

**The Effect of Exhibitors' Brand Equity on Visitors' Purchase Decision: Moderating Role of Exhibition's Competitive Intensity**

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**Abstract:** This study explores the effect of exhibitors' brand equity on visitors' purchase intention, purchase postponement, and switching intention in an international industrial fair, as well as examines the moderating effect of competitive intensity on the above relationships. This study surveyed visitors of the famous International Woodworking Machine Fair in Jakarta, Indonesia. Of the 200 surveys distributed, 138 valid questionnaires were returned, representing a response rate of 69.00%. Analytical results show that higher exhibitors' brand equity is associated with visitors' higher purchase intention, more prevalent purchase postponement, and stronger switching intention. Also, in a high competitive intensity environment, the level of visitors' purchase postponement and switching intention of high brand equity products is similar. In a low competitive intensity exhibition, visitors are unlikely to postpone purchase of low brand equity products but are more likely to postpone purchase of high brand equity products. Lastly, in a low competitive intensity environment, visitors are less inclined to switch low brand equity suppliers but more likely to switch high brand equity suppliers. According to the research results, recommendations and limitations of this study are proposed.

**Keywords:** *Brand Equity, Purchase Intention, Purchase Postponement, Switching Intention, Competitive Intensity*

## 1. Introduction

The exhibition industry is growing rapidly around the globe (Kim & Chon, 2009) and it helps business to accelerate contracts and promotions (McCabe, 2001). For businessman, commercial exhibitions have become an important sales and communications tool over the centuries and in recent years, due to the synchronous increase of supply and demand, new exhibition halls are consistently built (Kirchgeorg, Jung, & Klante, 2010). Since industrial trade shows are only opened to pre-qualified personnel, visitors are considered interested prospects for exhibitors. Therefore, sellers find exhibitions very attractive venues (Godar & O'Connor, 2001). In addition, industrial buyers find that relative to posting advertisements in trade magazines, exhibitions are an important source of information (Jackson, Keith, & Burdick, 1987). At international industrial fairs, the main purpose of exhibitors is to attract orders from potential or existing customers. Therefore, the exhibitors' goal should be in enhancing customers' purchase intention. However, since buyers have too many exhibitors to choose from in the fair, they may delay their purchase decision. In addition, if the buyers had purchased an unsuitable machine prior to the exhibition, they may intend to find a replacement in the industrial fair and this could result in switching intention.

As mentioned above, international industrial fairs generally attract many exhibitors and each exhibitor will strive to use face-to-face communication to capture orders. Thus, visitors have the opportunity to choose from a variety of brands. Previous studies on business to business (B2B) showed that in the B2B market, brand is an important factor in the decision-making process (Kotler & Pfoertsch, 2007; Michell, King, & Reast, 2001; Mudambi, 2002; Webster & Keller, 2004). Worth noting is that brand equity is an important factor for businesses to maintain competitive advantage and profitability (Aaker, 1991). One study had discussed the relationship between brand equity and purchase intention in business to consumer (B2C) context (Cobb-Walgren, Ruble, & Donthu, 1995), and some studies examined the motivation of industrial buyers in attending trade fairs (e.g., Godar & O'Connor, 2001), and the effect of organizer-exhibitor relationship quality on

exhibition preference (Jin & Weber, 2013). However, it seems no studies have examined the effect of brand equity on buyers' positive or negative purchase decisions (such as purchase postponement and switching intention) in B2B context, especially in trading fair. Moreover, in international industrial fairs, the ratio of B2B exhibitions is high. Therefore, this study believes it is essential to discuss the effect of exhibitors' brand equity on customers' purchase intention, purchase postponement, and switching intention in international industrial fairs.

Besides, because competitive intensity will affect firms' competitive priorities and their functional strategies (De Meyer, Nakane, Miller, & Ferdows, 1989; Modi & Mabert, 2007), would high and low competitive intensity affect the relationship between exhibitors' brand equity and customers' purchase intention, purchase postponement, and switching intention? Moreover, it is necessary for exhibitors to understand visitors' motivation of exhibition attendance, than they can provide suitable services to their buyers in exhibition. Expectancy theory is considered one of the most promising conceptualizations of individual motivation (DeSanctis, 1983; Melone, 1990). For international industrial fair visitors, expectancy theory may be suitable theory base to explain their motivation of purchase decisions. According to the above, this study surveyed international industrial fair visitors, used expectancy theory to examine the effect of exhibitors' brand equity on visitors' purchase intention, purchase postponement, and switching intention, as well as discussed the moderating role of competitive intensity on the above relationships.

## 2. Literature Review

**Related Studies of Exhibition:** Previous researches on exhibition mostly dealt with trade show performance (i.e., overall success, sales-related, image-buildings, information-gatherings and so on) (e.g., Dekimpe, Francois, Gopalakrishna, Lilien, & Van den Bulte, 1997; Gopalakrishna & Lilien, 1995; Gopalakrishna, Lilien, Williams, & Sequeira, 1995; Hansen, 2004; Lee & Kim, 2008; Li, 2006, 2007; Seringhaus & Rosson, 2001; Tanner, 2002). Godar and O'Connor (2001) discussed the motivation of industrial buyers in attending trade shows and used the concept of buying centers to establish the sellers' classification of visitors. Buyers were classified into existing buyers, potential customers, and non-buyers and the motivation of these 3 groups was discussed. Kirchgeorg et al. (2010) explored the major factors turning exhibitions into a marketing tool before 2020. The study found that trade shows are an important marketing tool and that the organizers of the shows are in a highly competitive market. While the above studies focus on the perspectives of exhibitors or organizers, this study examines the effect of exhibitors' brand equity on buyers' purchase decision and the moderating role of competitive intensity from the standpoint of visitors.

**Expectancy Theory:** The expectancy theory is a motivation theory based on personal expectations. The theory proposes that a person will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior will be (Vroom, 1964). The individual makes choices based on estimates of how well the expected results of a given behavior are going to match up with or eventually lead to the desired results. Motivation is a product of the individual's expectancy that a certain effort will lead to the intended performance, the instrumentality of this performance to achieving a certain result, and the desirability of this result for the individual. According to the expectancy theory (Mitchell & Biglan, 1971; Vroom, 1964), affected by two types of expectations, the individual would be encouraged to adopt a specific behavior. The first type of expectancy is the belief that one's effort will result in attainment of desired performance goals and the second type of expectancy is the belief that a person will receive a reward if the performance expectation is met. These two expectancies interact with each other and with the valence (attractiveness) of outcomes to determine the overall level of motivation (Harder, 1991). Two previous marketing studies used expectancy theory to examine the prediction of salesmen's performance (Oliver, 1974) and examine the relationships between the salespeople's effort, performance, satisfaction, and propensity to leave their job (Futrell, Parasuraman, & Sager, 1983). It seems no study use expectancy theory to explore customer's purchase decisions, especially in B2B context. Thus, this study hopes to enrich industrial fair or B2B buying behavior literatures.

**Brand Equity:** Brand equity is one of the most valuable intangible assets of a company. The concept of brand equity was first used in U.S.' advertising sector in the early 80s (Barwise, 1993) and then drew heated discussion in the scholastic field in the late 80s (Keller, 1993). Brand equity represents the added value with

which a given brand endows a product (Yoo & Donth, 2001). Keller (1993) defined brand equity from the customer perspective as the differential effect that brand knowledge has on consumer response to the marketing of that brand. Aaker (1995) defined brand equity as a set of brand assets and liabilities linked to a brand that add to or subtract from the value provided by the product or service. Brand assets include aspects like brand loyalty, brand awareness, perceived quality, brand association, and over accessory assets (like patents and trademarks). Brand equity is the added value of product and service. This added value may be revealed in how customers consider, feel and act with the respect to a brand, as well as the prices, market share and profitability that the brand commands for the company (Kotler & Keller, 2009). This study adopts Yoo and Donth's (2001) viewpoints, that for exhibitors of international industrial fairs, the brand can add to or subtract from the fair attendees' perception of product utility and value.

## Hypotheses Development

**Brand Equity and Purchase Intention:** Fishbein and Ajzen (1975) considered purchase intention as a subjective inclination toward a product and can be an important index to predict consumer behavior. Dodds, Monroe and Grewal (1991) asserted that purchase intention indicates the likelihood of buying a certain product and that the higher the consumers' perceived value of the product, then the higher the purchase intention. Morwitz and Schmittlein (1992) proposed that purchase intention can predict actual purchase behavior. Schiffman and Kanuk (2000) asserted that purchase intention is the probability that the consumer will purchase the product; higher probability indicates that consumers are more likely to purchase the product. For international industrial fair exhibitors, the higher the participants' intention to order, then the higher the cost effectiveness of attending the show.

Cobb-Walgren et al. (1995) reported that brands with higher advertising budgets yielded substantially higher levels of brand equity, which in turn led to significantly greater brand preference and purchase intention. Chen and Chang (2008) found that an airline company's brand equity positively affects passengers' purchase intention by choosing flights operated by that airline company. According to expectancy theory (Mitchell & Biglan, 1971; Vroom, 1964), if international industrial fair buyers can find the products of a specific exhibitor to have higher brand equity than other exhibitors, the visitors would perceive higher value in these products and are thus more likely to place an order with the exhibitor. Moreover, these buyers will produce their products effectively if exhibitors' machine quality is good. According to the above, we posit the following hypothesis:

*H1: Higher exhibitors' brand equity is associated with higher customers' purchase intention.*

**Brand Equity and Purchase Postponement:** Greenleaf and Lehmann (1995) found that consumers would delay purchase decisions if they confront difficulties when choosing from multiple options. The reason for this is that people are sometimes unsure which alternative they prefer (because the alternatives are similar in attractiveness), thereby causing purchasing delay (Dhar, 1997). A research of Dutta and Biswas (2005) found that to enhance consumers' purchase value, retailers might provide a low price guarantee. As a result, consumers may defer their purchase in order to search for products with much lower prices. Walsh, Hennig-Thurau and Mitchell (2007) discovered that consumers' confusion proneness would cause purchase delay. For international industrial fair visitors, they have to spend time evaluating and comparing products before choosing the most suitable one because there are generally a variety of products displayed by the exhibitors. In other words, purchase postponement is likely to occur in international industrial fairs.

Monroe and Krishnan (1985) suggested that subjective pricing would elicit perceived value, which would further influence perceived quality and perceived sacrifice and indirectly affect perceived value through the moderating effect of perceived quality and perceived sacrifice because higher prices would lead to higher perceived quality and perceived value. Aaker (1991), meanwhile, noted that central to brand equity is perceived quality and brand association. Therefore, Monroe and Krishnan's (1985) proved that higher price is associated with higher brand equity (perceived quality). According to the expectancy theory, if international industrial fair buyers perceive high brand equity in the products of specific exhibitors, they would expect to use these products to accomplish their preset objectives. However, because these products possess high brand equity, the prices are generally higher. Since the industry of industrial products is cost-oriented, buyers may seek to buy cheaper machines and then cause their purchase postponement. According

to the above, we posit the following hypothesis:

*H2: the higher the exhibitors' brand equity, then the higher the level of buyers' purchase postponement will be.*

**Brand Equity and Switching Intention:** Sloot and Verhoef (2008) defined switching intention as the degree to which a consumer is likely to switch to another brand within the category in the case of a brand delisting. For international industrial fair visitors, if they are inclined to stop using products from the major supplier, they could switch to products of other suppliers. Therefore, they would prefer to search for and compare similar products displayed in the fair. According to the expectancy theory, if international industrial fair buyers perceive exhibitors' products to have high brand equity, they would expect no problems in using these products. Even if they ran into problems, the exhibitors would provide comprehensive after-sales service. Under this circumstance, the buyers' purchasing cost is very high. However, the conditions of products offered by low brand equity exhibitors may perhaps be slightly inferior, but the price could be much cheaper. Given cost considerations, most buyers may try to switch to other exhibitors. According to the above, we posit the following hypothesis:

*H3: the higher the exhibitors' brand equity, then the higher the level of buyers' switching intention will be.*

**Moderating Effect of Competitive Intensity:** Competitive intensity refers to price war, frequency of promotions, and level of new competitive activity introduced by companies (Fein & Anderson, 1997; Jaworski & Kohli, 1993; Slater & Narver, 1994). Gatignon and Xuereb (1997) noted that competitive intensity refers to the behavior among competitors and the status of hostility. Therefore, industry competitive intensity can measure the effect of one company on the chance of survival of other companies (Barnett, 1997). Moreover, Auh and Menguc (2005) pointed out that competition is ruthless because many competitors exist in the market and lack the opportunity for further growth. Mahapatra, Das and Narasimhan (2012), meanwhile, defined competitive intensity as the management level's perception of the extent of competition in domestic and international markets. From the standpoint of international industrial fair visitors, the exhibition's competitive intensity refers to the condition that many brands seek to capture buyers' orders and compete with other competitors under a dynamic environment. Faced with this competitive status, buyers develop an understanding of the exhibition's competitive intensity.

Although exhibitors' high brand equity may affect buyers' purchase intention, purchase postponement, and switching intention, the effect depends on the competitive intensity of the exhibition. According to the expectancy theory, if buyers perceive strong competitive intensity, which implies that there are more products to choose from, then the competitive behavior of other exhibitors would be higher. Frequently, buyers can take advantage of the price competition among exhibitors to purchase products at a lower price. This would enhance buyers' purchase intention. Moreover, if the competitive intensity is strong, buyers can choose from a high variety of products. Even if the exhibitors' brand equity is high, the extent of buyers' purchase postponement would also be elevated. Also, under high competitive intensity, buyers could engage in product comparison and discover that they could purchase products with similar conditions from other exhibitors at a much lower price. In this case, even if the exhibitors' brand equity is high, buyers' switching intention could be enhanced. According to the above, we posit the following hypothesis:

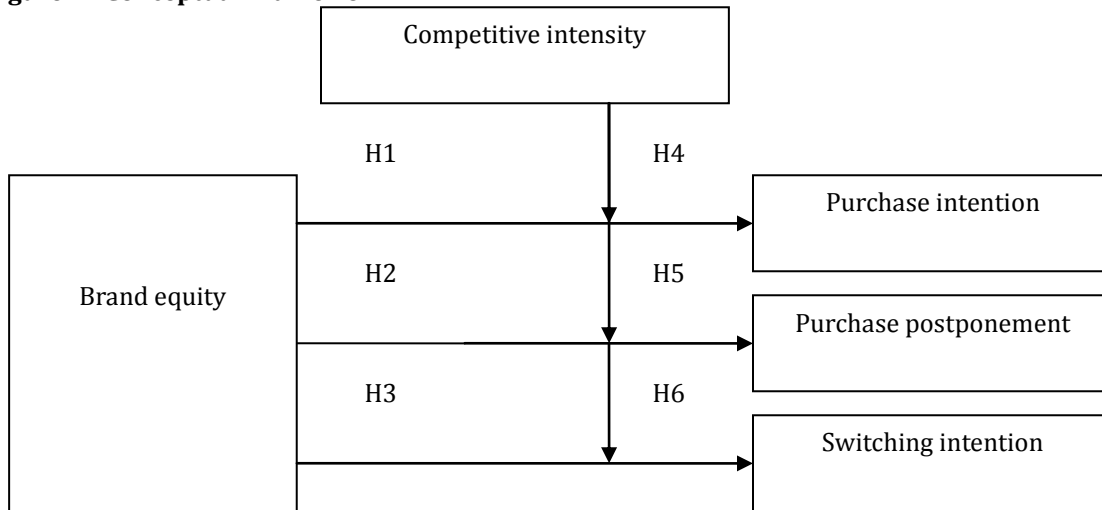
*H4: The exhibition's competitive intensity has a positive moderating effect on the relationship between exhibitors' brand equity and buyers' purchase intention.*

*H5: The exhibition's competitive intensity has a positive moderating effect on the relationship between exhibitors' brand equity and buyers' purchase postponement.*

*H6: The exhibition's competitive intensity has positive moderating effect on the relationship between exhibitors' brand equity and buyers' switching intention.*

According to the above literature review and hypotheses, the research framework of this study is presented in Figure 1.

**Figure 1: Conceptual Framework**



### 3. Methodology

**Participants and Sampling Methods:** It is estimated that 75% of Indonesian furniture is exported, making Indonesia as one of the largest furniture exporters in the world while at the same time keeping the economy growth stable at 6.7% in 2012 (IFMAC, 2013). The first and third authors of this paper personally attended the famous International Woodworking Machine Fair held in Jakarta, Indonesia in 2013 and conducted a survey of the fair visitors who ever purchased computer numerical control (CNC) machine using the purposive sampling method. All the 76 exhibitors from 9 countries (Singapore, Malaysia, Thailand, South Korea, France, Sweden, China, Taiwan and Indonesia) who are market leaders in their specific industries and their specialization ranged from industrial machinery, material components, chemical products for furniture, and heavy equipment for furniture industry; notably, the visitor number is 8588 (IFMAC, 2013). In total, 200 surveys were distributed and 179 were returned. After eliminating 31 invalid surveys, valid surveys totaled 138 (response rate 69.00%). Among the 138 respondents, most had 10-14 years of job experience (29.50%), followed by 5-9 years (25.00%). Most respondents had a current industry in machine sales (31.80%), followed by home furniture manufacturing (25.00%). As for job title, most respondents were general manager (37.80%), followed by business owner (28.90%).

**Measures:** Details of the operational definitions and measurement tools of the major research variables in this study are provided as follows:

**Brand Equity:** In this study, brand equity is operationally defined as the feelings of performance and value enhancement perceived by exhibition booth visitors elicited by the exhibitor's brand name. To measure brand equity, a 4-item scale was adopted by Yoo and Donth (2001). Items included: "Although each brand is very similar, I still insist on purchasing CNC machines from this brand;" "Although other brands have similar characteristics with this brand, I still prefer to buy this brand;" "If other brands are equally good as this brand, I still prefer to buy this brand;" and "If other brands are not very different from this brand, buying this brand is a smarter choice." The respondents were requested to indicate on a 5-point Likert scale (1='totally disagree' to 5='totally agree') the degree to which they perceived the exhibitor's brand equity.

**Purchase Intention:** This study defines purchase intention as show participants' purchase intention of exhibited CNC machines. Referencing Wang, Li, Barnes and Ahn (2012), this study used 3 items to measure purchase intention: consumer's intention to buy, other things being equal it was their preferred choice, and their likelihood of purchase. The respondents were requested to indicate on a 5-point Likert scale (1='totally disagree' to 5='totally agree') the degree to which they perceived their purchase intention.

**Purchase Postponement:** This study defines purchase postponement as "buyers at international industrial fairs have many CNC machines to choose from. They must spend time to evaluate, compare, and choose the

most suitable CNC machines, which may elicit purchase postponement." Referencing Walsh et al. (2007), this study used 4 items to measure purchase postponement: "It is difficult to arrive at a decision when making a purchase in this fair", "In this fair, when making a purchase I delay the decision", "I postpones a planned purchase in this fair" and "The choice in this fair is so large that a purchase takes longer than expected". The respondents were requested to indicate on a 5-point Likert scale (1='totally disagree' to 5='totally agree') the degree to which they perceived their purchase postponement.

**Switching Intention:** This study defines switching intention as "when international trade fair buyers do not intend to continue using CNC machine from their existing supplier, they switch to other companies' CNC machines." Referencing Oliver and Swan (1989), this study used 3 items to measure switching intention: "I don't want to buy the same CNC machine from the same seller; I want to buy other CNC machine from a new seller in this fair", "Probably, not to buy the same CNC machine from the same seller; I will like to buy other CNC machine from a new seller in this fair" and "Certainly, I don't want to buy the same CNC machine from the same seller; I will like to buy other CNC machine from a new seller in this fair". The respondents were requested to indicate on a 5-point Likert scale (1='totally disagree' to 5='totally agree') the degree to which they perceived their switching intention.

**Competitive Intensity:** As the product that each visitor wants to buy is different, some products may be offered by many different exhibitors. In this instance, the competitive intensity will be the strongest. On the other hand, if some products are offered only by a few exhibitors, the competitive intensity will be the weakest. Therefore, this study defines competitive intensity as "international industrial fair buyers' cognition of the extent of competition among exhibitors." Referencing Jambulingam, Kathuria and Doucette (2005), this study used 3 items to measure competitive intensity: "This trade fair is noted with bigger competition between exhibitors", "There is substantial competition among exhibitors in this trade fair" and "Competition among exhibitors in this trade fair is intense". The respondents were requested to indicate on a 5-point Likert scale (1='totally disagree' to 5='totally agree') the degree to which they perceived competitive intensity between exhibitors in trade fair.

**Control Variables:** Considering visitors' work experience, current industries or job title may influence their purchase decision in exhibition, this study used these variables as control variables.

**Reliability and Validity:** Both the reliability and the validity of the measures were examined. This work used Cronbach's  $\alpha$  to assess the reliability of the measures. Cronbach's  $\alpha$  was  $<0.7$  and item-total correlation was  $<0.45$ ; the standards described above were used to delete items. Cronbach's  $\alpha$  was 0.89 for brand equity, 0.80 for purchase intention, 0.93 for purchase postponement, 0.84 for switching intention and 0.93 for competitive intensity. Each scale demonstrated satisfactory reliability ( $\alpha$  exceeding 0.70). In order to minimize the common method variance (CMV) bias, Podsakoff, Mackenzie, Lee, and Podsakoff (2003) had suggested the following preventive methods: (1) adding reverse items in the questionnaire, (2) randomly arranging measuring items in the questionnaire, (3) concealing the purpose of the study, and (4) concealing the relationship between questions.

Thus, the questionnaire was formulated based on the principles suggested by Podsakoff, et al. (2003), including reverse items, random item arrangement, anonymity, and concealing the purpose of the study. Furthermore, this study followed the procedure proposed by Noble and Mokwa (1999), and performed a series of confirmatory factor analyses on construct measures and related items using the AMOS 6.0 software. Generally, the measures were acceptable, with all of the constructs having overall acceptable fit indices. The values of average variance extracted (AVE) were 0.68 for brand equity, 0.58 for purchase intention, 0.77 for purchase postponement, 0.65 for switching intention and 0.82 for competitive intensity. Almost all constructs exceeded a suggested critical value of 0.50 (Fornell & Larcker, 1981). The analytical results validated the convergent validity of the constructs. Discriminant validity can be established by demonstrating that the AVE by a particular construct from its indicators is greater than its squared correlation (shared variance) with another construct (Fornell & Larcker, 1981). Each squared phi coefficient between brand equity and every other variable was examined. The analytical results indicated that almost each construct's AVE was greater than its shared variance with brand equity. The shared variances between brand equity and purchase intention, purchase postponement, switching intention and competitive intensity were 0.24, 0.23, 0.09 and

0.03, respectively. The analytical results confirmed the discriminant validity of the constructs.

#### 4. Results

The means, standard deviations, bivariate correlations among the variables are reported in Table 1.

**Table 1: Means, Standard Deviations and Correlations**

Variable	Means	S.D.	1	2	3	4	5
1. Brand equity	2.92	0.83	1				
2. Purchase intention	3.14	0.71	.485**	1			
3. Purchase postponement	3.03	0.78	.476**	.530**	1		
4. Switching intention	3.15	0.65	.307**	.394**	.738**	1	
5. Competitive intensity	3.22	0.91	.179*	.418**	.275**	.321**	1

Note: n=138. \*p<0.05, \*\*p<0.01

#### **The Effect of Brand Equity on Purchase Intention, Purchase Postponement and Switching Intention:**

Hypothesis 1 concerns the relationship between brand equity and purchase intention. This work used multiple regression analyses, with brand equity as independent variable, purchase intention as the dependent variable, and job experience, current industry, and job title as the control variables. Table 2 shows that brand equity has a positive and significant effect on purchase intention ( $\beta=0.48, p<.05$ ). Therefore, Hypothesis 1 is supported. Hypothesis 2 concerns the relationship between brand equity and purchase postponement. This study used multiple regression analyses, with brand equity as independent variable, purchase postponement as the dependent variable, and job experience, current industry, and job title as the control variables. The results show that brand equity has a positive and significant effect on purchase postponement ( $\beta=1.18, p<.001$ ). Therefore, Hypothesis 2 is supported.

Hypothesis 3 concerns the relationship between brand equity and switching intention. Table 2 presents the results of multiple regression analyses, with brand equity as independent variable, switching intention as the dependent variable, and job experience, current industry, and job title as the control variables. The analytic results show that brand equity has a positive and significant effect on switching intention ( $\beta=0.82, p<.001$ ). Therefore, Hypothesis 3 is supported.

**Table 2: Multiple Regression Analysis of Brand Equity for Purchase Intention, Purchase Postponement and Switching Intention**

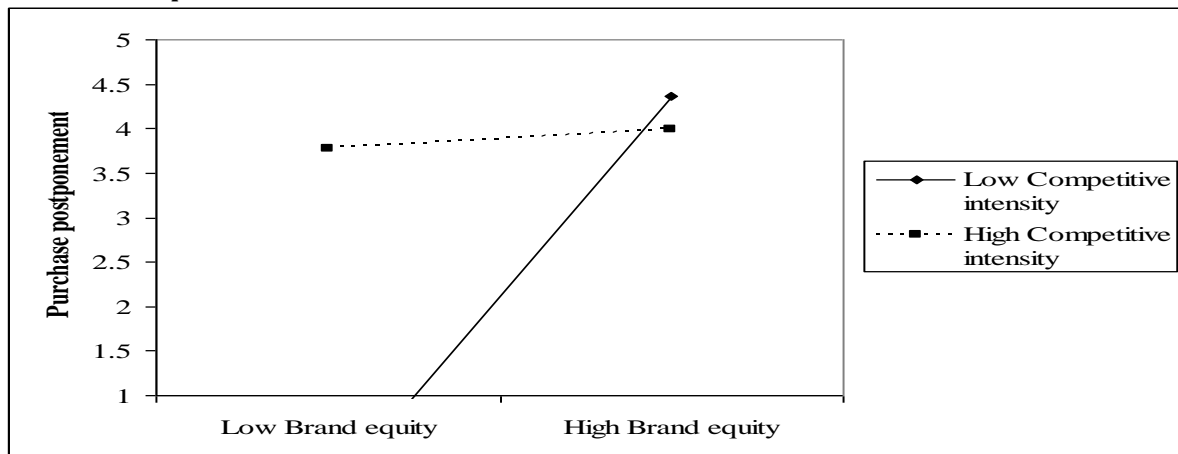
Dependent variable	Purchase intention	Purchase postponement	Switching intention
<b>statistics</b>			
<b>Independent variables</b>			
Job experience	-0.05	0.15	-0.00
Current industry	-0.01	-0.09	-0.07
Job title	0.15*	0.07	-0.20*
Brand equity	0.48*	1.18***	0.82**
Competitive intensity	0.40*	0.88***	0.77**
Brand equity×competitive intensity	-0.10	-1.07**	-0.78*
<i>R</i> <sup>2</sup>	0.39	0.32	0.25
<i>Adjusted R</i> <sup>2</sup>	0.36	0.28	0.22
F	13.15***	9.37***	6.84***

Note: all statistical figures are  $\beta$  values; \*  $p<.05$ , \*\*  $p<.01$ , \*\*\*  $p<.001$ .

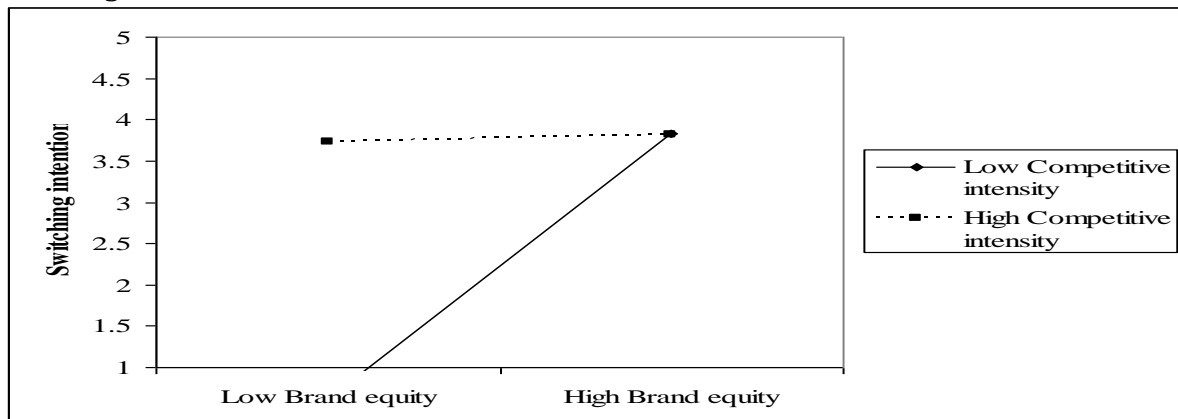
**The Moderating Effect of Competitive Intensity:** Hypothesis 4 concerns whether competitive intensity moderates the relationship between brand equity and purchase intention. Table 2 shows: the interaction between brand equity and competitive intensity failed to predict purchase intention ( $\beta = -0.10, p > .05$ ). As such, Hypothesis 4 is not supported. This study will explain this result in discussion section. Hypothesis 5 concerns whether competitive intensity moderates the relationship between brand equity and purchase postponement. Table 2 shows: the interaction between brand equity and competitive intensity significantly predicted purchase postponement ( $\beta = -1.07, p < .01$ ). As shown in Figure 2, in a high competitive intensity exhibition environment, buyers of both high brand equity and low brand equity products show a high degree of purchase postponement. For buyers of high brand equity products, the difference in their degree of purchase postponement is insignificant regardless of the exhibition's competitive intensity. However, for buyers of low brand equity products, their switching intention will drop significantly if the exhibition has low competitive intensity. As such, Hypothesis 5 is supported.

Hypothesis 6 concerns whether competitive intensity moderates the relationship between brand equity and switching intention. Table 2 shows: the interaction between brand equity and competitive intensity significantly predicted switching intention ( $\beta = -0.78, p < .05$ ). As shown in Figure 3, in a high competitive intensity exhibition environment, buyers of both high brand equity and low brand equity products show a high degree of switching intention. For buyers of high brand equity products, their switching intention did not differ significantly between high and low competitive intensity exhibition environments. However, for buyers with low brand equity, their switching intensity will drop significantly if the exhibition has low competitive intensity. As such, Hypothesis 6 is supported.

**Figure 2: Moderating Effect of Competitive Intensity on the Relationship between Brand Equity and Purchase Postponement**



**Figure 3: Moderating Effect of Competitive Intensity on the Relationship between Brand Equity and Switching Intention**





**Discussion:** This study contributes to industrial fair or B2B buying behavior literatures. Theoretically, this study echoes previous B2B brand researches (Kotler & Pfoertsch, 2007; Michell et al., 2001; Mudambi, 2002; Webster & Keller, 2004) and enriches industrial fair or B2B buying behavior literatures by using expectancy theory to explore customer's purchase decisions, especially in B2B context. We found that exhibitors' brands are important for buyers' decision-making. Interestingly, this work showed that exhibitors' brand equity has significant positive effects on buyers' purchase postponement and switching intention. This study also demonstrated that the relationship between exhibitors' brand equity and buyers' decision-making will be different due to the different levels of competitive intensity of the exhibition. In terms of practical contribution, the analytical interpretation and practical implications of this study have high reference value to exhibitors of international mechanical fairs.

## 5. Conclusion

As expected, at international industrial fairs, higher level of exhibitors' brand equity is associated with higher levels of buyers' purchase intention, purchase postponement and switching intention. Furthermore, in a high competitive intensity exhibition environment, buyers' degree of purchase postponement did not differ significantly between high brand equity and low brand equity products. In contrast, in a low competitive intensity exhibition environment, buyers are unlikely to delay purchase of low brand equity products but more likely to delay purchase of high brand equity products. Lastly, in a high competitive intensity exhibition environment, buyers' switching intention did not differ significantly between high brand equity and low brand equity products. In contrast, in a low competitive intensity exhibition environment, buyers are less likely to switch low brand equity suppliers but more likely to switch high brand equity suppliers.

**Implications for Managerial Practice:** This study discovered that the brand equity of international industrial fair exhibitors positively affects buyers' purchase intention. According to Yoo and Donth (2001), since brand equity enhances customers' feelings of increased marginal utility and added value, this study suggests exhibitors to adopt long-range management of its brand. To maintain high brand equity, exhibitors should regularly hold customer satisfaction surveys in order to provide the products and services that meet customers' demand. Moreover, this study found that exhibitors' brand equity has a positive effect on buyers' purchase postponement and switching intention. This result seems to contradict the general cognition that high brand equity is associated with low likelihood of purchase postponement and switching intention. For international industrial fairs, however, this research result is not surprising. In the case of woodworking machinery, product prices are generally very high and the technology involved is advanced. From buyers, they have to first understand and compare the products displayed by exhibitors. Even if the brand equity of the exhibitors is high, buyers are not rushed to place an order. Rather, they would wait until the end of the exhibition. They would make a decision after evaluating the strengths and weaknesses of the products offered by different exhibitors. Of course, buyers may choose exhibitors with low brand equity due to product similarities and cost concerns. Despite these considerations, this study still suggests that exhibitors enhance their brand equity. For companies that possess very high brand equity, they can adopt a flexible approach to pricing according to the degree of differentiation between their products and those of their competitors. For example, they can offer a discount in the exhibition to raise buyers' perception of product utility and value.

Also, findings of this study show that the exhibition's competitive intensity did not have a significant moderating effect on the relationship between exhibitors' brand equity and buyers' purchase intention. One plausible explanation is that after buyers have used the exhibitors' products and perceive strong brand equity, the purchase intention of these buyers would remain high regardless of the level of competitive intensity in the exhibition. In addition, this study found that in a high competitive intensity exhibition environment, buyers' purchase postponement and switching intention for both high brand equity and low brand equity products is commonplace and the difference is insignificant. This is because exhibitors are unable to land immediate orders from the buyers and they cannot avoid the loss of existing customers. Therefore, this study suggests that in a high competitive intensity exhibition environment, both high and low brand equity exhibitors should actively attract new buyers in order to compensate for the loss of existing buyers.

Lastly, research results show that in a low competitive intensity exhibition environment, buyers are unlikely to postpone purchase and switch low brand equity products. Rather, buyers are likely to postpone purchase

and switch high brand equity products. Therefore, this study suggests that in a low competitive intensity exhibition environment, exhibitors with low brand equity can put more efforts in capturing buyers' attention. They should allure buyers to their exhibition booths to enhance the buyers' decision of placing an order on site. In a low competitive intensity exhibition environment, exhibitors with high brand equity should adopt a flexible pricing strategy according to the degree of differentiation between their products and those of their competitors. If the product differentiation is low, these exhibitors should offer a discount. If the product differentiation is high, they should maintain the price but support it with other services like extended warranty. They can also ask buyers to leave their contact information (e.g. customer name, business nature, contact person, address, and email). They can contact the buyer after the exhibition and enhance the possibility that the buyer would place an order. Research results also show that in a low competitive intensity exhibition environment, buyers are unlikely to switch low brand equity suppliers but are more likely to switch high brand equity suppliers. This study suggests that in a low competitive intensity exhibition environment, exhibitors with low brand equity should strive toward maintaining existing customers and in addition, attempt to attract buyers that had previous experience in purchasing high brand equity products in order to enhance the performance of attending exhibitions. In a low competitive intensity exhibition environment, exhibitors with high brand equity should offer some leeway in prices and support this with reasonable after-sales service in order to enhance the buyers' intention of placing an order.

**Limitations and Future Direction:** This study adopts Yoo and Donth (2001) single-dimension scale to measure brand equity. However, previous studies have used other variables such as brand associations, perceived quality, and brand loyalty to measure brand equity (e.g., Biedenbach, Bengtsson, & Wincent, 2011). Therefore, this study suggests future research to adopt the above dimensions in examining exhibitors' brand equity in international industrial fairs. In addition, this study did not study the nationalities of the exhibitors and buyers. We thus suggest future studies to explore the brand equity of exhibitors from different countries and its effect on the purchase intention, purchase postponement and switching intention of buyers from different countries. Lastly, this study did not examine the effect of exhibitors' product differentiation (e.g. product quality or pricing) on buyers' purchase decision. This is nonetheless an interesting topic for future studies.

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