

KNOWLEDGE SHARING AND BUSINESS TOURISM PRODUCTS: CASE OF INDUSTRIAL TRADE FAIRS¹

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Abstract. Due to the complexity of the needs of the business tourist that determine the character of the offered product, networking is an inherent part of the business tourism sector. Organizations enter multiple networks of relations in order to gain access to knowledge, which is important in creating innovation in tourism. The article aims to show the role of business networks in developing new products. The research was conducted on a network centered around a trade fair organizer. The research discovered a variety of knowledge sharing activities between the network actors. The relations between the actors determine the character of the activities. Exchange of knowledge leads to two types of innovations: network-driven innovation and network-supported innovation.

Key words: business-to-business, innovation, network approach, knowledge sharing

INTRODUCTION

According to knowledge and knowledge management literature, “knowledge” is the most strategic resource of an organisation in a competitive environment [Grant 1996]. It is assumed that an organisation’s innovativeness may stem from sharing its knowledge within itself and with its environment. Its innovativeness may thus be influenced by it being able to extract knowledge from and sharing it with a business network. Therefore, it is crucial to examine a business network from the point of view of knowledge sharing.

A sector based on a network of relationships is exemplified by tourism sector, within which MICE (meetings, incentives, conventions and exhibitions) industry can be singled out. The sector is characterised by the great significance of entities’ interdependence, close relations among them and their cooperation to create products. Tourism is seen as

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a system within which diversified organisations take collective action to attract tourists. Defining and creating such networks is based not on the nature of proposed products, but on a client's diversified and complex needs that can be met through the cooperation of various entities, which, as a consequence, make up a network focussed on a value for tourists. The paper presents the perspective of MICE industry business network actors and focuses on their knowledge exchange with other network participants. It is an approach which is different from the one dominating in relevant literature on tourism and which concentrates on actors of a network, rather than relations among them.

In the literature on tourist companies it is pointed out that while innovations are significant in marketing strategy as a source of competitive advantage, the nature and determinants of the innovations remain relatively little known [Gołembski, Olszewski 2015]. Therefore the purpose of this paper is to present the types of knowledge exchange activities in development of products for business tourists. We adopt a network approach because empirical research proves that cooperation networks and assets associated with a particular relation enable organisations to access resources which may not be available as part of a traditional market exchange [Arya, Lin 2007].

BUSINESS TOURISM NETWORK

Business tourism is a heterogeneous and place-determined economic activity. Tourism products are created in destinations as amalgams of attractions, services, commodities and facilities offered and consumed locally under the destinations' brand names [Bulhalis 2007]. These elements are linked together as a tourist value chain that is based on tourists' overall experience and contains a number of industries conventionally defined by their products [Poon 1993]. Therefore networks are created and defined not by the nature of the product, but by a complex of customer demand and needs, which require cooperation and commitment on part of the entities present in the market.

In business tourism co-organization and co-promotion of events, co-funding of promotions and events and experience delivery require that network participants communicate and interact on a wide range of issues. The processes of market sensing, information sharing, sourcing promotion partners and the planning and delivery of tourism products require considerable interaction. Communication, coordination, information sharing and interaction are required on a range of political and social issues that are relevant to the tourism network as a whole [Zmyślony 2008].

Business tourism product contains a number of industries conventionally defined by their products. Regardless of their identification with tourist industry all these firms and organizations are interdependent as they are parts of local tourism systems, which function objectively. Therefore networks of cooperation are created and defined not by the nature of the product, but by a complex of business customer demand. This character of the product results in the specific way innovation in tourism is created.

Relationships among business tourism market players are reflected in the tourism literature, where it is assumed that the strategic trend allows for coordination activities and the existence of a leader or an establishment supervising the network [Möller, Svahn 2003]. A key reason for the interest in networks in tourism development is the idea that

tourist destinations can gain competitive advantage by bringing together the knowledge, expertise and other resources of their stakeholders. Treating tourism as a local open system is manifested by attempts to design the shape and operation of the system, and first of all to design an offer according to how the system is perceived by the recipient.

The market is also characterised by a great diversification of roles that business network participants play. Private, public and non-profit establishments are related to tourism industry to various extents – from totally tourism oriented ones, like hotels, to firms, which treat tourists as only a supplementary market. Regardless of their identification with tourist industry all these firms and organisations are interdependent as they are parts of local tourism systems, which function objectively. Business travel, comprising trips and visits made by employees and others in the course of their work, including attending meetings, incentive trips, conferences and exhibitions (that is why it is also called MICE industry) and individual business travel lie at the core of creating the strongest and the most dynamic products on tourism market [Davidson, Cope 2003]. From a network perspective business tourism is extending its subjective scope to include companies that represent those associated with tourism to a small degree, such as interpreters, telecommunications facilities, exhibition stand constructors, conference/exhibition centre owners, manufacturers etc., which means that they identify themselves with local tourism industry to a small extent. Moreover, the shape of the product is influenced more by establishments that can operate in any place, which extends the spatial scope of a network of relations. These are meeting planners, venue-finding agencies, PR agencies and event management companies, to name just a few of them. Therefore in business tourism the networks are becoming supralocal and supranational [Zmysłony 2014].

In relevant literature business tourism is usually treated as a system, which means that it is concentrated first of all on its objective elements. Analyses are not conducted on the level of a network's participants. According to our concept of managerial approach to network knowledge exchange, we are mainly interested in relations and interactions of these elements.

INNOVATION IN BUSINESS TOURISM

When it comes to tourism, Hjalager [2010] distinguishes the following innovations: product innovations (e.g. loyalty programs), process innovations (e.g. computerized booking systems), managerial innovations (e.g. decentralizing), logistic innovations (e.g. integrated tourist information systems) and institutional innovations (e.g. setting up a convention bureau).

In this article we take considerations on innovations in services as a starting point, as they are an essential part of the business tourism product. According to Berry [1980], benefits customers obtain from services are realized not from holding or using a physical product, but rather from the delivery of some effort or the performance of an action. Offering services is a complex process generally packing or combining several service elements and technologies. Service innovation therefore means new combination of those elements and technologies. Service innovation manifests itself in four areas: new combination of services or service elements, reproduction of service, involvement of customer

or adoption of technology [Aa and Elfring 2002]. Maffei et al. [2005] point out three dimensions of innovation, which may be considered at business tourism:

- market dimension where pricing and offering strategies are developed;
- organizational dimension where processes and organizational models are invented;
- relational dimension in which the social and cultural aspects that characterize and influence the service experience by inclusion of the users' perspective.

The needs for cooperation between the organizations, which combine to form the tourism product, coupled with the need to meet customer expectations, make knowledge. The exchange of knowledge between the other members of the tourist network becomes the key element of the innovation process in the tourism industry. This agrees with the conclusion of Salunke et al. [2011], who present service innovation as the extent to which new knowledge is integrated by the firm into service offerings, which directly or indirectly results in value for the firm and its customers.

Enterprises enter complex networks of interdependencies in order to gain access to resources that they do not possess, thus ensuring growth for themselves. Knowledge is a resource that plays a significant role in creating innovation in tourism. Exchanging knowledge is a process in which the knowledge that an individual possesses is developed into a body that can be understood, assimilated, and applied by others. This requires a purposeful activity by the people who have knowledge and a relation between at least two parties: the knowledge sender and the receiver. The purpose of knowledge sharing is cooperation, or supporting others in implementing new procedures, solving problems, or developing new concepts [Cummins 2003]. Knowledge exchange is therefore essential for innovation: it leads to spreading innovative ideas, and is perceived as key in the innovation process within the organization [Armbrecht et al. 2001]. Moreover, in the case of the product on the business tourism market, exchanging knowledge makes it possible to include other people's knowledge into service offerings, which according to Salunke et al. [2011] is a manifestation of innovation. It is thus worth determining in what way the knowledge exchange activities within the framework of business relations influence the development of innovation.

KNOWLEDGE EXCHANGE IN TOURISM

Due to the complex needs of the business tourist, which determine the character of the offered product, the phenomenon of networking is inherently part of the business tourism sector. Therefore tourism as a sector relies on the organizational complementarities and interdependences among actors and tourism companies link others' resources to design a coherent product through the synchronization of activities in time and space [Werther, Klein 1999]. However tourist firms tend to see each other more as competitors than as colleagues. Collaboration between tourism enterprises is mostly the result of intermediation by other organizations, e.g. tourist offices, where activities are undertaken at an arms-length from the individual proprietor [Hjalager 2010].

Research on knowledge sharing indicates that the process is conditioned both by internal and external factors [Perechuda 2013]. In the latter case the relationship between the knowledge sharing organizations and the structure of the business network are important.

According to the network management model [Håkansson et al. 2009], a network participant has a certain image of the organizations in the network and their knowledge, and defines his or her own areas of knowledge exchange activity and the effects of this activity. One needs therefore to answer the following questions: who with, with what purpose, what knowledge, and how to share it. On this basis, knowledge exchange activities are proceeded in three dimensions:

- existing knowledge: confronting, which leads to broadening one's knowledge by comparing and supplementing it, or conforming and verifying one's knowledge with one possessed by others;
- new knowledge: creating new knowledge by using the potential of weak ties or structural holes of a network or consolidating already existing knowledge by strengthening the existing relations;
- networking activity: inactive – being forced to transfer knowledge because of conceding others needs or active – attempting to coerce others to exchange knowledge.

However research on business-to-business relationships consistently shows that strong ties-indicated by high levels of social interaction or frequent communication and affective closeness lead to more effective knowledge sharing [Hansen 2002] and promote knowledge creation [Nahapiet, Ghoshal 1998]. Therefore, our study assumes an approach, in which relations are analyzed. We focus on network from the perspective of the actors in the network, as opposed to the approach assumed in tourism research where the overall level of the business network is usually analyzed (a system approach).

TRADE FAIRS AS BUSINESS TOURISM PRODUCT

Trade fairs were chosen for analysis, as they are an example of a very complex product. The authors analyzed the knowledge exchange and resulting innovations, which were operationalized on the basis of review of literature. The exchange of knowledge was examined in three dimensions of its purpose: confronting/conforming knowledge, creating/consolidating knowledge and being forced/pursuing to exchange knowledge [Ford et al. 2003]. Innovation was regarded in a market dimension (a new product), organizational (new processes or organizational models) and relational (inclusion of the users' perspective) [Hjalager 2010].

The interaction is the core product for the fair participants – the exhibitors and the visitors. It results from the core needs for which the two groups take part in fairs: presentation/learning new things, making/maintaining contacts, knowledge sharing/gaining. Studying the case of trade fairs as a business tourism product needs to encompass different actors, as it contains more than one sub-unit of analysis. According to the Rosson and Seringhaus model [2004], the trade fair is an event that can be analyzed through the prism of actor interactions, and more generally through the prism of the interaction network of the actors involved both directly and indirectly in trade fairs. The actual level of the fairs as a product is significant, as it determines the number and quality of the fair participants and the venue facilities. The extended level relates to the fairs' surroundings and availability [Davidson, Cope 2003], however for the purposes of this article the authors do not venture to analyze this area. What we have is thus the

organizers' product, that is the program of the fair, and the product perceived by the business tourist, that is all the experiences that participating in the fair involves.

CASE STUDY OF INNOVATION-TECHNOLOGY-MACHINES TRADE FAIRS 2014

The case study in question is the annual Innovation-Technology-Machines Trade Fairs (ITM) fair in Poznań, Poland, the biggest fair event in the industry sector in Central Europe and the city, which has the highest share of business tourists in the total of those visiting Poland's big cities. Data was collected in three stages – in the first stage we identify the organizations that create the product as part of business network. In the second stage we look at the exchange of knowledge between the organizations that influence the core product; and in the final stage we identify innovations resulting from the exchange. The case study analysis was limited to the organizer's perspective, pointing to innovations implemented at the level of the overall fair, rather than the individual participants. In-depth procedures of collecting various data were introduced.

The actors of the network were determined to be groups with similar knowledge. This is due to the fact that it was impossible to reach all the actors, especially the two biggest groups: the exhibitors and the visitors². What is more, the participation of these groups in networking is dynamic – not all participants of the previous editions will take part in the next one. That is why only typical exhibitors and visitor representatives were identified.

The identified business network does not have an egalitarian structure and can be examined at four levels. The key players are the fair organizer, the exhibitors, and the visitors. Their roles are determined by the character of the trade fair – there will be no core product, that is the interaction, without their participation. The goals of the three groups are interdependent: the exhibitor is interested in reaching the largest possible number of valuable visitors, the visitors are interested in making contact with valuable exhibitors, and the satisfaction of the two groups translates into the success or failure of the next edition of the fair, and therefore the organizer.

The three key players in the network are interrelated through the knowledge that they have and the others need, which is not symmetrical. The exhibitors know what products they will exhibit during the fair and have some knowledge about the visitors' needs, while the visitors are able to identify what information they need. The flow of information between the groups is not full, since no exhibitor is in touch with all fair visitors. The fair organizer tries to prepare a program of the fair that realizes the goals of the other players, based on the information from the potential exhibitors and visitors. Additionally, the organizer can gather knowledge by surveying the needs and opinions of the other two players, but his or her picture of the market is narrow, as they are in touch mainly with the ones who attend fairs, and to a much lesser extend with the other market players. It is worth remembering that the fair organizer is neutral, while most exhibitors and visitors are competitors. The character of the relations maintained or developed with the representatives of both groups is crucial for the organizer's knowledge exchange activities.

² 16,000 professional visitors and 960 exhibitors took part in ITM trade fairs in 2013.

The second level is made up of trade associations, universities, science and technology parks, and the trade media. All of the entities have the knowledge that is relevant in creating a product, however the relations between them are diverse. Each of them contributes, or can contribute knowledge in the process of creating the fair event. Their roles, however, may be seen as added value – thanks to the resources they have contributed the interaction between the exhibitor and the visitor will be a fuller experience, yet the entities themselves do not benefit directly from the success of the fair.

The next level of the network consists of trade fair support companies – technical, logistics, stand-construction companies. They are actors with whom the fair organizer enjoys good relations and which play an important part in organizing the fair. The knowledge they have, however, is of a universal character, and they see the fair events as a process that follows the same standard pattern for each and every fair. That is why the exchange between them and the fair organizer involves overt knowledge, of the kind that is often readily available. An exception to this is the knowledge resulting from the experience in offering services to exhibitors in other fairs. It may contribute to establishing the good practice applied by other fair organizers. Competitive industry trade fairs, with whom the exchange of knowledge is limited, but which serve as a benchmark, have a similar role.

The last level of the business network comprises the players who provide advertising, printing, catering or transport services, as well as hotels. Their knowledge is of little significance for the ultimate form of the fair product. The relations with them are weak, and they are easily replaceable in the network. Therefore these organizations, due to their role, have been excluded from further analysis, despite the fact that they make up the business tourism product *senso largo*.

In the product, which the ITM fair projected for 2014 is, seven solutions have been identified, which are used for the first time and can be seen as innovative in at least one of the dimensions: market, organizational or relational (Table 1). These innovations are characterized by two different types of solutions in terms of the knowledge exchange between the fair organizer and the actors of the business network. In network-driven innovations (NDI) the organizer has no knowledge that allows them to prepare and realize

Table 1. ITM 2014 innovations

Network-driven innovations		Network-supported innovations	
The India Show	an exhibition of innovation, technologies, and machines offered by Indians companies	matchmaking	meetings of exhibitors and visitors
FOCAST Forum	conference on new solutions in the foundry industry	cooperation avenue	a separate area for exhibitors looking for subcontractors
Salon transport	area for exhibitors offering internal transport solutions	research for industry	presentation of the work and potential of Polish scientific and research units
CAD/CAM	area for exhibitors offering computer aided solutions		

Source: The authors' own compilation based on the research.

the product on their own. Knowledge is thus needed before and during the fair. Therefore the exchange of knowledge is embedded in the cooperation with other organizations, and concerns both explicit and implicit knowledge. An example of this is the Foundry Forum, whose subject matter was suggested by a trade association and had to be consulted with representatives of three groups: industry leaders, an association representing visitors, and research institutions.

In type network-supported innovations (NSI), on the other hand, knowledge is needed to realize the solution during the fair, but not to prepare the event. An example of this is a matchmaking event where suppliers and visitors can meet. Outside knowledge is not needed to organize the event, since the fair organizer knows how to offer such a service, but in order to realize it visitors and exhibitors have to exchange information about their needs, offers, and diaries. Table 2 shows the knowledge exchange activities by a focal actor of the business network in question towards other network actors, divided into levels.

Table 2. Aim of knowledge exchange – the perspective of trade fairs organizer

Innovations	Network level I	Network level II	Network level III
Network-driven innovations	inactive confronting and creating	active conforming and consolidating	active confronting and consolidating
Network-supported innovations	active conforming and consolidating	active conforming and consolidating	weak knowledge exchange

Source: The authors' own compilation based on the research.

CONCLUSIONS

The trade fair product is developed, among other things, by adding new elements. They are innovative in the market dimension, as they are new for the fair organizer's customers, require organizational changes from the organizer, and are based on the exchange of knowledge and involving other organizations. The fair organizer must therefore assume the role of a knowledge broker at two levels. The first one concerns the core fair product, which is to facilitate knowledge exchange between the exhibitors and the visitors. The other level concerns developing all levels of this product. The organizer remains in relationships with many actors and industries. According to the theory of weak ties, this way knowledge brokers can provide bridge between closely related informal or formal networks, thereby supplying a source of specific information and resources. This way the fair organizer uses the network actors of levels II and III to introduce innovation to their own product. That is why in the case of NSI innovation the organizer's knowledge exchange is active, oriented primarily on conforming and consolidating of knowledge.

NDI innovations, on the other hand, is different in that the organizer's activities are a response to the initiative of the network level I actors. It is they who have the specific knowledge that leads to innovation, and without this knowledge it would be difficult to realize it. The organizer focuses on confronting and creating of knowledge in order

to prepare the outline of innovation, and uses consolidation of knowledge on level II of network to realize it.

The case study we have presented indicates that the fair organizer's approach to the tourism product is wider than the tourism product in the strict sense seen through the very essence of the trade fair. It is not an approach in the broad sense, as there are no organizations that make up the overall experience of the person attending a fair, such as hotels, restaurants, or airports, in the network perceived by the organizer. This can influence strongly the marketing strategy. What we have is a situation in-between, in which the product is in the form of a package, albeit circumscribed by the boundaries of the fair grounds. This may likely be due to two reasons: the fair's business model, which is still founded on selling exhibit or event space, and treating those attending fairs as business people, not business tourists.

The conclusions are based on a case study method, which is by nature limited to the analyzed case study. The research among the actors of the network was done during the process of launching the product. The timing of the research may have influenced the actors' perceptions. The next step should be conducting research among the beneficiaries of innovation – in this case those attending fairs.

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DZIELENIE SIĘ WIEDZĄ A PRODUKT TURYSTYKI BIZNESOWEJ: PRZYKŁAD TARGÓW PRZEMYSŁOWYCH

Streszczenie. Ze względu na złożoność potrzeb turysty biznesowego, które określają charakter oferowanego produktu, współpraca w ramach sieci jest nieodłączną częścią sektora turystyki biznesowej. Organizacje i firmy wchodzą w liczne sieci relacji celem uzyskania dostępu do wiedzy, która jest kluczowa w procesie kreowania innowacji w sektorze turystyki. Celem artykułu jest ukazanie roli sieci biznesowych w rozwoju nowego produktu. Badania przeprowadzono w ramach sieci skupionej wokół organizatora targów. Badania ukazały zróżnicowane aktywności w obszarze dzielenia się wiedzą między uczestnikami sieci zależne od panujących między nimi relacji. Wymiana wiedzy prowadziła do powstania dwóch typów innowacji: wspieranych działaniami sieciowymi oraz wynikającymi bezpośrednio z uczestniczenia w sieci.

Słowa kluczowe: business-to-business, innowacje, podejście sieciowe, dzielenie się wiedzą

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