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International Trade Fairs in the Global Political Economy: An Empirical Analysis of Inter-Firm Interaction across Capitalist Systems

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Abstract: Much of the recent literature on comparative capitalisms engages in debates concerning the dynamic elements of capitalist varieties (Deeg and Jackson 2007; Hall and Thelen 2009). The need for better explanations of specific empirical episodes of institutional change has led to a substantial body of research on various aspects of globalization, including the rapid internationalization of economic activity, the spread of Multinational Corporations (MNCs), and the nature and consequences of multilevel governance arrangements. Focusing on the type of institutional arrangements that has received the least attention in the comparative capitalisms literature – namely, inter-firm relations – this paper explores the processes by which new technologies, organizational norms and practices and their associated knowledge bases are transferred between firms and across capitalist varieties in the context of international trade fairs. The paper presents some preliminary results from an Internet-based survey distributed to several thousand firms that had previously exhibited at such events. Based on an original data set designed to shed light on the nature of the search and information processes of exhibitors at trade fairs, the paper aims to provide a dynamic and empirically grounded explanation of the ways in which inter-firm interactions at these events support processes of knowledge creation and transfer, which, in turn may lead to distinct national patterns of technological specialization and/or standardization.

1. Introduction

In recent years, the literature on "comparative capitalisms" (CC)[1] has increasingly focused on questions regarding the dynamic elements of capitalist variation (Hall and Thelen 2009; Deeg and Jackson 2007; Jackson and Deeg 2008). The need for better explanations of specific empirical episodes of institutional change has led to a growing body of work on various aspects of globalization, such as the rapid internationalization of economic activity, the spread of Multinational Corporations (MNCs), and the nature and consequences of multilevel governance arrangements. This paper aims to contribute to the study of institutional change and respond to recent calls for a more dynamic theory of capitalist diversity (Hall and Thelen 2009; Deeg and Jackson 2007; Jackson and Deeg 2008), but it does so by focusing on a still relatively under-examined source of economic dynamism – namely, international trade fairs.

International trade fairs have been largely overlooked in the political economy literature. Yet, in an era defined by the increasing integration of economic linkages on a global scale, such events have become important temporary platforms for the establishment of trust between geographically distant business partners and the development of durable inter-firm networks in areas such as production, research and marketing (Borghini et al. 2004; Maskell et al. 2006; Bathelt and Schuldt 2008a). Trade fairs bring together the leading and less well-known actors of a particular industry, value chain or technology field in order to present, examine and discuss the latest technological developments in a given business context. In so doing, they support the exchange of industry "best practices", as well as information about technological advances, customer preferences and related adjustments in institutional or organizational practices.

International trade fairs have recently been conceptualized as critical sites through which global knowledge flows are circulated and ideas for innovation explored (Borghini et al. 2004; Maskell et al. 2006). In this work, trade fairs are a critical factor in networking, interactive learning and knowledge exchange because they foster intense interactions among economic actors despite spatial boundaries. And, since trade fairs are typically organized according to a specific technological or industry focus, they can enable interaction and knowledge exchange between firms from different capitalist varieties. Indeed, the firms that participate at trade fairs often come from around the world, operate in different institutional environments, and employ diverse technologies and practices. International trade fairs are, thus, a unique setting in which economic actors can acquire an overview of the latest developments in the world market (Rosson and Seringhaus 1995; Sharland and Balogh 1996; Godar and O'Connor 2001; Prüser 2003). As the following analysis suggests, they also give participants important insights into the practices of firms from different capitalist varieties.

At first glance, the activities of firms at international trade fairs seem to reflect an aspect of economic globalization referred to as *ubiquitification* (Maskell and Malmberg 1999), or the processes by which previously localized firm capabilities are transformed into ubiquities that are globally available at the same price. Driven, in large part, by the increasing codification and dissemination of technical knowledge on a global scale, these processes challenge the persistence of capitalist diversity by supporting cross-system convergence with respect to the technological specialization of firms. At the same time, however, we know that many countries have retained

[1] The term "comparative capitalisms" refers to several alternative analytical perspectives concerned with the institutional foundations of diverse national "varieties" of capitalist organization (Deeg and Jackson 2007). For a more complete review and comparison of these approaches, see Jackson and Deeg 2006.

competitive advantages in specific technologies and industries, and that full convergence has not taken place (Porter 1990; Nelson 1993; Patel and Pavitt 1991; 1994; Hollingsworth et al. 1994).[2] While these ongoing patterns of national specialization are widely supported by proponents of the CC approach, they are puzzling in light of conventional views regarding the role of international trade fairs in the global political economy. Against this backdrop, this paper raises the following questions: First, what are the conditions underlying the convergence/divergence of technological specialization in firms from different capitalist systems? And, second, to what extent can these processes be explained by inter-firm interaction and knowledge flows at major international trade fairs?

Though students of comparative politics have long been interested in the evolution of institutions across place and time (North 1990; Kitschelt et al. 1999; Crouch and Streeck 1997; Campbell 2004; Crouch 2005; Streeck and Thelen 2005), recent work draws attention to the "impoverished state of theorizing on issues of institutional change" (Streeck and Thelen 2005) and the inability of existing frameworks to explain the dynamic aspects of national models of capitalism (Hall and Thelen 2009; Deeg and Jackson 2007). Focusing on the type of institutional arrangements that has received the least attention in the CC literature – namely, inter-firm relations – this paper aims to contribute to these discussions by examining the ways in which new technologies, organizational practices and their associated knowledge bases are transferred between firms and across capitalist varieties.

The remainder of the paper is organized as follows. Sections 2 and 3 provide an overview and synthesis of three distinct yet complementary literatures – the comparative capitalisms approach, the literature on international trade fairs, and the garbage can model of organizational behaviour. Having established the conceptual framework for the discussion, Section 4 describes the data and methodology used. Section 5 presents some initial results based on the data collected thus far, and offers a preliminary discussion of these findings. Section 6 concludes with a brief summary of the paper and some suggestions for future research.

2. The Study of Comparative Capitalisms: A Literature Review

In the pursuit of a more dynamic theory of capitalist diversity, some scholars (Deeg and Jackson 2007; Jackson and Deeg 2008) have called for an approach that better integrates the micro, meso, and macro levels of analysis. The following review is structured with this objective in mind. We begin with the major analytical approaches to the study of capitalist variation. We then turn to the topic of international trade fairs, and position these events as critical meso-level structures that enable a closer linkage between the micro and macro levels. Finally, we draw on theories of organizational decision-making to introduce the garbage can model (Cohen, March and Olsen 1972). This approach is useful not only in characterizing the search processes of firms at trade fairs, but also in developing an empirically grounded study of the relationship between micro- and macro-level processes. The ultimate objective, here, is to build on previous studies of institutional change, especially approaches which focus on the mechanisms underlying the "gradual transformation" of institutions through largely endogenous sources (Thelen 2003; Hall and Thelen 2005; Crouch 2005).

[2] In the U.S., for example, we see clear patterns of industry specialization in the high-tech industries and in a number of services industries, ranging from financial services to film production. In Germany, particular strengths are evident in the manufacturing industries including machines, luxury vehicles and chemicals. And, in Japan, we see a focus on complex assembly manufacturing, such as electronics, cameras, machine tools, and cars (Haake 2002).

In the context of the comparative capitalisms (CC) literature, Hall and Soskice's (2001) *varieties of capitalism (VoC)* approach is distinctive in that it conceptualizes a "firm-centered" political economy based on a "relational view" of the firm. As such, it focuses on the actions and interactions of economic actors in diverse national settings (Hall and Soskice 2001). While the VoC approach is similar to other institutionalist accounts in its exploration of institutional similarities and differences between capitalist economies, it pays greater attention to the role if institutions in structuring economic interactions and resolving coordination problems in different spheres of economic activity (Soskice 1999).[3] In this respect, institutions play an important role in enabling ongoing deliberation and knowledge exchange among economic actors.

Central to the VoC approach is the concept of "institutional complementarities", which lead to the development of "comparative institutional advantages" as firms' exploit the support structures provided by the national system in which they are embedded (Soskice 1999; Hall and Soskice 2001). In Hall and Soskice's original text (2001), this results in two ideal-types of economic organization – Liberal Market Economies (LMEs), exemplified by the United States, and Coordinated Market Economies (CMEs), the classic example of which is Germany. While the LME/CME distinction has been criticized for being overly simplistic (Howell 2003; Streeck 2005),[4] a major strength of the VoC approach lies in its use of a micro-economic perspective to shed light on macro-economic patterns at the national level. More specifically, it explains macro-economic patterns through investigating the actions and interactions of economic agents.[5]

The VoC approach aims to distance itself from the *national systems of innovation (NSI*) literature (Hall and Soskice 2001, 3f.). However, there are important similarities between the two perspectives. Focusing on technological change, the NSI approach suggests that feedbacks between national production structures, institutions and innovation processes enable the creation of particular innovation "systems" at the national level (Lundvall 1992; Nelson 1993; Edquist 1997). Distinct national patterns of innovation emerge as existing specializations pre-structure the types of problems and bottlenecks in production that are prioritized in a country (Lundvall and Maskell 2000). This leads to the formation of distinct national industrial systems and an institutional framework that supports particular modes of interaction, both of which shape the future direction of innovation processes (Archibugi et al. 1999).[6] Although the two approaches are similar, NSI scholars put more emphasis on the spatial dynamics of innovation processes.

The development of the VoC approach also runs parallel to the literature on *national business systems (NBS)* (Whitley 1999). In this view, "business systems" represent "distinctive patterns of economic organization" that vary not only in terms of the mode of coordination, but also in the nature of the inter-relations among owners, managers, experts and other employees (Whitley 1999, 33). Although Whitley's (1999; 2007) typology is more nuanced than the LME-

[3] These are: 1) industrial relations; 2) vocational training/education; 3) corporate governance; 4) inter-firm relations; and 5) internal relations.

[4] The classification of innovation systems in the NSI approach often supports the VoC's distinction between LMEs and CMEs (Lorenz and Lundvall 2006, 13-14). However, the more recent literature advances a more nuanced and sophisticated account of different types of knowledge and learning within firms (Lorenz and Lundvall 2006).

[5] With respect to the persistence of capitalist diversity, the VoC approach makes predictions that are similar to those found in other literatures, including regulation theory (Lipietz 1987; Boyer 2005), the social systems of production approach (Hollingsworth 2000), and the national business systems literature (Whitley 1999). It is its relational perspective, however, that allows us to better integrate the micro-level and macro-levels of analysis.

[6] The nature of these interactions depends on a variety of factors, including the division of labour within and between firms, existing technological competencies in the workforce, the creation and reproduction of sophisticated skill levels and other aspects of the capital-labour nexus (Gertler 2004).

CME distinction,[7] the approach focuses on similar questions, including the issue of institutional convergence/divergence in the context of globalization (Deeg and Jackson 2007). Like the VoC approach, Whitley's (1999) emphasis on path dependence and institutional complementarities privileges patterns of stability over change. Yet, his view of the state opens up new possibilities for change based on the internal diversity/coherence of firms resulting from different patterns of state intervention, legitimacy and trust (Whitley 2007; Jackson and Deeg 2008).

S*ocial-systems-of-production (SSP)* represents another, albeit less unified, approach that fits within the CC tradition (Hollingsworth and Boyer 1997).[8] This approach has roots in the French "regulation school", which also deals with variation in national institutions (Boyer 1987). The SSP literature employs a broad typology of governance mechanisms to compare national systems, but like the NBS approach shares many similarities with the CC literature. For example, it sees economic action as socially embedded, accepts the concept of comparative advantage, and refers to the notion of institutional complementarities.[9] The concept of "flexible specialization" (Piore and Sabel 1984) also relates to the diversity of national production systems. In this view, the emergence and persistence of diversity depends on the extent to which production systems remain compatible with the set of social relations in which they are embedded. More recently, efforts have been made to combine VoC notions of strategic interaction and equilibrium (Hall and Soskice 2001) with the SSP's emphasis on social embeddedness (Amable 2003).

The CC literature, and particularly the VoC approach, has stimulated much academic debate.[10] Without denying the importance of these debates, this paper focuses on two recent critiques. The first involves the static nature of much of the CC literature (Crouch and Farrell 2004; Crouch 2005; Hanké and Goyer 2005; Streeck and Thelen 2005; Jackson and Deeg 2006; Deeg and Jackson 2007), while the second relates to the problem of specifying the linkages between national states and the many forces of convergence and globalization (Crouch and Farrell 2004; Martin 2005; Pontusson 2005; Panitch and Gindin 2005; Peck and Theodore 2007). Although recent work goes some way to address the first problem by identifying the incremental yet cumulative ways in which institutional change occurs (Thelen 2003; Hall and Thelen 2009); empirical evidence of the dynamic aspects of capitalist variation is still in short supply. And, while the CC literature is not "incompatible with dynamic views of the political economy" (Hall and Thelen 2009, 9), the development of a more dynamic theory requires further clarification of the complex interplay between micro, meso, and macro level phenomena (Deeg and Jackson 2007). It is with this task in mind that we now turn to the topic of international trade fairs.

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[7] Whitley's (1999; 2007) work identifies eight different types of business system.

[8] For a more complete review of these approaches, see Deeg and Jackson 2007.

[9] This is seen in its description of the interconnectedness of five institutional spheres: 1) a wage-labour nexus, 2) a configuration for competition, 3) a monetary regime, 4) a set of state interventions, and 5) an international regime.

[10] For example, critics take issue with the VoC's focus on the national state, arguing that this misses key elements of "within-system" diversity (Coates 2005; Crouch 2005; Panitch and Gindin 2005). Others suggest that the LME-CME distinction is too simplistic (Howell 2003; Streeck 2005) and that successful empirical applications of the model ignore cases that do not fit this typology (Haddow 2008). France, Italy and Greece, for example, diverge from either ideal-type, resulting in calls for alternative models (Whitley 1999; Amable 2003; Boyer 2005; Lorenz and Lundvall 2006; Schmidt 2007). Statistical analyses have also shown that the classification of countries as LMEs or CMEs is not stable, and may change over time (Blyth 2003; Ahlquist and Breunig 2009). For other critics, the five core institutional arenas defined in the VoC literature are incomplete (Peck and Theodore 2007). As Haddow (2008) observes, this type of criticism encourages greater dialogue between the VoC approach and other literatures, such as the literature on welfare-state regimes (Esping-Andersen 1996). The VoC approach has also run up against charges of institutional determinism (Thelen 2003; Crouch and Farrell 2004; Coates 2005; Pontusson 2005; Jackson and Deeg 2006). For further development of these lines of criticism, see Hancké et al. 2007.

3. International Trade Fairs as "Organized Anarchies" and the Garbage Can Model

International trade fairs are not new, and have been studied in a variety of different disciplines. This literature is quite fragmented, however, and focuses on a fairly limited set of issues. From a historical perspective, for example, international trade fairs have long been viewed as important places for cultural exchange, and often linked to the establishment of powerful trade networks, such as the *Medici*, *Fugger* and *Hanse* (Fischer 1992; Backhaus and Zydorek 1997; Rodekamp 2003). In the marketing and business literatures, moreover, trade fairs are recognized as valuable business tools, but mainly in terms of negotiating contracts, generating leads or selling products. Recent work in organizational and management studies has defined international trade fairs as important "field-configuring events" (FCEs)[11] (Lampel and Meyer 2008). While the concept of FCEs[12] nicely captures the complex dynamics of the trade fair environment, it has not yet been applied in empirical analyses of trade fairs.

International trade fairs have received scarce attention in the field of political science. If noted at all, they are usually only mentioned in passing, within the context of broader national economic development strategies. In the field of economic geography, moreover, the focus has traditionally been on the role of trade fairs in generating a local supplier sector across various support industries and services. Indeed, this literature has only recently begun to systematically conceptualize trade fairs as sites through which global knowledge flows are circulated and ideas for innovation explored (Borghini et al. 2004; Maskell et al. 2006). In this now growing body of work, international trade fairs represent important platforms for networking, knowledge creation and diffusion because they foster intense, albeit temporary, interactions among economic agents despite geographical restrictions. Ongoing face-to-face (F2F) contact with trade fair participants provides firms with multiple opportunities to acquire information about competitors, suppliers and customers (Bathelt and Schuldt 2008a).[13] Participants at these events benefit from repeated and often intensive face-to-face encounters which lead to a communication and information ecology referred to as "global buzz" (Maskell et al. 2006; Bathelt and Schuldt 2008b).[14] International trade fairs bring together agents from an entire industry or technology field for the purpose of exchanging knowledge about the present and future development of their industry.

Most trade fairs are organized according to a specific technological or industry focus. Consequently, they include firms from distinct capitalist varieties and encourage interaction across different political economic systems. Indeed, the firms that are temporarily clustered at these events often come from all over the world, operate in different institutional environments

[11] Other examples of field-configuring events include professional conferences, technology contests, governmental hearings and public business ceremonies (Lampel and Meyer 2008).

[12] Lampel and Meyer (2008) summarize the key characteristics of FCEs as follows: 1) they bring together in a single location geographically and organizationally diverse actors; 2) their duration is limited, spanning a few hours to at most a few days; 3) they offer unstructured opportunities for face-to-face interaction among participants; 4) they feature and heavily depend upon ceremonial or dramaturgical activities; 5) they represent occasions for information exchange and collective sense-making; and 6) they help generate social and reputational resources that can later be deployed elsewhere and for other purposes.

[13] This may include information about their technological choices and related practices (Bathelt and Schuldt 2008a).

[14] Bathelt and Schuldt (2008b) describe "global buzz" as follows: 1) the dedicated co-presence of global supply and demand; 2) intensive temporary face-to-face interaction; 3) multiple possibilities for observation; 4) intersecting interpretative communities; and 5) multiplex meetings and relationships. Central to these processes are integrational and informational cues (Short et al. 1976), which include verbal and non-verbal cues, visual stimuli, and feelings or emotions, all of which are characteristic of the communication and observation processes observed at trade fairs.

and employ, at least partially, different technologies and practices. Participants also benefit from the opportunity to inspect the exhibits of other firms and observe the visual presentation of their corporate cultures and strategies (Bathelt and Schuldt 2008b). International trade fairs are, thus, important vehicles through which global standards and practices are transferred across economic systems. They support the cross-national convergence of technologies, strategic choices and industry "best-practices" in at least three ways. First, international trade fairs enable processes of ubiquitification (Maskell and Malmberg 1999) through intended and unintended knowledge transfers and the signing of sales contracts. Second, they facilitate the spread of "best-practices" as firms from different parts of the world scrutinize leading firms, and gather information about markets, products and successful business concepts. Finally, trade fairs mediate institutional differences, including exchanges between firms from diverse contexts and the flow of ideas about new national regulations and conditions for innovation.

Having outlined the role of trade fairs in shaping processes of knowledge exchange between capitalist varieties, the next step is to look more closely at the search processes of firms at these events. To this end, we draw on the organizational decision-making literature to introduce the garbage can (GC) model of organizational choice (Cohen et al. 1972). Originally developed by Cohen, March and Olsen (1972) to analyze decision-making in university settings, the GC model distinguishes itself from other organizational choice theories in that it highlights the non-linear and often ambiguous nature of decision-making in organizations that fit the basic characteristics of "organized anarchies." Such organizational structures are defined by three main properties: 1) problematic preferences, 2) unclear technologies or processes, and 3) fluid participation.

The concept of *problematic preferences* refers to a general lack of consensus on individual and organizational goals. This means that agents often disagree about their organization's goals and also rethink their own preferences over time. Individual preferences are discovered in the course of action, rather than action being directed by clearly defined preferences (Cohen et al. 1972). Whereas international trade fairs have been depicted as the "intersection of focused communities" (Bathelt and Schuldt 2008), trade fair participants differ in how they evaluate new trends and in what they consider important. Even when goals are apparent, the notion of *unclear technologies* points to the problem of identifying the technologies or processes needed to achieve organizational goals (Fardal and Sørnes 2008). In organized anarchies, decisions are often made according to a method of "trial-and-error" (Cohen et al. 1972: 1). At trade fairs, exhibiting firms operate under conditions of technological and market uncertainty, proceeding experimentally at first, with only partial knowledge of the consequences of their actions. Finally, the notion of *fluid participation* refers to the fact that actors "come and go" as they please and devote varying amounts of time and energy to different problems. In such contexts, decisions are a function of the interrelations among four largely independent variables: a problems stream, a solutions stream, a stream of participants and a stream of choice opportunities (Cohen et al. 1972).

Briefly stated, the first stream refers to the processes by which a problem comes to be recognized as "a problem" by the relevant group of actors. Because problem definition is usually a fairly subjective process (Kingdon 1995), decision-making within this stream typically requires ongoing deliberation among agents. The *solutions* stream challenges much of the conventional wisdom on the causal direction of the problem–solution relationship. In the GC model, actors are viewed not as "problem-solvers" but as "solution-marketers" (Fardal and Sørnes 2008). For our purposes, a "solution" refers to a new product or process innovation presented or discovered at a trade fair. Since the GC model views "offering solutions" as a key part of organizational

action (Fardal and Sørnes 2008), international trade fairs offer a valuable test environment for the analysis of such behaviour. The *participants* stream simply refers to the transitory and unstable nature of the organization's membership. Finally, the stream of *choice opportunities* refers to those "windows of opportunity" when the various streams come together and a decision is made. In the trade fair context, such decisions might correspond to a new business partner, or an organizational agreement regarding the viability of a new technological innovation.

Despite its demonstrated applicability in a variety of settings,[15] the GC model has not been used to analyze the search processes of firms at trade fairs. Given its emphasis on the diffusion of new ideas or "solutions" through non-linear processes, this model serves as a useful analytical tool for conceptualizing the nature of inter-firm interaction and knowledge flows at trade fairs. Our goal, here, is to identify patterns of institutional change that may be driven by incremental, largely "bottom-up" processes. While studies often focus on obvious episodes of institutional change, initiated through "top-down" processes, recent years have seen a growing interest in the cumulative effects of gradual adjustments to institutional practices (Mahoney and Thelen 2010; Hall and Thelen 2009). In the context of international trade fairs, the GC model provides an alternative vantage point from which to explore the dynamics of institutional change from below.

4. Data and Methodology

In order to explore the relationship between inter-firm interactions at trade fairs and processes of convergence/divergence in patterns of technological specialization, an Internet-based survey was developed and distributed to a large sample of firms that had previously exhibited at trade fairs. Four major fairs were chosen for this analysis.[16] The selection of these events was based, in part, on their status as leading international fairs in well-known trade fair industry reports and journals, and on related websites (e.g., AUMA, Imp-Exp Executive Magazine).[17] Whereas all of the fairs selected represent major business-to-business (B2B) events, they include two broad types of industry/product groups: 1) investment goods, with an emphasis on machinery products, and 2) consumer goods, which have a technical or design focus.[18] The main characteristics of these trade fairs are displayed below in Table 1. In the period under review, these four events had a combined total of 10,219 exhibitors[19] and 808,500 registered visitors.

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[15] The GC model has been applied in a range of contexts, including military operations and organizations (March and Weissinger-Baylon 1986), public policy-making and agenda-setting in the U.S. government (Kingdon 1995), foreign policy making (Newmann 1998) and strategic decisions in the area of IT systems (Fardal and Sørnes 2008).

[16] The first, *bauma,* is the world's largest international trade fair for construction machinery, building material machines, mining machines, construction vehicles and equipment (http://www.bauma.de/). The second, *Electronica,* covers a range of the electronics industry's products, technologies and solutions – from semiconductors to electronic design to wireless technologies (http://www.electronica.de/). The *International Consumer Electronics Show – CES* is the third trade fair in this study. It includes products from many different consumer technology markets – such as, automotive electronics, computers, entertainment technologies and wireless devices (http://www.cesweb.org/). The final event is *EMO Hannover*, which is the largest trade fair for the metalworking industry. It focuses on machinery, but also includes other associated components and technologies (http://www.emo-hannover.de/).

[17] AUMA refers to the Association of the German Trade Fair Industry. The AUMA website (http://www.auma.de) is an invaluable resource for information on trade fairs in Germany and internationally.

[18] This categorical distinction follows the recent work of Schuldt and Bathelt (2011), which uses the investment goods/consumer goods dichotomy to classify seven international trade fairs in the German context.

[19] This number is larger than the number of exhibitors included in our final distribution list. This is because the information available for one of the selected trade fairs – EMO Hannover – reflects only a partial exhibitor list for the upcoming 2011 trade fair. The previous list of exhibitors for EMO Hannover, in 2007, was no longer available on the website, and the complete list for the upcoming fair in 2011 will not be made available until July.

Table 1. Characteristics of four international trade fairs in Germany and the USA

Trade fair	Year	Rhythm of events	Location	Product focus	Exhibitors (number)	Visitors (number)	Countries present (number)	Exhibition space (m^2)
bauma	2010	Tri-annual	Germany	Investment goods	3,002	450,000	53	651,000
Electronica	2010	Bi-annual	Germany	Consumer goods	2,597	72,000	45	142,500
EMO	2007	Bi-annual	Germany	Investment goods	2,120	166,500	42	180,158
International CES	2011	Annual	USA	Consumer goods	2,500	120,000	38	158,000

Sources: bauma <http://www.bauma.de>, Electronica <http://www.electronica.de>, EMO Hannover <http://www.emo-hannover.de>, International CES <http://www.cesweb.org>, Imp-Exp Executive Magazine (Sail by Exhibition) Top 100 World Trade Fairs, 2010. <http://www.prnewswire.com/news-releases/top-100-world-trade-fairs-2010-98308724.html>

4.1 Questionnaire Design

The online survey contained a number of questions specifically designed to evaluate the nature of the search and information processes of firms at trade fairs. The first part of the questionnaire asked respondents to rate from *least important* (1) to *most important* (7)[20] the competencies that they perceived to be central to the operations of their firm. It then asked them to rate the types of competencies they look for in potential partners at trade fairs. These competencies include: 1) innovation focus, 2) low-cost focus, 3) top-of-the-line production, 4) strong R&D capabilities, 5) marketing excellence, 6) customized production, and 7) continuously changing product line. Future comparative analyses of the two groups will allow us to document the similarities and differences between firms from different capitalisms, and, ultimately, make inferences regarding the convergence/divergence of firms with respect to patterns of technological specialization.[21]

A second set of questions was designed to tap inter-firm knowledge flows at trade fairs. To this end, we asked: 1) Where does your firm get knowledge from during trade fairs? 2) What types of knowledge does it get? 3) To whom does your firm provide knowledge at trade fairs? 4) What types of knowledge does it provide? Respondents were provided with set responses and asked to rate them from *least important* (1) to *most important* (7). The logic behind these four knowledge questions is two-fold: First, to determine the character and importance of inter-firm communication patterns at trade fairs and, second, to better understand the direction or pathways of knowledge flows at these events.[22] The survey participants were also asked to rate different activities in which the firm participates in order to learn about the industry/market. Participation in trade fairs was included in a list of eleven activities.

The final section of the questionnaire was designed to obtain information on a range of firm characteristics, including age, size (number of employees), country or origin, and the international/domestic focus of the firm's operations. Table 2 provides an overview of these characteristics. Despite the limited number of responses collected thus far, the firms that have

[20] Seven-point scales are used throughout the survey, where 1 = least important and 7 = most important.
[21] To fully address these processes, additional case studies or focused qualitative work may also be required.
[22] I hope to use these findings to further speculate on the potential *outcomes* of such knowledge exchanges – that is, the future structure of firms with regards to national patterns of technological specialization/standardization.

already responded reflect a relatively diverse population. Twenty-eight countries are currently represented in the survey, with the USA accounting for nearly one-third of the total number of responses. Germany and Taiwan are also well represented in the survey, with 12% and 11% of the responses respectively. Differences in the age and size of firms are also apparent, with small (less than 100 employees), middle-aged firms (11-50 years old) accounting for nearly two-thirds of the responses, at 63% and 65% respectively.

Table 2. General profile of exhibiting firms

	Number	%
Age of firm		
10 years or less	30	22
11-50 years	89	65
51-100 years	13	9
Over 100	4	2
Total	136	100
Size of firm (number of employees)		
99 or less	76	63
100-450	28	23
Over 451	16	13
Total	120	100
Country of origin		
USA	55	32
Germany	20	12
Taiwan	19	11
China	14	8
Canada	13	7
Other*	51	30
Total	172	100
Focus of operations		
Domestic	45	33
International	92	67
Total	137	100

*This category includes: Belgium, Czech Republic, Denmark, Finland, France, India, Ireland, Italy, Israel, Japan, Norway, Poland, Portugal, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Netherlands, Turkey and the UK. Each of these countries received 3 or less counts, with the exception of Italy and the UK which both received 7 counts.

4.2 Recruitment, Survey Administration and Response Rate

The design and distribution of the questionnaire were accomplished using an online survey development tool – SurveyMonkey™.[23] This product includes important design elements which

[23] http://www.surveymonkey.com

allowed us to implement fairly rigorous confidentiality and anonymity mechanisms.[24] All members of the sampling frame were sent an email inviting them to participate in the online survey. The invitation was sent out on March 21, 2011 with a follow-up email sent on March 31, and a third reminder sent on April 14, 2011. Establishing the sample was more time-consuming than originally expected, as we were unable to get pre-existing lists of exhibitors that included email addresses in a format that could be uploaded to the survey distribution tool. Consequently, it was necessary to manually compile the addresses in an Excel database before uploading them to SurveyMonkey. Over ninety percent of the email addresses proved to be accurate, however, while approximately 9% were returned with a failed delivery error message, or "bounced back" due to technical reasons. After each mailing period, we also received several hundred "out of office" messages. These cases have not been removed from the master list, as the firms still have an opportunity to respond to the survey at a later point in time. No cut-off date for the survey has been established.

The original sample consisted of 8800 firm. During the period since the survey was first distributed, 1,289 cases have been removed from the sampling frame bringing the current population to 7511. This was due to the failed delivery messages and technical errors mentioned above, as well as individual requests to opt-out of the survey. The total number of responses received thus far is 172. However, because the respondents are allowed to skip any question that they do not want to answer, the response rate ranges from a high of 2.3% to a low of 1.7% depending on the question.[25] While the data collection process is still underway, and the current response rate is very low, some interesting patterns in the data have already started to emerge. Further statistical tests will, of course, be necessary in order to fully evaluate these patterns, and some additional qualitative interviews may also be required. In the meantime, the following section presents and briefly discusses some of the initial findings.

5. Preliminary Findings and Discussion

5.1 Importance of International Trade Fairs

To examine the importance of international trade fairs compared to other activities in providing industry-related information, respondents were asked to rate the importance of eleven possible activities. Each activity was rated on a seven-point scale ranging from *least important* (1) to *most important* (7). The response in Table 3 shows that trade fair participation is viewed as the most important activity in industry-related learning processes, receiving a 5.94 average rating. While the use of specific industry websites also received a relatively high rating (5.02), the three other online platforms for learning received low ratings. This finding supports recent work on the importance of face-to-face (F2F) contact in learning and knowledge processes (Storper and Venables 2004; Maskell et al. 2006).

[24] The present survey was designed so that no email or IP addresses would be retained once the respondent completed or exited the survey. However, if respondents would like to receive a copy of the study results or be included in a draw for $200 (CAD), they voluntarily provide their email address at the end of the survey.

[25] Email and web-based surveys tend to have lower response rates than traditional mail surveys. This may be due to a variety of factors, including survey fatigue and the increasing prevalence of SPAM. Other factors influencing response rates to electronic surveys include the use of incentives, pre-contacts, number of follow-ups, and issue salience (Kittleson 1997; Sheehan and McMillan 1999; Cook et al. 2000). Although some of these challenges may be difficult to overcome, further efforts will be made to increase the response rate of the present survey in order to address the problem of representativeness.

Table 3. The Importance of International Trade Fairs in Industry Learning Processes

Learning activities	Average rating of importance*
Participate in international/national trade fairs	5.94
Use of specific industry websites	5.02
Use of national industry/association events	4.86
Participate in industry conferences/conventions	4.42
Membership in professional organizations/associations	4.20
Share professional information over the phone	4.18
Use of regional industry/association events	4.13
Participate in lunch meetings with other firms/organizations	3.37
Use of social media (e.g., blogs, Twitter, Facebook)	3.26
Subscribe to Google alerts	3.03
Attend webcasts	2.76

* Activities rated on a seven-point scale ranging from *least important* (1) to *most important* (7).

5.2 Goals of Trade Fair Participation

To investigate motivations for trade fair participation, respondents were asked to rate, on a 7-point scale, the importance of twelve goals. As Table 4 shows, the top priority for exhibitors at trade fairs is interaction with new and existing customers. Generating sales/leads, promoting a new product line, and maintaining the firm's image also received high rankings, while the goals oriented towards information acquisition and finding new business partners were deemed to be somewhat less important. With respect to finding new partners, however, the results presented in this table are somewhat at odds with the results of another question in this survey. Indeed, when asked directly – *do you look for potential partners at trade fairs?* – seventy-two percent of the respondents answered *yes*, 20% said that they *sometimes* look for potential partners, while only 8% responded *no* to this question.

Table 4. Goals of Exhibitor Participation in International Trade Fairs

Participation objectives	Average rating of importance *
Establishing relationships with potential new customers	6.65
Developing existing relationships with customers	6.35
Generating sales/leads	6.24
Promoting new product line	6.10
Enhancing/maintaining the company's image	6.06
Acquiring information about new technological innovations	5.42
Acquiring market/industry information	5.38
Getting an overview of the competition	5.33
Finding new business partners	5.27
Building/maintaining the morale of customers	5.24
Testing new product ideas	4.90
Enhancing/maintaining the morale of employees	4.21

* Goals rated on a seven-point scale ranging from *least important* (1) to *most important* (7).

5.3 Inter-firm interaction and patterns of industry specialization/standardization

In order to take a first step towards specifying the relationship between inter-firm interactions at trade fairs and patterns of technological specialization and/or standardization, Table 5 presents some very rough data on the nature of firm competencies. More specifically, it displays the average ratings on two questions regarding 1) the stated central competencies of exhibiting firms, and 2) the competencies firms look for in potential partners or other firms at trade fairs. At first glance, the average ratings appear to be quite similar between the two columns. This might reflect the tendency of firms to gravitate towards partners that fit within their own technological/contextual framework, or it might actually imply that firms seek partners that have different but complementary strengths. To adequately explore these assumptions, we will need to include additional variables, such as the nationality of both firms, and conduct further statistical analysis.

Table 5. Exhibitor and Partner Competencies at International Trade Fairs

	Exhibitors average rating*	Partners average rating*
Firm competencies		
Innovation focus	5.75	5.39
Low-cost focus	3.76	3.97
Top-of-the-line production	5.28	5.11
Strong R&D capabilities	5.36	4.88
Marketing excellence	5.48	5.20
Customized production	5.13	4.72
Constantly changing product line	4.25	4.01

*On a 7-point scale, where 1 = least important and 7 = most important.

6. Conclusion

Following previous work (Hall and Thelen 2009), this paper aims to extend the CC approach with respect to developing a more dynamic perspective of capitalist diversity. In the context of an increasingly integrated global political economy, it finds that international trade fairs are important venues for information and knowledge exchange. Major international trade fairs bring together economic actors from all over the world to present and scan the latest technological developments, connect with new and existing customers, identify new markets and develop or maintain international business networks. The unique gathering of specialized agents at these events creates a dynamic environment in which firms engage in many practices that may lead to knowledge diffusion across capitalist economies. They include: 1) acquiring information about new developments in other markets and the conditions under which they operate, 2) adopting technologies from diverse institutional contexts and exploring opportunities to apply them, and 3) attending state-of-the-art seminars that offer valuable information about new technologies or processes being used in diverse contexts. International trade fairs can, therefore, be viewed as important vehicles through which intensive, albeit often tacit and indirect, knowledge about the institutional structures of different economies is exchanged.

Although our initial empirical findings point to the importance of international trade fairs in enabling processes of knowledge creation and exchange between geographically dispersed agents, the exact role of these processes in shaping technological adjustment patterns remains ambiguous. At first glance, there seems to be some evidence that the search processes of firms at

trade fairs do not contribute to ubiquitification processes, but rather reinforce existing patterns of (national/sectoral) specialization. However, due to limitations in the data, we are not able to precisely specify the relationship between inter-firm knowledge flows at international trade fairs and patterns of convergence/divergence in the technological specialization of firms. At the very least, this paper suggests that such open questions represent a promising research agenda that warrants further empirical investigation.

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