trade fair performance management were distinguished. The main criterion for the proposed structure of trade fair performance management, which consisted of three phases and seven processes, was the need for effective promise management with the enhanced development of relational loyalty between the exhibiting developer and the people who visited its trade fair booth. Conducting a series of interviews with employees at different times of the research, the

researchers analysed the process of managing the promises of renting out the space to potential tenants in individual processes of trade fair performance management. Table 5.1. presents the result of that analysis. In each of the seven processes of trade fair performance management the developer conducted diversified activities in terms of the three phases of cyclical promise management. The main features of a relationship, such as trust, commitment, satisfaction, and finally mutual loyalty, played an important role in further progress in negotiating contracts, as well as in creating positive word of mouth on both sides of the relationship.

The main areas of the analysed developer's promise management revealed by the case study research include: the development project time schedule (in particular milestones) and proceeding with ongoing arrangements regarding the lease agreement. Among the essential characteristics of promise-keeping one could indicate punctuality, accuracy and professionalism. An important element of the promise management process was providing potential tenants with information about significant changes in the development project and changes in the lease agreements which had been arranged before. Further, informing the tenants about risk management and change management in the project was also a vital part of the process. This activity was perceived as very relevant in trust management and relational loyalty management.

During the research the authors arrived at the conclusion that, from the point of view of potential tenants, it is best to assess the state of progress on the construction of a new shopping centre on the basis of "hard" facts that indicate the real progress on a project, for example: obtaining a valid building permit, the state of progress in construction works, concluding a loan agreement with a bank, signing lease agreements with the biggest anchor tenants on leasing the space in the shopping centre (e.g. a grocery hypermarket, a DIY & home improvement hypermarket or a shop with household appliances & audio/video devices). Moreover, the authors discovered that potential tenants also consider the progress in implementing a shopping centre project in terms of "soft" elements. One such element verified by the tenants includes the degree of the adaptation of a shopping centre conception to market demands, i.e. location, transport connection, size, visual and technical standards, functionality of layout. It was observed that a developer is expected to use professional research and market analysis reports, prepared in the context of a specific project. Another principal aspect refers to the dynamics of promotional activities, which are adjusted to the development and construction process of a new shopping centre, and those activities are stretched over a period of time and continue until the retail facility is opened to consumers. Based on the

interviews with experts from the industry carried out as a part of the case study it was estimated that the normal time period – thus expected by tenants and other entities – for developing a new large shopping centre is between 5 and 7 years. The state of progress on a development project was also evaluated in respect of the level of professionalism, credibility and the prestige of co-operating persons and entities – such as: architects, legal advisors, the leasing agency, the general contractor of works, the bank. The developer's co-operation with these entities is a precondition for gaining potential tenants' and contracting parties' trust. It is also a determinant of the further development of relational loyalty – not only on the organisational plane, but also on the personal one – between relevant specialists of the researched developer and, for example, potential tenants.

The case study research showed that from the beginning of the decision-making process (1), which referred to the developer's decision to exhibit for the first time at the industry trade fair with its own booth, the current state of progress in the development of the shopping centre and the information concerning milestones in the schedule of further development were of considerable significance. According to the identified opinion of the management board, with the beginning of the decision-making process (1), i.e. at the beginning of the second quarter of 2013, after less than 4 years of developing the project, the state of the progress of the development project was sufficient enough to decide on setting up a booth during the autumn SCF in 2013. The researchers analysed the progress of renting out retail space by the developer, which demonstrated that its trade fair performance was supposed to be the climax of promoting and leasing space of the shopping centre. While giving the trade fair performance – process (4) – all three stages of the promise management process were involved. According to the information received at the trade fair, the event was attended by four employees on the part of the developer under research (two members of the Management Board, a leasing specialist, and a promotion specialist) and a hostess, as well as three people from co-operating enterprises, i.e. two commercialisation agents and one tenant coordination specialist. In the case of the developer, the main goal of exhibiting at the SCF trade fair was to increase the recognition and credibility of the planned project, as well as to expedite the process of concluding lease agreements with the anchor tenants with whom the developer had been maintaining a long-term relationship. They were mainly medium-sized and large tenants, represented by international retail chains. Consequently, the aim of the researched developer's participation in the trade fair was also to improve the trust and relational loyalty of the entities which had already been involved in the advanced business

relationship with the developer for several years. The case study analysis demonstrated how the decision about the trade fair performance was done by the Management Board of the developer under research also due to the fact that such a performance offered (among other things, legal, financial, organisational and technical) possibilities for fulfilling the promises – process (1) – of renting out the space at the shopping centre under execution. These promises had to be made to the tenants while negotiating lease conditions – process (3) – in the period preceding the trade fair. The decision on participating in the trade fair also constituted an element of keeping the promise which had been made before – process (1) – the developer exhibited using a booth.

It was found that the process of booth technical preparation – process (2) – began in May and lasted until the start of the SCF trade fair, and further, it was discovered that owing to the high “exhibition standards” in the retail real estate industry, the Management Board of the developer under research decided to use a visually attractive booth. Consequently, the booth was expected to be arranged in such a manner that it would be the symbolic representation and materialisation of the non-existent shopping centre, and thus would make the complex investment project look tangible. The developer designated a promotion and market analysis specialist who was responsible for the process of the technical preparation, and the tasks of that process were conducted by five external entities. The most important role was played by the specialist enterprise, selected through a tendering process, which was responsible for designing, manufacturing, equipping, erecting and commissioning the developer’s booth. The other entities involved in the process were as follows: two advertising agencies, a printing house, and an entity that was responsible for preparing a multimedia presentation. The developer’s booth was located near to the main entrance into the exhibition hall, and it could be accessed by visitors via the entrance at the front of the booth. The huge logo of the exhibitor and a red entrance portal were arranged at the front of the booth (which resulted from the corporate identity), together with the slogans presenting the distinguishing strategic items of the analysed shopping centre. The following advertising accessories and other marketing materials were used: boards with printed visualisations, fixed to the walls, LCD monitors displaying the multimedia presentation, advertising brochures and technical materials in English, brand name chocolates in red boxes, and drinks.

The further stages of the case study revealed that after the trade fair had finished, the most crucial area of promise management in the other trade fair performance processes was in keeping under consideration the

promises given by the developer. Such behaviour was expected by the potential tenants and was considered to be an element of minimising risk. Moreover, while exploring the case study it followed that apart from the process of fulfilling – in the short term – the promises made to the tenants during the trade fair – process (5), which is a manifestation of professionalism, there is yet another element, crucial for the stability of relationships, which entails enabling and keeping promises in the long-term perspective – process (6). The analysis of secondary research materials and the informal interviews carried out in a further part of the case study-based research led to significant findings. The developer under research attached crucial importance to operational management in connection with process (5) and was able to accomplish the objectives defined. While going through process (6), that entity made not only tactical decisions, but also strategic decisions, connected with matters having important consequences for the investment project, and producing long-term effects. The researched enterprise, which operated under changeable market conditions, made the strategic decisions about project implementation, and then performed in line with such decisions, taking into consideration changes in the market environment. As part of co-operation, the company supplied the potential tenants and contracting parties with up-to-date information about various changes in the project implementation, devoting attention to the commitment on the part of its business partners. In this way, the developer under research managed the promises made to the tenants at the trade fair, aiming to fulfil them in order to developing relational loyalty. The participation in the trade fair constituted a great and positive stimulus for the dynamics of customer loyalty. With respect to process (7), the developer did not intend to run its booth in the cyclical trade fair event the following year, because the project was considered to have become sufficiently recognisable in the market. Furthermore, too intensive promotion could create the impression that the project had encountered difficulties in its implementation.

5.6. Relationship development as a fundamental goal of marketing actions in trade fair activity – 3rd and 4th stages of research results

The findings from the second stage of the research revealed that promise-keeping strengthens relational bonds, including relational loyalty, and forms the basis for effective customer relationship management. One of the goals of the research at its third and fourth stages was to deepen the understanding about the aims of participation in trade fairs by developers,

tenants and service providers. Generally, it can be claimed that the representatives of the above-mentioned industry specialisations were driven by some common, but also different aims of and assumptions about participating in the retail real estate trade fairs – MAPIC (the third stage of the research) and SCF (the fourth stage of the research). It was discovered that establishing and maintaining relationships in the retail real estate industry happens, to a large extent, through numerous repeated meetings, during which parties gain up-to-date information about the progress in the development of new or existing retail projects.

Third stage of research results

The results of using the mystery visitor method showed that the best booths at MAPIC in terms of attractiveness were run by developers, second place was taken by service providers, while tenants used the least attractive booths (Table 6.1.). The diversified attractiveness of the booths run by the representatives of the above three industries was a consequence of the crisis in the retail real estate market. Due to the fact that the tenants' negotiating position was becoming stronger and stronger, the developers competed with each other in order to attract tenants to the planned projects by, among other things, presenting the offers during the trade fairs in an attractive manner.

The results obtained at the third stage, which referred to MAPIC, revealed that with regard to building relationships, the exhibitors were more focused on maintaining and strengthening existing relationships than on establishing new ones. In order to establish an indicator of that phenomenon, the researchers assumed that 1 minute would be the time in which an interaction with a person waiting at a booth should be started. The results of the mystery visitor-based research pointed out that in most cases (21 booths out of the total of 34 included in the research) it was the researcher who had to initiate contact with the personnel of the booths under research after 1 minute of waiting. It was noticeable that the personnel were clearly not involved in entering into contact, which implied the general tendency to arrange meetings with particular trade fair participants before the trade fair (Gębarowski, and Siemieniako 2014).

Taking into account the three industry specialisations, differences in the level of the personnel's commitment to initiate commercial contact were noticeable. The least willingness to come into contact with the researcher while he was waiting in front of the booths for at least 1 minute was observed in the case of tenants. The personnel that represented the developers displayed only a slightly greater initiative in that respect. As for the service providers, it was noticed that they were more orientated

towards customers than the tenants and the developers. At the booths run by half of the observed service providers the personnel initiated contact with the researcher less than 1 minute after waiting in front of the booths. Other results of the third stage of the research also indicated the lower competence and commitment of the developers' personnel compared with the personnel of the service providers and the tenants. The results imply the personnel's attitude to the meetings with stakeholders, which had been arranged before the trade fairs. Therefore, one can reach the conclusion that developing relationships with existing business partners is of key importance in the retail real estate industry (Siemieniako, and Gębarowski 2014b).

Other element of the trade fair performances, which implied, among other things, the orientation towards the existing contracting parties, was the fact that the exhibitors used marketing events only to a small extent, whereas such events are commonly seen during trade fairs. Only 6 entities, from among all the 34 researched exhibitors, performed marketing events. In the majority of cases, these were special product exhibitions – 5 booths. One researched entity, as a marketing event, made their presentation with the participation of a famous person. The entities who used the marketing events were the developers promoting their new retail projects (in 4 cases) and the service providers representing the IT industry, which presented state-of-the-art information technology solutions (in 2 cases). Retail real estate trade fairs, as B2B trade fairs, are places where mainly specialist professionals representing various industries meet. Marketing events, whose aim is to substantially appeal to the five senses of recipients through stimuli that trigger strong emotions, are not adequate communication instruments in the retail real estate industry. This is because, during trade fairs of the industry under consideration, exhibitors communicate with their contracting parties mainly by means of rational media, through the selected manifestations of experiential marketing (Section 6.4 presents the forms and methods of using experiential marketing).

Fourth stage of research results

The data collected at the fourth stage of the research, during the winter SCF, showed that the primary goal of trade fair activity for the exhibitors representing various industries was building trust and credibility, which were the bases for developing strong bonds and deepening relational loyalty (Siemieniako, and Gębarowski 2014b). The reason for cultivating relational loyalty among industry professionals, trade fair participants, was predominantly a purely pragmatic aspect. And

it was all about greater effectiveness. Apart from the general aim of building trust and credibility, the specific aims of the SCF trade fair participants were as follows: reaching agreement on selected contract details, obtaining information (often of a confidential nature), and giving information, which frequently served to gain trust and build credibility. Based on the exhibitors' statements, given during the fourth stage of the research, it follows that the greatest importance in the process of planning and developing the relationships was attached by them, and particularly by the developers, to the informative dimension of exhibition events. Other functions of trade fairs, less significant to the participants, referred to their commercial and promotional dimensions. Information was delivered mainly by interactive person-to-person communication in the diverse personal networks of connections. One of the most essential networks is the one that is based on relational loyalty, since the trust which exists in this case creates favourable conditions for exchanging relevant information. During trade fairs, *"the informative dimension is the most important, because the whole industry gathers in one place; owing to a large number of meetings, the exhibitors and the visitors receive new information which they can further disseminate"* (D¹) in the various personal networks of connections. One of the respondents stressed the necessity for participating in the SCF trade fair with a well-prepared offer. It was also observed that the SCF trade fairs allow for meetings of the whole industry, which makes it possible to manage time in a more reasonable manner. It is significant that at the trade fair there were many representatives of the whole industry in one place who formed the community of the participants of exhibition events. One of the service providers underlined the need for systematic participation in trade fairs and other industry-related meetings – precisely to maintain and strengthen mutual loyalty. The opinions received during the fourth stage of the research are as follows:

At trade fairs you can meet all the people from the industry, which obviously saves time. Arranging meetings with various customers beyond the period of trade fairs is time-consuming. For exhibitors, trade fairs are an important source of information about competitors' offers and trends in the industry. (D)

Discussions behind the scenes are more significant, because due to the fact that information at this type of trade fair is revealed quickly and shared

¹ Abbreviations used for the third stage of the research: D – developer, T – tenant, S – service provider.

with other people, it is more plausible that one can hear some information of huge importance. (D)

Participation in trade fairs is necessary for building credibility. A developer should show a project, because otherwise it can be supposed that the project is not prepared properly. In the case of tenants, exhibiting themselves at booths is not that important, due to the fact that this is the group whose attention is something which many entities in the contemporary market vie for – only the strongest tenants exhibit themselves, or those which have an expansion strategy. (D)

(...) during trade fairs it is possible to meet all of them, which significantly saves time. It takes a lot of time before you manage to arrange meetings with various contracting parties. (D)

I even don't know where we've met, because I very often attend various industry-related events. That's why the aim is to be present in relationships with contracting parties all the time. (S)

The researched trade fair participants, in particular the developers and the tenants, placed greater importance on building relationships with existing business partners rather than on attracting new customers or suppliers, which was, however, more typical of the service providers. The significance of strengthening existing relationships between the developers and the tenants resulted from the limited number of both those industry specialisations in the specific geographic markets. It is crucial that developers' offers meet present tenants' needs. The interviewees put emphasis on the significance of maintaining relationships by participating in cyclical trade fair events, usually organised once a year. One of the developers under research observed that "*participation in trade fairs creates the rhythm of face-to-face meetings in the industry*" (D). While another one stated that: "*the primary goal of participating in trade fairs is to cement relationships and complete transactions*" (D). The trade fair participants under research pointed out the activities performed by the exhibitors, not only during the at-show phase, but also throughout the pre-show and post-show phases. The interviewees very frequently mentioned the goals of participating in trade fairs and the significance of regular meetings:

(...) is to present the project, and build business relationships with new and existing customers. (D)

The goal of participating in trade fairs is to remain present, at all times, in the relationship with customers. (S)

Forging new relationships takes place before trade fairs, and at retail real estate trade fairs it is important to develop existing relationships by face-to-face conversations. (D)

One of the developers presented a brochure with visualisations of its own retail park project to a wider audience for the first time, and that was why he believed that the most essential aspect of participating in the trade fair was the “*promotional dimension, because it was only recently that I made the advertising brochure, and would like to inform the market about that; that’s the beginning of the project*” (D). Therefore, the above entity emphasised, to a larger extent than the majority of the developers, that reaching new customers is an essential aim of participating in the SCF trade fair.

In general, it can be stated that the trade fair participants under research appreciated, to a greater extent, the value of face-to-face meetings with the people with whom they had arranged such appointments before, rather than the importance of visiting booths. One of the researched tenants noticed that some people interested in taking part in the trade fair “*make appointments downstairs at the hotel, in order not to pay; people book the tables for the whole day, it’s a cheaper option*” (T). The same tenant highlighted the fact that professionals from the industry treat the winter SCF trade fair as the event which they will attend – but only if they are able to arrange some meetings with the relevant people from the industry. However, in their opinion, such a situation does not have to happen. Some participants thus do not always schedule their participation in the SCF trade fairs in advance.

It was only a week ago, when the number of registered people was very low. And suddenly, a couple of days before the trade fair, many contracting parties called me to meet during that event. Thus, it was hard to draw up a schedule. I know that even today many people have paid the entrance fee to attend the trade fair. (T)

An essential element of strengthening relational loyalty at the winter SCF trade fair was meetings held during the two accompanying entertainment events – which could be attended by all those trade fair participants who had paid for the full participation package. One of those events was a welcoming meeting that preceded the main trade fair event. The other accompanying meeting was a banquet organised at the end of the trade fair. The accompanying events were crucial because they fitted squarely into a typical context for maintaining and strengthening business relationships at retail real estate trade fairs and allowed for building

relational loyalty in various personal configurations with the specific industry specialisations. The business meetings held in the formal atmosphere of the main exhibition event, preceded by informal conversations during the accompanying event, were perceived as more effective due to the fact that they made it possible, among other things, to save time, and such a way of hosting meetings during trade fairs strengthens the relational loyalty of participants. One of the developers mentioned that “*evening meetings are more informal, over a drink; it’s easier then to get confidential information; an evening meeting before a trade fair also serves to prepare for formal discussions the next day in an exhibition hall; an evening meeting after the main trade fair programme is rather of a social nature and makes it possible to celebrate and build relationships*”. (D)

Statements made by the interviewees also demonstrated that the developers’ and tenants’ decisions to set up booths at the trade fairs were connected with their negotiating positions. Compared to the tenants, there were more developers exhibiting during the trade fair, and they were much more involved in their performances. The decision about performing at the trade fair entailed considerable costs and was considered in terms of profitability. The participants of the research noticed a tendency towards decreasing the number of booths at trade fairs, since trade fairs reflected the situation in the industry. The statements given by the developer’s and tenant’s representatives, collected during the fourth stage of the research, reflected the above-mentioned circumstances:

Developers have to present their projects, because no exhibition activity implies that their activity is suspicious and their projects are not well prepared. Tenants, on the other hand, do not have to exhibit, as they constitute a group for which many other entities compete in today’s leasing market. (D)

There are fewer attendees at the winter SCF trade fair than a year or two years ago. (T)

5.7. Summary – managerial implications

One of the most important goals of retail real estate development in trade fair performance is to make visible progress in renting space for targeted potential tenants in the development project. The importance of the issue of promise management as a concept of relationship management (Bitner 1995; Grönroos 1990; 2007; 2009; Weber 2013) in fostering renting retail space is related to the complexity and the long term of retail development projects implementation. These projects are high risk,

increasing the need for building project credibility and trustworthiness through promise management concepts.

In general, it can be claimed that while implementing retail real estate projects, managing the promise of renting out modern retail space mainly happens at the stages of planning and implementing the life cycle of a development project. The final tenants' assessment – with respect to the developer fulfilling promises – takes place after a retail facility has been put into service. While planning and carrying out the development projects with modern retail space, developers, *inter alia*, examine the interest of potential tenants and agree on the scope and terms and conditions of services related to renting out retail space. Through interactions, developers make general promises about offering retail space lease services in the retail facility that is at a planning or execution stage. Specific promises are also given, and they refer to the progress in carrying out the development project, as well as to the process of arranging the lease agreement and its fulfilment by both of the parties before the opening of the retail facility.

At the second stage of the research (during which the case study research was applied) on the developer that developed the large shopping centre, the dependence of trade fair performance management and the areas of the promise management process was recognised (Table 5.1.). In promise management by the developer with reference to trade fair performance management, during the pre-show phase, the developer made promises of renting out the retail space at the planned shopping centre. Those promises were made to the potential tenants as preparation for the trade fair performance. The developer was also involved in the actions that made fulfilling the promises possible (enabling promises). During the at-show phase, all the phases of the promise management process occurred. The post-show phase involved, above all, fulfilling the promises given earlier, as well as making the fulfilment of those promises possible. Putting the matrix that combines the components of both processes into practice during the three phases of trade fair performance management, i.e. pre-show, at-show and post-show, should contribute to the development of relationships with customers, prospects and other key stakeholders. This proposal carries critical practical implications in building credibility among the customers of a complex shopping centre investment project, which has to lead to the conclusion of lease agreements for retail space.

In the present difficult situation in the retail real estate market, which is connected with the consequences ensuing from the world economic crisis in 2008, people from the analysed industry strongly believe that even if a particular investment project is problematic to a certain extent, “the

best” developers, which pay attention to credibility, carry out such a project in line with the promises given at the earlier stages of a project life cycle with regard to the key execution areas. Such a practice builds credibility and determines an advantageous starting point in promise management when implementing future retail real estate projects.

As far as the authors’ contribution is concerned, who aimed to fill in a certain research gap, the importance and possibilities of applying the promise management concept to trade fair performance management processes was demonstrated. The case study provides crucial practical implications not only with respect to the developers’ activity in the retail real estate industry, but also with regard to other industries in which one of the most relevant factors in success is the competent management of promises given to customers.

The results of the participant observation carried out at the third and fourth stages of the research showed the significance of retail real estate trade fairs in the researched industry and their key role in facilitating the building of relationships with business partners, including mutual loyalty with them. From a relationship marketing management perspective, the results of the third and fourth stages of the mystery visitor research demonstrated that at retail real estate trade fairs both the exhibitors and the visiting stakeholders were much more orientated towards maintaining and strengthening existing relationships than establishing new ones. This conclusion particularly refers to retail real estate developers. The research results revealed that for all three industry specialisations, i.e. developers, tenants and service providers, the goal of participating in trade fairs, i.e. developing business relationships, was crucial. Relationships with existing partners were strengthened mainly by building the credibility of the investment projects, gaining the trust of business partners, and making them involved, and as a consequence, by increasing the dynamics of relational loyalty among the parties.

The managerial implications relate not only to the strategic dimension of developing relationships during trade fairs, but also to the tactical dimension. According to service encounter philosophy (Czepiel 1990; Bitner, Booms, and Tetreault 1990), through using interactive marketing during person-to-person meetings it is possible to employ various methods of building trust and commitment, and consequently strengthening interlocutors’ loyalty.

The participation in the events that accompanied the trade fairs was an important element of cementing the relationships. Combining formal meetings with conversations – held in a more informal atmosphere – occurring before or after such meetings, turned out to be advantageous,

both while exchanging information and further developing commercial discussions.

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CHAPTER SIX

EXPERIENTIAL MARKETING WITHIN THE TRADE FAIR AREA AS A PART OF RELATIONSHIP DEVELOPMENT

MARCIN GĘBAROWSKI

6.1. Significance of experiences in contemporary marketing activities

From a marketing perspective, an experience is understood as a sensation, feeling, cognition, and behavioural response evoked by brand-related stimuli (Brakus, Schmitt, and Zarantonello 2009). Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use and service, and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of the company's products, services or brands, and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth (Meyer, and Schwager 2007). An experience is therefore created in every person in a multidimensional manner – at various communication levels and including all interactions that occur between the customer and the enterprise or its offer (LaSalle, and Britton 2003; Gentile, Spiller, and Noci 2007). Because experiences are private events that occur in response to some stimulation, they are often not self-generated (as some thoughts and cognitions) but induced (Schmitt, and Zarantonello 2013).

The importance of experiences in marketing became the centre of attention at the beginning of the 1980s, which was owing to M.B. Holbrook and E.C. Hirschman's publication. According to these authors, consumption experience is a phenomenon directed toward the pursuit of fantasies, feelings, and fun (Holbrook, and Hirschman 1982). Nearly two decades later the literature on the subject referred to the dawn of the era of

experience economy. This term was used for the first time in 1998 by B.J. Pine and J.H. Gilmore in their article entitled “Welcome to the experience economy” (Pine, and Gilmore 1998). One year later, the concept was explained in detail in a book with the title: “The experience economy. Work is theatre and every business a stage” (Pine, and Gilmore 1999). Adopting the approach proposed by the two authors, it is assumed that the area where relationships among market participants are built is an unusual theatre, in which unique experiences are created. In such circumstances, employees become actors, and the area of communication among organisations and customers represents the stage.

The present era, which puts the customers’ experiences at the centre of attention, is another phase of economic development – following on from the agrarian economy, the industrial economy and the service economy (Pine, and Gilmore 1998). Having considered the concept of experience economy, it is assumed that the key determinant of market success is nowadays not only offering products that satisfy purchasers’ needs, but also providing customers with unique experiences. Such an approach stems predominantly from commoditisation, which is a process where unique brands and products compete. As a result, standards are raised and equalised, forcing brands into undifferentiated price competition (Smilansky 2009). Commoditisation is not limited to a single industry but instead constitutes a general trend pertaining to an increasing number of industries. Based on the existing literature, it is consensual among scholars that, with the commoditisation of products and services, companies have to learn how to design, create, deliver and manage experiences that customers are ready to pay for, in order to obtain corporate reputation, to achieve competitive advantage and differentiate themselves from competitors, to create value and be difficult to imitate (Ferreira, and Teixeira 2013). Thus, commoditisation appears to be an important phenomenon in evolving marketing competition (Reimann, Schilke, and Thomas 2010). Today, with the serious problem of commoditisation, experiential marketing is considered to be an effective strategy in acquiring a competitive advantage (Kumaga, and Nagasaw 2015).

Social changes are also relevant. Experiences become crucial differentiation and success factors for many industries, especially as highly developed countries increasingly transform themselves into “experience societies” (this term was first coined by the sociologist Gerhard Schulze in 1992) (Schulze 1992). Nowadays, affluent western societies tend to comprehend one’s entire life as an experience project, so that a person’s life is quite literally the sum of his or her experiences. The accumulation

of rich experiences thus creates a richer life (van Boven, and Gilovich 2003; Kilian 2009). And that explains why the contemporary society can be described by paraphrasing Descartes' creed: "I am, therefore I experience".

In the context of the determinants indicated above, attention is more and more frequently given to the necessity for creating a bond with a brand based on the assumptions of experiential marketing. The results of numerous researches confirm the fact that engaging many senses in the process of marketing communication can cause desired experiences and significantly extend the period of time for which information about an enterprise or its products can remain etched in people's memories (Kirchgeorg, and Ermer 2012). Robinson and Etherington (2006) define the experiences which leave the customer feeling impressed with the service as loyalty-building experiences. These experiences meet the innate human needs that govern much of the behaviour, and customer loyalty is created when they are consistently perceived to be of a high standard (Haghighi, Baum, and Shafti 2014).

Experience is just as important in B2B markets as it is in consumer's markets (Solanas 2012). In both these spheres applying strong stimuli that simultaneously affect all the senses of potential and existing customers makes it more possible that an offer will be successfully distinguished and market relationships strengthened. However, to achieve that it is necessary to manage the experiences which are provided, taking into account all the moments when contact between the customer and the organisation occurs (Carlton 1989). One such moment, critical in the process of building relationships among bidders and purchasers in the B2B market, is participation in trade fairs.

6.2. Essence of experiential marketing

The growing awareness of theorists and practitioners about the need to appeal to customers' senses in a planned manner has been reflected in the concept of experiential marketing, which is more and more often becoming the centre of interest in the scientific literature on the subject. It is expected that experiential marketing will be the dominant form of marketing activity in the future (Hudson 2008).

Experiential marketing is perceived as the art of creating experiences, whose goal is to connect a product's brand (including services) with customers by using credible and important experiences for individuals (Quattrocchi-Oubradous, and Bal 2011). However, special emphasis is laid on interactions between the organisation and the customer, as well as on establishing close relationships with the brand, which is particularly

important in the context of the company's participation in trade fairs. For instance, according to Smilansky, experiential marketing is the process of identifying and satisfying customer needs and aspirations profitably, engaging them through two-way communications that bring brand personalities to life and adding value to the target audience. Two-way communication and interactive engagement is the key to creating memorable experiences that drive word-of-mouth, and transform consumers into brand advocates and brand evangelists (Smilansky 2009). Lenderman, on the other hand, claims that experiential marketing is based, above all, on interactions, even if that same interaction is repeated hundreds, thousands, or millions of times (Lenderman 2006). And this is exactly what occurs during trade fairs. Appealing to the senses can lead to the variability of customers' attitudes towards the object of interaction. The fact that enterprises deliberately influence the change of customers' attitude, for example in order to increase their loyalty, is becoming more and more relevant (Siemieniako, and Urban 2006).

It is assumed that the underlying principle of experiential marketing is providing customers with more holistic experiences. Modern consumers are looking to transcend conventional relationships with marketers by raising their expectations of those goods and service providers. These consumers want to interact with those providers that "go the extra mile" and deliver something more than just a tangible product or a customary service (Newman 2011).

The difference between traditional and experiential marketing can be highlighted in a number of ways. Firstly, the focus is on customer experiences and lifestyles, which provide sensory, emotional, cognitive and relational values to the consumer. Secondly, there is a focus on creating synergies between meaning, perception, consumption and brand loyalty. Thirdly, it is argued that customers are not rational decision-makers, but are instead driven by a combination of rationality and emotion. Finally, it is argued that experiential marketing requires a more diverse set of research methods in order to understand consumers (Hudson 2008).

It is worth noting that some authors discern differences between experiential marketing and experience marketing. Same and Larimo (2012), for example, indicate that the platform of experience marketing is strategic and larger than experiential marketing. In the context of appealing to customers' senses, the concept of sensory marketing is also referred to, laying greater emphasis on the importance of stimuli that appeal to sight, hearing, touch, taste and smell. An example of such an understanding of sensory marketing is the perspective put forward by

Filser (2003), who perceives sensory marketing as a set of key instruments controlled by the manufacturer and/or the distributor in order to create the desired multisensory atmosphere for the product (the service). This is achieved by using the qualities of the product, by performing communication activities, or through the environment in which selling occurs (Filser 2003). A sensory marketing framework is based on the assumption that the firm should reach the five human senses at a deeper level than is reached by mass and relationship marketing (Hultén, Broweus, and van Dijk 2009).

Regardless of the terms used, it is important to stimulate customers' experiences deliberately, consistently, and for a longer period of time. In addition to that, implementing a multisensory approach is of key importance – exploiting the potential of the particular forms of marketing communication (an advertisement, a sales promotion, personal selling, public relations) in order to engage all the senses.

6.3. Creating desired experiences from the managerial perspective

The experiences that the recipient of a marketing offer has, both those which are planned and those which are spontaneous, are created in every moment of his or her contact with the enterprise, i.e. before, during and after making the purchase. The aforementioned moments are defined as touch points. It seems that in the B2B industry the contact which is established during a trade fair is one of the most vital touch points in the process of experience management. In the case of the enterprise using experiential marketing, its every single participation in trade fairs should become an inherent part of a series of activities that aim to create planned experiences repeatedly. It necessitates incorporating motifs and stimuli which are utilised in respect of other communication activities into a trade fair performance. This observation applies both to the sequence of trade fair performances (when the organisation is often involved in an exhibition activity) and to the situation when participation in trade fairs is a rare occurrence.

The brand is the sum of the customer's experiences with the product or company. It is transmitted in every interaction with the customer over the lifetime of the relationship (Hogan, Almquist, and Glynn 2005). Therefore, the strategy of creating coherent experiences should be comprehensive. However, one must remember that a complete experience is something more than just the sum of its components – various touch points between the customer and the company can mutually strengthen

(synergy) or weaken each other with respect to triggering the positive emotions of the offer recipient. A single negative incident can have a disproportionately large negative impact on an organisation's image, and thus it is necessary to control the experiences which are created at all touch points – both the ones which are specified as frontstages (e.g. the customer service) and those which are described as backstages (e.g. cleaning the company's offices, making out bills) (Skowronek 2011). The control of touch points should also include trade fairs, which – being frontstages – provide a wide spectrum of interactions.

The approach which takes into account an organisation's integrated and long-term activity, including the dimension of experiential marketing, is the concept of customer experience management (CEM). In some countries CEM solutions are considered to be innovative, yet the assumptions of that concept have already been described in detail in the literature on the subject (Carbone, and Haeckel 1994; Schmitt 2003).

Customer experience management is a strategy to engineer the customer's experience in such a way as to create value both to the customer and the firm (Verhoef et al. 2009). It represents a strategy that results in a win-win value exchange between the company and its clients (Grewal, Levy, and Kumar 2009). CEM is a systematic approach to measuring and managing customer feedback. It consists of a range of unique yet complimentary solutions aimed at delivering consistent experiences that meet customers' expectations (Kiska 2003). Implementing that strategy allows for diagnosing current experiences which the recipients of marketing activities are provided with, as well as for planning and utilising desired experiences in relation to all touch points in the future. The ability to manage experiences refers to the way of functioning of the whole organisation. It embraces the strategy, processes, products and ways of their delivery, and supports their systems. The implementation of CEM systems is a complex process which requires the co-ordination of many procedures. That is why for many companies the conscious design of customers' experiences and then managing them creates a lot of problems (Gębarowski 2009).

Participation in trade fairs can constitute a source of many positive experiences, since face-to-face meetings between exhibitors and visitors allow for conversations in a relaxed atmosphere and enable visitors to see showpieces personally. Owing to the necessity to distinguish their own offer to make it clearly noticeable while exhibiting, many entities enrich their trade fair performances by adding unique accompanying events. This entails employing diverse solutions, e.g. they present a part of a technological process, organise tastings, or run contests. The exhibitors'

willingness to provide visitors with unique experiences is the reason why public people (presenters, film stars, athletes), bands, dancing groups, mime artists, clowns, doubles of famous characters, folk artists, etc. are more and more frequently invited to participate in exhibitions. It is relevant, however, to remember that the experiences which are offered during trade fairs must become an inherent part of the process of creating the desired image of the organisation, as this is required by the assumptions of the concept of customer experience management.

It is noteworthy that some authors consider mystery shopping to be an integral component of CEM. It identifies if front-line staff are displaying the attitudes and actions set out in company policy and procedure manuals (Kiska 2003). This observation also concerns the mystery visitor in relation to those entities which use exhibit marketing.

6.4. Experiential marketing in the activities of retail real estate industry exhibitors – 3rd stage of research results

Until now, the scientific literature has paid very little attention to applying experiential marketing activities that fall within the concept of relationship marketing during trade fairs. There is a need for investigating the scope and nature of the activities that aim – through engaging human senses – to support business relationships, and consequently, build loyalty among enterprises (exhibitors) and their most important customers (visitors). While conducting analyses, an industry perspective must be included by referring, for instance, to the unique qualities of the retail real estate market. Figure 3.2. illustrates the connection between experiential marketing and relationship marketing management in the context of the retail real estate industry.

When the authors were carrying out observation during the third stage of the research (this part of the research process was described in Section 2.4) they treated the booths as the area of creating experiences, which is a reference point for perceiving trade fairs as a place where experiential marketing activities are performed purposely. The analysis encompassed the activity orientated towards exhibitors engaging the senses of trade fair guests – B2B market participants – taking into consideration the context of building relationships. The research included three distinct subgroups of exhibitors according to their industry specialisation: developers (12 entities), tenants (7) and service providers (15). The researched entities came from different countries and held strong market positions with respect to their industry specialisations, which was

generally typical of all the exhibitors (as has already been mentioned, MAPIC is the largest trade fair event in the retail real estate industry, and its range reaches beyond Europe). Thus, a general tendency was to prepare and stage, using the instruments classified under experiential marketing, highly attractive trade fair performances which abounded with various forms and methods of appealing to the visitors. Attractive trade fair presentations were intended to attract a lot of visitors to particular booths, as well as to make the guests remember the trade fair meetings for a long time, with the intention of supporting the process of building mutual relationships and fostering business co-operation.

The attractiveness of the trade fair booths at MAPIC was one of the indicators of creating experiences among the trade fair participants, which referred mainly to the visual aspect of experiential marketing. Research results presented in the literature confirm that the way the exhibitor is perceived depends mainly on the appearance of its booth. It is the appearance of the exposition which contributes, first of all, to the creation of a three-dimensional and multi-sensory experience, substantially influencing the way the brand of the exhibiting company and its products are perceived (Kirchgeorg, and Ermer 2012).

Having considered the visual attractiveness of trade fair booths, it can be claimed that, in a general perspective, the level of trade fair performances at trade fairs devoted to modern retail space, and particularly, at MAPIC, the most prestigious event in the retail real estate industry, is relatively high when compared to other industries. The high requirements related to the attractiveness of booths result from the greater and greater expectations of visitors, especially tenants, who pay considerable attention to the visual and functional attractiveness of modern retail space, as well as from the maturity of the industry. When conducting participant observation, relatively high standards of booth assessment were defined in order to investigate the ability of the booths to attract the visitors' attention. In order to reduce the influence of the researcher's subjective impression, criteria of exposition attractiveness assessment were imposed. Regarding the visual dimension, the highest rating was scored by original booths having untypical shapes, which were so colourful that they caught people's eyes. The researcher also considered how diversified and original the means of presenting offers were, and the functionality and ergonomics of the booths. Out of the 34 visited booths, 11 were evaluated as very attractive, 9 as attractive, 12 as average, and 2 as unattractive.

It can be claimed that from among the three groups of industry specialisations the most attractive booths were those run by the developers that presented large and innovative shopping centres at the stage of

planning, which in most cases were fourth-generation retail facilities (Section 3.3. describes the generations of shopping centres). Regarding the developers, 4 booths were evaluated as very attractive, and 5 as attractive. The remaining 3 expositions from the discussed industry specialisation were perceived as average. In the case of the service providers, which rendered services mainly for the developers, 6 booths were considered to be very attractive, and 3 as attractive. Moreover, in this group of exhibitors, 4 booths were rated as average, while 2 expositions were found to be unattractive. The lowest ratings were assigned to the tenants' booths, among which 1 booth was rated as very attractive and 1 as attractive. As many as 5 tenants' booths were perceived as average.

The developers' approach towards exhibiting their offers in the most attractive manner was the result of the present situation in the market. This is because in Europe there is a surplus of planned modern retail space in relation to the supply of existing space. Also, owing to the economic slowdown that has been continuing for several years, and due to the cautiousness related to investing and connected with the limited development of some tenants' business activities, one can mention the tenants' market, whose negotiating power has increased significantly. This situation causes intense competition for tenants among developers, which in terms of trade fair activity means that developers "enter the race" to prepare the most attractive booths. Furthermore, the power of the market environment, which has a profound impact on developers, is connected mainly with the excess supply of modern retail space in Europe, the aversion of tenants and financing institutions to risk, and greater and greater consumer expectations in terms of enjoying experiences in shopping centres.

The trade fairs, apart from sight, also involved other visitors' senses: hearing, smell, taste and touch. Table 6.1. presents various forms and methods of using experiential marketing by the exhibitors under research, taking into consideration the trade fair guests' senses to which the exhibitors tried to appeal. It is worth mentioning that the goal of these activities was to significantly engage visitors in relationships with exhibitors whom they had met before. This results from the fact that the representatives of both the exhibiting and visiting entities had arranged some meetings before the trade fairs.

Table 6.1. Forms and methods of using experiential marketing at trade fair booths

Forms and methods of using experiential marketing at trade fair booths	Types of visitors' senses to which appeal was made at trade fair booths (boldface means the prevailing sense)	The number of answers given by the entities under research			
		Service providers	Developers	Tenants	Total
Exhibiting printed advertising materials at a booth	sight	14	12	6	32
Exhibiting logos/logotypes/ advertising slogans	sight	14	12	7	33
Characteristic clothing of personnel	sight	0	2	1	3
Multimedia presentations	sight, hearing	10	11	1	22
Presentations based on a catalogue/brochure	sight, hearing	1	1	0	2
Exhibiting a shopping centre mock-up	sight, touch	1	6	0	7
Sampling – distributing samples of goods	sight, touch	1	0	2	3
Public verbal presentation using a microphone	sight, hearing	0	3	0	3
Music and special sounds	hearing	2	3	0	5
Displays with headphones for presenting an offer	hearing, sight, touch	0	1	0	1
Verbal presentation during face-to-face meetings	hearing, sight	13	12	4	29
Advertising accessories	touch, sight	6	8	4	18
Interactive electronic equipment	touch, sight, hearing	3	3	0	6
Test equipment for testing	touch, sight	4	0	0	4
Specially selected fragrances (aroma marketing)	smell	1	1	1	3
Tasting of food articles included in an exhibitor's offer	taste, smell, sight, hearing	0	0	1	1
Exhibiting and offering snacks and drinks	taste, smell, sight, hearing	7	11	4	22
Lack of any actions related to the analysed scope	not applicable	1	0	0	1

Source: Siemieniako, and Gębarowski 2014.

With regard to the results displayed in Table 6.1., it must be pointed out that almost all the exhibitors under research appealed to the visitors' sense of sight by distributing at their booths printed advertising documents (leaflets, brochures, catalogues, business cards) and exposing device marks and advertising slogans. Among the service providers and the developers, the most popular practice was to use multimedia presentations. Half of the developers in question exhibited mock-ups of shopping centres which were under construction, and in that case, apart from the sense of sight, touch was also involved. For the service providers, especially the suppliers of equipment for shopping centres, a particularly relevant aspect involved appealing to the sense of touch. Test equipment and interactive electrical devices were used during the trade fair performances. For example, the test equipment made available to the visitors encompassed consoles with education and entertainment applications for children, usually located in the play areas arranged for children in shopping centres. There were also some other gadgets, like 3D glasses, which made it possible to make a virtual journey through the shopping centre. The exhibitors under research which represented various industry specialisations very frequently appealed to the sense of touch and sight by means of advertising products. As for appealing to the senses of taste and smell, especially among the developers, offering snacks and drinks was a very popular practice. In that way, the developers referred to the local nature of foodstuffs which were typical of the region where specific retail facilities were planned to be developed. The sense of hearing was activated predominantly by using exhibitions in a verbal form, which was made particularly by the developers. Additionally, the developers performed public displays with microphones or by means of monitors equipped with headphones. Music and special sounds were applied by several developers and service providers. Furthermore, some trade fair performances used other, more sophisticated experiential marketing instruments, such as scent marketing or exclusive tasting, and thus they were more distinctive compared to the other booths.

Using such a wide spectrum of methods of appealing to the visitors' senses, which was indicated in the Table 6.1., made the act of entering into interactions in terms of trade fair performances more intense, and the interactions are exactly what experiential marketing is based on (Lenderman 2006). With regard to creating lasting impressions, some of the exhibitors at MAPIC were more distinct from the others by using the trade fair-specific multidimensional character of communication and a great number of interactions, since the most important goal for them was to impress the visitors and inspire them by word-of-mouth. Such

presentations enabled the trade fair participants to imagine – and even feel using their senses – the planned shopping centres in a better way. This behaviour of the exhibitors who performed experiential marketing allowed for offering memorable experiences and developing visitors' trust, and as a consequence, it had a positive impact on improving mutual loyalty.

While conducting the research during the MAPIC trade fair it was noticed that some booths attracted the visitors' attention to a greater extent than the others. The following presentations made by the exhibitors constitute examples of the above observation:

- an exhibitor – a developer who promoted a large shopping centre planned to be built in Brussels, Belgium – the programme of its trade fair performance included a cocktail party entitled “happy hour”; *house* music was played live by a DJ, waffles and chocolates (typical Belgian desserts) were tasted, at the booth there were female models who wore eye-catching clothes that related to the corporate identity system of the exhibitor;
- an exhibitor – a developer who promoted a shopping centre planned to be built in Poland – at the booth of that Polish exhibitor there was a famous actress with whom everyone could take a picture;
- an exhibitor – a Turkish tenant from the food industry – it enabled every guest who visited its booth to taste all the presented products (foodstuffs) without any limits (such promotional campaigns are usually of a limited nature);
- an exhibitor – a developer who promoted a large shopping centre in Qatar – its trade fair performance was arranged in a cohesive manner and referred strongly to the Arab culture, mainly by: personnel clothing, sweets typical of that culture, ethnic music.

The majority of the participants of the retail real estate trade fair presented intangible offers. This related particularly to the service providers and the developers developing the projects of new shopping centres which in fact did not exist at that time. The developers thus presented some kind of an idea of the planned retail facilities and made promises that they would be constructed. A trade fair performance should therefore exhibit – in an attractive way – what such a shopping centre would look like, and convince visitors that a particular developer and its project are credible. Taking into consideration the present situation in the industry, whose characteristic features are, among other things, the excess supply of retail space and the market of tenants who are the ones that set out conditions for developers, building the credibility for new shopping centre projects is of cardinal importance. The intangible nature of service offers causes difficulties in presenting them during trade fairs. The results

of the conducted research (Table 6.1.) revealed that most exhibitors used experiential marketing by running campaigns which aimed to support the presentations of products (these were, among other things, exhibitions of mock-ups of shopping centres at the development phase, or simulations of various services that consumers can receive in shopping centres).

It is noteworthy that the above methods of effectively dealing with the intangible nature of presented offers allowed the visitors to imagine future retail real estate more easily, and could be perfectly perceived as the instruments of promise management with respect to services, being the manifestation of both making promises and keeping promises made to contracting parties in the past. It must be mentioned that while implementing long-term projects in the retail real estate industry, commitments given in the past are often not fulfilled, for example, owing to delays in the time schedules of modern retail real estates.

Activating the visitors' experiences, particularly at the booths run by the developers, often entailed creating a symbolic context of developed shopping centres. While entering interactions with the means of appeal utilised at the booths, the trade fair guests could, to a much greater extent, imagine – and even feel with their senses – the future shopping centre, or, in the case of the service providers, better imagine receiving the service. That helped to increase the trust and commitment of the visitors, which consequently, had a positive impact on the development of the relationships with the exhibiting enterprise, increasing the probability of gaining close business co-operation.

In addition to the presented empirical material collected during the MAPIC trade fair it must be mentioned that the exhibitors also endeavoured to create strong experiences outside the trade fair premises. Both the developers and the service providers (mainly the biggest investment funds) organised accompanying entertainment events (which were only for chosen, invited trade fair participants) that took place in the conference and banqueting halls of the adjacent hotels and on rented yachts moored in the port in Cannes.

Moreover, it is worth mentioning that activities falling within the concept of experiential marketing were performed not only by the exhibiting entities, but also by the organiser of the MAPIC trade fair. The venue of the event was a prestigious and widely recognised facility – *Palais des Festivals*, where the Cannes International Film Festival (*Festival de Cannes*), famous worldwide, is held once a year. Furthermore, an hour before the grand opening of the exhibition event the organiser prepared breakfast for all the participants, and subsequently showed all interested guests around the trade fair hall and exhibitions. On the

organiser's initiative, the programme of the MAPIC trade fair also included an accompanying entertainment event (a banquet), which combined conversation with eating and drinking, as well as with dancing. Moreover, the organiser gave numerous awards to the participants.

6.5. Summary – managerial implications

Having considered the models presented in Figure 3.1. and Figure 3.3., it must be noted that apart from the trade fair conversation, everything which happens at the booth, providing visitors with the desired (from the exhibitors' point of view) experiences, is of key importance with regard to forging relationships. It has been empirically proved that experiential marketing does improve relations, and as a result, customers' loyalty (Lee, Hsiao, and Yang 2010). This also refers to the B2B sphere. Trade fairs immerse industrial buyers in a physical and cognitive experience that requires their active and interactive participation. Under such circumstances industrial marketers who employ experiential marketing techniques are likely to increase their trade fair performances. By deploying "experience providers" firms can create a competitive advantage in terms of product differentiation, brand image, customer satisfaction and loyalty (Rinallo, Borghini, and Golfetto 2010).

In a general view, not only with regard to trade fairs, it is assumed (Krishna 2012) that from a managerial perspective, experiential marketing is used to create subconscious triggers in an integrated manner. Those triggers determine the way abstract notions of the company and its products (such as, for instance, sophistication, quality, elegance, innovativeness, interactivity) are perceived by consumers, as well as how they define the identity of the brand. In the case of trade fairs, an exhibitor's image, which is created during the interactions that take place at booths and that are based on the full engagement of senses, decides whether contacts initiated at trade fairs will be developed or not, and thus decides whether relationships will be further built or ended. If a company which exhibits during a retail real estate trade fair is perceived as a reliable partner which has an attractive offer, there is a chance that interorganisational bonds will be strengthened, in terms of relationship management, consequently winning mutual loyalty, not only in dual arrangements, but also in the situations when many parties are involved. For example, a three-party arrangement may entail relationships based on loyalty among the representatives of three main industry specialisations: developer-service provider-tenant.

A practical implication arising from the research results presented in this chapter is the demonstration of the numerous methods used to appeal to the customers' senses. Based on the observations made, it follows that the trade fair performances during which various activities perceived as experiential marketing were performed were seen by the visitors more often than the other performances. Therefore, the entities who want to exhibit at a retail real estate trade fair should plan activities aiming to activate all the senses of visitors – which means not only the most frequently used ones, sight and hearing, but also touch, taste and smell. With such multi-channel communication, it must be remembered that all the activities which appeal to customers' and contracting parties' senses must follow the goals of the relationship management concept, which takes into consideration the entirety of activities connected with the relationships of the company with various entities operating in the environment.

With the proper management of a trade fair performance, the booth area becomes a place for developing relationships, which can be continued or ended, depending – to a considerable extent – on the experiences that exhibitors create and visitors have. This fact is substantially supported by the exhibitors' activities, undertaken with the intention of strongly affecting the trade fair participants' senses. Most entities who presented their offers at the MAPIC trade fair – including particularly the developers operating in the most competitive environment – utilised several levels of appeal, trying to activate sensory channels (kinaesthetic, gustatory, olfactory) other than those which are most frequently used (visual and auditory). Such an approach, based on holistic communication (using all the senses) with potential and existing customers and contracting parties, must be recommended to every entity that intends to utilise retail real estate trade fairs in its marketing activities. The mystery visitor-based observation revealed that using mock-ups, multimedia presentations and tastings, as well as many other forms of appeal by the exhibitors, enabled them to increase the trade fair guests' attendance and attract their attention for a longer time.

The research results thus confirmed the fact that the exhibitors which created unique and strong experiences managed to make their offers clearly distinct from the other competitors' offers, and that occurred in the situation when – in the atmosphere of a feast for the industry – the biggest market competitors met in the same place and time. That is particularly relevant in the case of services which are based on intense contact. And that intense contact is characteristic of the services connected with the industry of real estate with modern retail space. Through providing

exceptional experiences, offers presented by exhibitors can remain etched in trade fair guests' memories for a long time, helping considerably to choose one of those offers. From a relationship management point of view, it is important that people who have had such experiences can positively confirm those sensations in the later period of the whole relationship with the exhibitor (that is after the end of the trade fair event), owing to promise-keeping. Therefore participation in trade fairs must result from coherent activities, performed in concordance with the approach of customer experience management.

The analysis of the results received at the third stage of the research leads to an important conclusion related to the utilisation of experiential marketing during trade fairs, which is confirmed in the literature (Skowronek 2010). That conclusion demonstrates that competing and building a positive image, based on the deeper engagement of senses, makes it necessary for enterprises to possess new managerial skills in recognising the affective reasons for customers' behaviour and satisfying their higher demands based on emotions. Furthermore, enterprises must be familiar with the concepts of customer experience management and relationship marketing management, and they must be able to put both approaches into practice. The aforementioned observations also apply to exhibitors, which – with respect to exhibit marketing – should concentrate on providing experiences that are expected by visitors. Moreover, those experiences should support the prevailing brand promotion concept of an exhibiting enterprise (or its products) and be coherent with experiences created at all touch points.

In relation to all forms of communication with the market, it can be asserted that currently there is a clear tendency to use the concept of experiential marketing to a greater and greater extent. More and more sophisticated methods and forms of appeal are developed, which play an important role in strengthening customers' loyalty by providing new stimuli, capable, for example, of breaking the routine of relationship, as well as revitalising such a relationship. The research conducted during the MAPIC event demonstrated that retail real estate trade fairs provide a suitable area for using experiential marketing and thus making exhibitors' offers unique and distinct. However, exploiting the potential of trade fair meetings in order to build relationships through activating all the five senses depends on the managerial competence of enterprises in creating experiences coherently, consistently and in a planned way.

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CHAPTER SEVEN

TRADE FAIR CONVERSATION IN DEVELOPING RELATIONSHIPS

MARCIN GĘBAROWSKI

7.1. Levels, planes and styles of communication during trade fairs

A trade fair conversation is the basic act of communication between exhibitors and visitors. Yet the communication process occurs at several levels, which can be illustrated as a pyramid – exactly as done by McQuail (2010). Intrapersonal communication, which takes place in the minds of individual people, was placed by the author at the very bottom level. The next pyramid level is represented by interpersonal communication, which involves mutual interaction among the participants of the process of information exchange. Intragroup communication was placed higher up in the hierarchy, and it occurs in specific social groups, as well as intergroup communication (association communication), which can be observed, for instance, among local communities. The next to last level is institutional/organisational communication, which exists in social institutions and enterprises, as well as among them. At the top of the pyramid the author put mass communication, which concerns the whole society.

It must be emphasised that except for intrapersonal communication, at all the other levels of information exchange, there are two communication planes: verbal and non-verbal. In the case of the first plane, the basic means of expression entail speech and writing. Whereas non-verbal communication, which plays an important role in the general perception of the other person, includes a wide range of behavioural manifestations: facial expressions, vocal cues, gestures, body postures, interpersonal distance, touching, and gaze (Matsumoto, Frank, and Hwang 2013). The above-mentioned communication planes complement other

elements of a trade fair performance: attitude towards customers, the appearance of booths, the way of presenting showpieces, events organised on the initiative of the exhibitor at its booth or somewhere else. A trade fair performance – perceived in such a comprehensive way – must include cohesive components and should serve to achieve specific goals (for example, proving that the company has a leading position in the industry, introducing a new product to the market), determined by the exhibitor before the trade fair.

Taking into consideration the level of an exhibitor's activity (persistence) while being in contact with a potential or existing customer, two styles of trade fair conversation can be distinguished – hard selling and soft selling (Gębarowski 2010). The first of the two styles is an importunate, sometimes aggressive, approach to sales. A salesman or saleswoman who is striving to persuade a particular person to choose his or her offer deploys specifically tailored arguments, thus strongly influencing such a person. Adopting such an attitude, it is assumed that whether the product will be sold or not depends mainly on the strong commitment and high activity of the salesperson. An alternative style is represented by soft selling, where salespeople behave in a manner which is not importunate. In this case, the person presenting his or her offer is focused more on giving information about the product and putting forward factual arguments rather than on playing upon the customer's emotions and clearly persuading him or her to purchase the goods. Trade fair meetings are of a voluntary nature. Therefore, visitors have considerable freedom in choosing exhibitions, and if they feel uncomfortable, they can at any time end a discussion which they have entered into. This is the reason why personnel running booths should more often adopt the soft approach.

In the context of the aforementioned levels of communication, the trade fair conversation must be perceived as interpersonal communication, which takes place between two participants of an exhibition event (during B2C and B2B trade fairs), and additionally as institutional communication at B2B trade fairs, since during those events people involved in the conversation represent various organisations and communicate on behalf of them with the representatives of other organisations. The trade fair conversation most frequently occurs in the area of an exhibition stand run by one of exhibitors. It can also take place outside the booth (for example, in the areas specially dedicated for conversations, or trade fair restaurants) and during accompanying events (such as formal banquets or trade fair award ceremonies).

Owing to face-to-face meetings and conversations, trade fairs belong in the two ways communication category. This form of communication is mostly focused on sharing experiences with specific target groups, giving them a personal encounter, letting them experience the brand, and encouraging emotional appeals. In this context, direct, personal interaction between the company and the target group is instrumental in engendering unique and lasting memories (Kirchgeorg, Springer, and Kästner 2010; Kellezi 2013).

At the interpersonal communication level, mutual trust is built, which is the basis for developing relationships. Trust and dependence are the basis for the process of information exchange. At trade fairs, attendees operate to identify opportunities for collaboration, discuss current collaboration, and solve technical issues which come up during discussions between them when they have the opportunity to meet face to face (Reychav 2011). Trade fairs, despite their limited duration and dynamic nature, are the place where relationships may begin (Reychav 2009). Nothing is more convincing to potential customers than that which is demonstrated prior to the performance in the area of the proposed programme. It reduces the perceived technical risks, as well as the associated budget and schedule uncertainties. This image of an experienced contractor can be communicated in many ways, including, among other things, trade fair demonstrations (Cleland 2004). During conversations held at booths, exhibitors and visitors meet each other and the selling of ideas occurs. According to Rosson and Seringhaus (1995), learning between fair participants is the key reason for attending trade fairs. Ling-yee (2006) substantiates the powerful influence of relationship learning activities on relationship performance outcomes as perceived by exhibitors at trade fairs. At trade fairs, relationships are also strengthened at a community level. Farhangmehr, Sarmiento, and Simões (2010) note that socialisation episodes at trade fairs are important for the reinforcement of relationship quality, which in turn is necessary for the development of long-term relationships.

7.2. Key competence of personnel in trade fair conversation and developing relationships

Salespeople play a key role in the formation of long-term buyer-seller relationships. As the primary link between buying and selling firms, they have considerable influence on the buyer's perceptions of the seller's reliability and the value of the seller's services, and consequently the buyer's interest in continuing the relationship (Biong, and Selnes, 1996;

Weitz, and Bradford 1999). In the context of trade fairs, it can thus be assumed that the competence and behaviour of booth personnel have a bearing on the exhibitor's ability to build relationships with other trade fair participants. At the same time, a single conversation held at the booth may be a point of contact that will initiate a relationship between enterprises represented by the exhibitor and the visitor, and that will be a deciding factor in developing the relationship after the end of the trade fair performance. When an exhibitor and a visitor already know each other, a trade fair conversation can be a subsequent, important contact in a series of meetings, which serves to strengthen interorganisational bonds and build long-term relationships. However, to achieve that, booth personnel must have the desired competence and behave in an appropriate manner.

During trade fairs, face-to-face contact with many different customers and potential partners of an enterprise is maintained, and it happens in a short time. A trade fair day is often action-packed. When ending one meeting at a booth, the salesperson should be prepared to hold another one immediately. Thus, the communication skills of booth personnel are of paramount importance and are frequently decisive in determining whether a trade fair investment will be profitable or not (Mruk, and Kuca 2007). Having considered the review of the literature and the discussions with the exhibitors, it is possible to indicate sales personnel's competence- and behaviour-related qualities, which are particularly desired from the point of view of developing relationships through trade fair conversations held by B2B market participants.

Meetings between exhibitors and visitors take place in a short time. Therefore, one of the most important competencies is the ability to quickly qualify people who visit a booth and identify the prospects with whom it is worth entering into contact during the trade fair and developing relationships following the trade fair event (Godar, and O'Connor 2001). An exhibition can be visited by people having distinct personalities and character traits. They represent diversified communication styles, and thus have various preferences as to the types of behaviour of salespeople. That is why personnel who take care of trade fair guests must be able to quickly identify the types of customers and to adopt a proper communication style that is applicable to every single conversation (Gębarowski 2010; Solberg Søylen 2013).

In general, it can be assumed that in order to earn the trust of customers, salespeople should be customer oriented, honest and dependable (Ingram et al. 2008). Furthermore, people having the following qualities should be designated to run a booth: ability to hold conversations, enthusiasm, optimism, resourcefulness and creativity, responsibility. Other

essential features are vast knowledge about the product and customers (being familiar with the product manufacturing process, competitors' situation, the psychology of personal selling and motives for purchasing) and the understanding of sales techniques (deployed at the different phases of a selling process) (Mruk, and Kuca 2007). It must also be observed that from the point of view of creating intended interlocutors' experiences, the desired characteristics of the personnel are: emotional intelligence, orientation towards establishing direct contact, friendly relationships with a company's customers (Skowronek 2011).

However, when considering the point of view of building loyalty, the desired behaviour of the trade fair personnel must entail: obtaining the information that allows for coming into contact with the interlocutor after the end of the trade fair event, and convincing him or her to make a purchase; concentrating on what the visitor is saying, and not on what the salesperson wants to say; adjusting the discussion style to the partner; avoiding standard selling schemes; not interrupting and showing interest; adopting a dynamic style of presentation; refraining from poor opinions about competitors (Solberg Søylen 2013).

During the trade fair conversation the representatives of exhibitors can employ many sales techniques, achieving better marketing effects. These techniques were described in detail in the publications on personal selling mentioned in the references (e.g.: Scott 2010; Schiffman 2013). The characteristic features of sales techniques can also be found in some books and dissertations on trade fairs (Kreutner 2002; Gębarowski 2010).

Based on the review of the references relating to the determinants of B2B sales personnel's performance, Singh and Koshy (2010) put forward a proposal for future research. That research must focus on context-specific selling situations to identify the contextual skills required to perform critical customer-centric activities, rather than by using generic models that fail to apply to all situations. Such a direction of exploration will produce better effects than in the case of using standard, general models, which are not able to encompass all selling scenarios. Conversations at booths, which are carried on in the industry-specific context (resulting from the theme of an exhibition event), as well as held in the context of face-to-face meetings in a relaxed atmosphere (typical of trade fairs in general), must be considered unique selling situations.

7.3. Stages of trade fair conversation

As far as the B2B market is concerned, a trade fair conversation must be construed in close relation to one of the basic elements of the

promotion system, which is personal selling. In some publications trade fairs are viewed as complementary to direct selling activity. For example, trade fairs can help identify buying influences, boost corporate image, provide product demonstration, generate qualified leads for salespeople, handle customer complaints, yield competitive information, etc. (Smith, Gopalakrishna, and Smith 2004; Hutt, and Speh 2010). Hence, it seems legitimate to refer the personal selling process to trade fair conversations, particularly in the context of the course of such conversations.

The selling process is a systematic and logical progression through a series of defined steps that are reasonably expected to result in the completion of a sale (Leszczyński, and Zieliński 2011). In the literature (e.g. Cant, and Heerden, 2008) the following stages of the selling process are usually distinguished: (1) prospecting – locating and qualifying prospects and initiating customer relationships; (2) pre-approach – obtaining an interview, determining sales call objectives; (3) approach – meeting the prospect and beginning a customised sales presentation; (4) presentation – making the sales presentation; (5) first trial close – asking the prospect's opinions during and after the presentation; (6) objections – uncovering objections; (7) meet objections – satisfactorily answering objections; (8) final trial close – asking the prospect's opinions after overcoming each objection, and immediately before the close; (9) close – bringing the prospects to the logical conclusion of buying; (10) follow-up – serving the customer after the sale.

The personal selling of exhibited products is a rare occurrence during trade fairs. However, similar to the process of personal selling happening in other places, at booths products are also presented in order to convince the customer to buy them (the purchase is made later on, after the trade fair). Yet the contact between the one who makes the offer and the one to whom the offer is addressed, due to the fact that one person has to carry on many conversations at the booth, becomes substantially expedited and simplified – an average exhibitor holds discussions with four to five potential purchasers within one hour (Hutt, and Speh 2010). Thus, it can be assumed that a trade fair conversation consists of the following stages: (1) opening – greeting a trade fair guest, inviting him or her to enter the booth, making a first favourable impression; (2) qualifying the guest – classifying him or her into a specific group of visitors and adopting a proper communication style; (3) identifying the needs of the person who has visited the booth; (4) presenting the offer – demonstrating it with showpieces available at the booth (or using other items – models, mock-ups, display boards, films); (5) resolving visitors' doubts, if any; (6) finalising the conversation – obtaining the information necessary to come

into subsequent contact, making the promise about sending additional information and advertising materials, seeing the guest out; (7) follow-up – contacting the guest after the trade fair event in order to fulfil the promises and develop the relationship. Although a conversation held at a booth is shorter than a typical seller-buyer meeting, every single stage of it determines whether the potential of trade fairs in terms of strengthening business bonds, and consequently, building loyalty is efficiently used or not.

7.4. Exploration of trade fair conversation in the context of developing relationships – 3rd and 4th stages of research results

In order to present the results of the research conducted during its third and fourth stages the following categories, arising from the structure of the trade fair conversation, were distinguished: levels, planes, goals, styles and effectiveness.

The research results revealed that there were three levels of the trade fair conversation: intrapersonal, interpersonal and institutional. The participants of the trade fair conversations carried on as part of the research were: the researcher, who represented the developer of a large shopping centre, and the representatives of the three groups of industry specialisations. During the third research stage the trade fair conversations were held at the booths of 12 developers, 7 tenants and 15 service providers as part of the participant observation. In the fourth stage of the research the trade fair conversations were carried on with 4 developers, 4 tenants and 5 service providers. The majority of the conversation participants had already been in business and personal relationships as customers, service providers, contracting parties or people met at other industry-related events, without any business relations with the entity represented by the researcher. The intrapersonal level was attained mainly through the preparation of exhibitors' representatives for the trade fair conversations with various types of interlocutors. All the trade fair discussions were of an interpersonal nature, and in some cases the researcher had talks with two or more representatives of one exhibitor. The institutional level of the trade fair conversations was connected with representing various business entities by all participants of interpersonal communication. This means that the interlocutors adopted positions on behalf of those entities. The results of the fourth stage of the research carried out during the winter SCF in 2014 revealed that it was not only visiting booths which mattered for the trade fair participants; in fact they

appreciated, to a greater extent, meetings with the people whose participation in the trade fair had been arranged before the beginning of the event, as well as conversations at the interpersonal and institutional levels.

The third stage of the research made it possible to indicate the results of the trade fair conversation types included in the observation questionnaire. The most frequently indicated type, which applied to as many as 20 entities, was the following one: *“it enables the customer to get the relevant information”*. That result corresponds to the most important goal of trade fair conversations: giving and gaining information which is interesting for both parties. Understanding the goals of the retail real estate trade fair participants according to the research stages: the first, second and third ones indicated the key importance of trade fair conversations in building relationships. The conclusion drawn after the third stage, which related to the significance of the trade fair conversation, made the researchers explore that issue in detail at the fourth stage of the research, at which they utilised the interview method.

In the fourth stage of the research the issue related to the purpose of participation in trade fairs (the goal of the trade fair conversation) was tackled in detail. In general, the main purpose of participating in trade fairs was obtaining information, agreeing on the most essential items of the negotiated contracts, and establishing credibility with respect to the information made available (see Chapter 5.6). Taking into consideration exhibitors' statements, it follows that they devoted considerable attention to the information dimension of exhibition events, which was achieved through trade fair conversations.

The results of the fourth stage of the research demonstrated that the representatives of the three industry specialisations attached higher importance to having trade fair discussions with existing business partners and contracting parties in order to cement the relationships than with new, potential customers or suppliers. For example, one of the developers claimed that the main purpose of participating in the SCF trade fair was *“to strengthen the relationship and complete the deal”* (D). Defining such goals implies the manner of holding trade fair discussions, where apart from formal conversation elements, which occurred in the trade fair conversations, informal elements were also essential. The relaxed atmosphere of the meetings which were held at a neutral venue (outside the company offices of both the exhibitors and visitors) contributed to building mutual loyalty. Some of the informal conversations were carried on beyond the booths, during the events that accompanied the trade fair (e.g. banquets). The below statements made by the interviewees at the

fourth stage of the research emphasised the significance of trade fair conversations:

A few days before the trade fair many customers had called me to meet during that event, and that is why it was difficult to arrange all the conversations. (T)

Generally, I have never exhibited, and I pay more attention to conversations related to business rather than to nice trade fair booths. (D)

Conversations of an informal nature are a very important matter. (...) It helps to build relationships, and strengthens, to a certain extent, the business arrangements, as well as making information credible. (D)

One of the methods of building relational loyalty was sharing personal experiences with the interlocutors, provoking thus the other side into mutuality, and afterwards the transaction-specific part of the trade fair conversation began. During that discussion the tenant's representative under research raised business expectations, hoping for the empathy expressed a moment ago. Another way of holding the trade fair conversation, aiming to build relational loyalty, was through the representatives of the researched entities disclosing information, which was, however, made with the remark that such information was confidential, and after that, there was a request for revealing the information which was extremely interesting for a particular person. The above-mentioned ways of building relational loyalty in interactions entail provoking other people's credibility, in other words, they involve obligating trust (Sztompka 2007).

It must be stressed that the trade fair participants under research were orientated to a much greater extent towards directly meeting the people with whom they had arranged such encounters before than towards visiting the booths. The above conclusion is supported by the fact that the verbal plane of the trade fair conversation was of key importance. Nevertheless, the non-verbal plane turned out to be very important in the case of the third stage of the research conducted at the MAPIC event (many more exhibitors took part in that trade fair than at SCF). The research results demonstrated that the personnel of the majority of the 34 booths covered by the research maintained proper non-verbal communication. This observation stems from the researcher's positive impression, which was created by the representatives of 26 entities under consideration, and from the fact that an open posture was maintained by the people at 27 booths included in the research. An essential element of non-verbal communication, i.e. cheerful greeting, was noticed at 24 booths, whereas positive expressions were heard at 32 booths. The researcher assessed the clothing of all the researched people as positive. What must be emphasised is the fact that

two entities under research dressed their personnel in special clothes that identified the two enterprises. For example, the representatives of a developer from Kuwait were wearing clothes referring to the Arab culture, and a developer from Belgium employed hostesses whose clothing was in accordance with its corporate identity system.

The exhibitors utilised various forms of and activities related to experiential marketing in order to support themselves in trade fair conversations. Such elements complemented the non-verbal level of communication considerably. Among the most important ones, the following must be mentioned: printed advertising materials, multimedia presentations, drinks and snacks, special displays of logos/logotypes, advertising accessories, mock-ups, music and special sounds, interactive screens (see Chapter 6.4).

The third research stage enabled the researcher to refer to the styles of the trade fair conversation which were adopted by the exhibitors encompassed by the observation. With regard to the conversation, 20 researched entities answered that: *“it enables the customer to obtain relevant information”*, and that was the most frequently chosen option. This result is concurrent with the most important goal of trade fair conversations, which has been already pointed out, i.e. giving and acquiring information. The second most common answer, given by 9 entities, described the conversation as *“casual, informal”*, which implies that the researcher and his interlocutors already knew each other. Only in 6 cases was the style of the trade fair conversation orientated towards creating the experiences indicated. It must be added that in most cases the style tuned in to the creation of experiences was adopted by suppliers presenting innovative electronic equipment and applications to be used in shopping centres. Such a style was concurrent with the innovative solutions which were presented at the exhibitors' booths and appealed to the visitors' senses. These solutions, being tangible elements of the offer, strongly attracted the trade fair guests' attention. This is essential when one considers the fact that during retail real estate trade fairs an offer presented to fair attendees is of an extremely intangible nature.

The conversation aiming to arrange a meeting was held by the representatives of 5 exhibitors under research, who were not decision-makers. What deserves attention is the fact that only in 2 cases were the conversations orientated towards concluding contracts. These findings demonstrate that the commercial (contract-specific) dimension is not of key importance at trade fairs dedicated to retail real estate with modern space.

The results of the fourth research stage, received at the SCF trade fair, which was the event that was attended by many fewer exhibitors, revealed that the dominant style of the trade fair conversation was soft selling. The respondents highlighted the fact that during trade fairs nobody discusses awkward or difficult issues, but instead more neutral topics are dealt with, as well as those which are related to the situation of other entities. The discussions also centred on general matters pertaining to the industry. Adopting the soft style of trade fair discussions was possible owing to the accompanying events, which were organised in the evenings, after the end of the main exhibition event.

As far as the effectiveness of the conversations is concerned, it is vital to remember that retail real estate trade fairs are highly specialist in nature and require a professional approach; consequently, booth personnel must necessarily maintain high quality standards of visitor service, owing, among other things, to contact with business customers who have generally more demanding requirements than consumers, as well as due to the intangible nature of the offers presented at booths – the personnel become the “face” of those offers.

Whether trade fair personnel are effective or not depends to a large extent on how quickly they establish contact with the people who have approached the booth. The results of the third research stage showed that in the case of retail real estate trade fairs it was usually the fair guest who was the first to initiate such contact. The researcher received his first impression while entering into interactions with the representatives of exhibitors belonging to the three industry specialisations. The most positive impression was formed by the tenants and the service providers. As for the developers, the personnel of only half of the visited booths left the researcher with positive impressions. A more detailed analysis of the results recorded in the observation questionnaire revealed that the developers’ personnel showed the lowest level of openness in interactions with the visitor. As for adopting an open posture and greeting the trade fair guests with a smile, less than a half of the developers’ personnel maintained such an attitude, whereas almost all of the tenants and most of the service providers exhibited the expected behaviour patterns.

Other results from the third research stage, which related to the correctness of the trade fair conversations, also revealed that the developers’ personnel were less competent and displayed a lower degree of commitment than in the case of the service providers, whose personnel performed a little better, and the tenants’ staff, who were clearly the best in that respect. The results indicate the common practice of arranging meetings with specific guests before the trade fairs and concentrating the

attention of the exhibitors' personnel to a greater extent on them than on guests with whom nobody had arranged such a meeting.

During the third research stage the researcher also endeavoured to identify mistakes made during trade fair discussions. Shortcomings in the behaviour of the personnel representing the exhibitors was noticed at 20 booths, while no errors were discovered by the researcher in the case of 14 exhibiting entities. The imperfections identified in the exhibitors' personnel's conduct can be categorised into four groups (Gebarowski, and Siemieniako 2015):

- verbal communication:
 - giving information in too passive a way;
 - speaking too fast, incomprehensibly, too quietly;
 - talking too much;
- body language:
 - no eye contact;
 - demonstrating lack of time for visitors;
 - turning their back on the visitor and maintaining such a position for more than 30 seconds;
- greeting and kindness:
 - taking a sitting position and failing to ask the visitor to have a seat;
 - failing to clearly correct a visitor who has mistaken the exhibitor for a different entity with a similar company name;
 - interrupting the conversation with the visitor for about 1 minute and talking with a different person from the booth personnel;
 - interrupting the conversation with the visitor in order to take a photograph;
 - having hands in pockets;
- factual level:
 - a low level of knowledge about the offer;
 - steering the conversation away from the visitor's needs;
 - failing to arrange to contact the visitor after the end of the trade fair;
 - giving a vague presentation without relevant details.

The fact that a relatively high number of errors were identified implies shortcomings in the preparation of some members of the personnel who represented the exhibitors under research. It seems that the shortcomings in the trade fair staff members' competence in terms of body language and kindness towards the visitors could result from the fact that they expected to meet people with whom meetings had been scheduled before. Therefore, the personnel were not properly prepared for *ad hoc* meetings. In the case of retail real estate trade fairs, verbal communication-

related errors and factual errors are much more problematic, which stems from the fact that the verbal plane has great significance, and visitors (who are often experts in the field) have high professional standards. It was observed that the personnel of 22 exhibitors summarised the meetings with the visitor. Only half of the exhibiting entities' representatives who were subject to the observation proposed coming into contact with the researcher after the trade fair, while 23 researched exhibitors gave them promotional materials. In the context of the aforementioned research results, it must be noted that reducing factual errors, as well as those connected with verbal communication, and thus improving the standards in service, should significantly contribute to the increased effectiveness of trade fair performances delivered by exhibitors from the retail real estate industry.

7.5. Summary – managerial implications

The research on using the trade fair conversation in the building of relationships enabled the authors to identify the distinct features and structure of the trade fair conversation. The meetings with representatives from the retail real estate industry were the context for the research. Moreover, the factors which determine the proper way of carrying on booth conversations were pointed out.

At retail real estate trade fairs exhibitors mainly present services. The intangible nature of the displayed offers thus necessitates presenting the non-physical elements of services during trade fair conversations in a manner interesting for visitors, which will convince them to commence co-operation in the period following the trade fair event. Therefore, when presenting the offer the booth personnel must necessarily put forward compelling arguments (which stress the fact that the service to be rendered is completely secure, and which refer to benefits for the purchaser) and skilfully use such means of expression which could appeal to visitors' senses (such as mock-ups, multimedia presentations and product samples).

A typical characteristic of offers presented at retail real estate trade fairs is that they include services with intense contact. It is thus important to direct trade fair staff's efforts particularly towards building relationships. This aspect is additionally reinforced by the cyclical nature of trade fairs, which to some extent "necessitates" regular meetings. A conversation carried on in a wrong way will thus have negative consequences for the exhibitor during its subsequent trade fair performances. Moreover, it is noteworthy that the very atmosphere of the trade fair discussion is the factor which improves the quality of relationships with existing

contracting parties. This is because meetings are held at “neutral venues” (outside enterprises’ headquarters), and the partners involved in discussions often have the feeling of participating in an important festival for the industry. This usually translates into the increased freedom of trade fair conversations.

Having considered the results received from the research, it is possible to identify the factors which are responsible for the proper way of carrying on conversations during retail real estate trade fairs. First of all, exhibitors should focus to a greater extent on discussions rather than on the visual aspects of their trade fair performances. Also, it is essential to avoid mistakes that disturb the process of communication, and in extreme cases, can completely discourage the person who has approached the booth from initiating co-operation. Simultaneously, one has to be aware of the possibility of committing errors with respect to the following areas: verbal communication, body language, good manners and courtesy, and factual knowledge. The shortcomings in personnel’s behaviour can be eliminated by the proper selection of people who will be at trade fairs, and through providing them with training before the commencement of the exhibition activity.

The research results also emphasise the necessity to hold trade fair conversations with the awareness that it is necessary to build relationships with interlocutors, and to have discussions orientated towards mutual loyalty. The characteristic features of the services provided by developers and presented at the exhibition events encompassed by the research are considerable uncertainty and a high level of risk. Consequently, the key aspect of trade fair conversations is building credibility as early as at the level of contact established at booths. Building trust requires the transparency of the parties that participate in the conversations.

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CONCLUSION

The authors presented a trade fair as a place where relationships are built, referring to the realities of the retail real estate market. The results obtained throughout the four-stage research were shown. The mystery shopping method was adopted (Schmidt 2007; Mattsson 2012) in the trade fair reality and utilised as the mystery visitor, which is an innovative approach in relation to the trade fair literature.

The research allowed for the exploration of marketing activity performed by retail real estate trade fair participants in the context of the world economic crisis. In a period when one can observe, in relation to the analysed market, an aversion to risk and the fact that the level of trust for business partners is continuously declining, trade fairs are considered by exhibitors and visitors to be an important instrument for maintaining and strengthening existing relationships (Blythe 2002; Sarmento, Simões, and Farhangmehr 2014).

The results connected with the goals of trade fair participants revealed that they were concentrated mainly on building trust and credibility, which constitute the basis for strong bonds. In the results of the case study research trade fair performance management was connected with all stages of the promise management process (Grönroos 2009), and in relation to the literature on the subject it is a new proposal which can be a significant managerial implication. It follows from the research that during the crisis the informative dimension of trade fairs is very important. Orientation (particularly of the developers) towards obtaining and giving information was observed. Therefore, the information function of trade fairs is supreme compared with their other functions. The promotional and commercial functions of exhibition events have minor significance.

It was revealed that the marketing activities which are particularly important in relationship management include the trade fair conversation and experiential marketing elements used at booths. The research results revealed that trade fair conversations allowed for exchanging information, at a neutral venue and in a relaxed manner, and experiential marketing attracted the attention of the people who visited particular booths and helped them to remember the main messages of the trade fair performances, as well as building the desired image of exhibitors. Employing various methods of supporting the offer presentation, in terms

of experiential marketing, resulted from the fact that the exhibiting entities had to perform actions aimed at resolving the problem of the intangible nature of the services which they offered, and stemmed from the fact that the development projects which they exhibited did not yet exist (during the trade fairs there was a certain vision regarding the planned retail facilities).

The research results supported the fact that trade fair conversations and experiential marketing at different levels of personal interactions, person-to-person, relationships and community (Mainela, and Ulkuniemi 2013), were significant. The results revealed, in particular, the following effects: building trust, exchanging tactical knowledge, reducing distance over project planning and implementation, selling ideas, managing sleeping relationships, strengthening socialisation, and creating informational networks. Furthermore, it was seen that other key elements of successful construction partnering (Hellard 1995; Chan et al. 2004) are strengthened during trade fairs, i.e. commitment to a win-win attitude, mutual objectives, timely communication, and regular monitoring of the partnering process. It should be mentioned that all of the three stages of the trade fair performance (Gopalakrishna, and Lilien 1995; Lee, and Kim 2008) influenced the effects obtained in the sphere of forming bonds. Based on the data gathered, it follows that relationship management also encompassed the pre-show and post-show phases, and not only the time of the trade fair performance (at-show).

In an era of economic crisis an important practical implication is that managers should understand and attach great significance to trade fair conversations and experiential marketing, as marketing instruments, with regard to relationship management at retail real estate trade fairs, but also at trade fairs related to other B2B industries.

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