

Technological and demographic factors as
agents of change in the development of
business events

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ABSTRACT

The published work and Commentary that comprise this PhD thesis examine the field of business events, with particular focus on the shifting relationships between supply and demand in the business events market that have arisen as a result of the ongoing technological and demographic changes in the external macro-environment within which this market operates.

The extant body of research into the market for business events such as conferences, meetings and other face-to-face gatherings pales in comparison with the extensive volume of investigations undertaken by the research community focusing on leisure tourism, cultural events and sports events. Nevertheless, this comparative neglect of the business events market cannot be justified when we take into account the essential role played by such events in the efficient functioning and development of the commercial, political, and intellectual activities of those who attend them, as well as the considerable economic benefits that business events bring to the venues and destinations in which they are held. The high-spending, high-yield nature of business events is the key factor behind the intense competition that exists between supply-side stakeholders in this sector. In the 21st century, as competition among the expanding supply of conference venues and destinations has intensified, the case to be made for conducting research that focuses on the effective functioning of the business events market has become increasingly compelling.

Following a discussion of the research context within which my research activities took place, this Commentary gives details of the specific research objectives that guided my own investigations. It then identifies the pragmatism paradigm as the approach adopted in my research, a stance which supports the use of the mixed methods approach that I employed in connection with my data collection, and one which reflected my desire to produce socially useful knowledge.

This is followed by a critical reflection on my research publications in this area. It comprises a portfolio of 25 publications, dated from 1992 to 2014. In different empirical contexts, and using a varied range of research methodologies, appropriate to the different research questions, this Commentary takes as its primary focus the impacts of technological and demographic factors on the marketing of conference venues and destinations, as well as on the design of business events.

The Commentary highlights the original nature of my research in this field as well as its contribution to the ongoing discussions in academic and practitioner domains on the subject of how the business events industry must evolve in order to provide value to a new generation of participants living in a world increasingly shaped by advances in electronically-mediated communication.

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LIST OF PUBLICATIONS COMPRISING THE BASIS OF THE SUBMISSION

Publication 1. Davidson, R. (1992) *Travel and Tourism in Europe*, Addison Wesley Longman, Harlow.

Publication 2. Davidson, R. (1993) European business tourism - changes and prospects. *Tourism Management* 14(3), 167 – 172.

Publication 3. Davidson, R. (1994) European business travel and tourism, in Seaton et al (eds) *Tourism: The State of the Art*, John Wiley & Sons, 377 – 382.

Publication 4. Davidson, R. (1996) Le marché des congrès: tendances. *Les Cahiers Espaces* 45, 29 – 32.

Publication 5. Davidson, R. and Maitland, R. (1997) *Tourism Destinations*, Hodder & Stoughton, London.

Publication 6. Davidson, R. (2001) Distribution channels for business travel, in Laws, E. and Buhalis, D. (eds) *Tourism distribution channels: practices, issues and transformations*, Continuum, London, 73 – 86.

Publication 7. Davidson, R., Alford, P. and Seaton, T. (2002) The use of information and communications technology by the European meetings, incentives, conferences and exhibitions (MICE) sectors. *Journal of Convention & Exhibition Management* 4(2), 17 – 36.

Publication 8. Davidson, R. (2002a) Leisure Extensions to Business Trips. *Travel & Tourism Analyst*, October, 1 – 17.

Publication 9. Davidson, R. (2002b) How destinations can encourage business visitors to become leisure visitors. Actes du Colloque 'Territoires et Marchés' 2ème colloque de recherche en tourisme de l'association des IUP THL, Université de Savoie, Chambéry.

Publication 10. Davidson, R. (2003) Adding pleasure to business: conventions and tourism. *Journal of Convention & Exhibition Management* 5 (1), 29 – 39.

Publication 11. Davidson, R. and Cope, B. (2003) *Business Travel: Conferences, incentive travel, exhibitions, corporate hospitality and corporate travel*, Pearson Education, Harlow.

Publication 12. Davidson, R. (2004) The impact of social trends on the business tourism market. *Boletín del Centro de Documentación en Ocio* 27, 11 – 22.

Publication 13. Davidson, R. (2005) *Making the Most of our Business Visitors*, Business Tourism Partnership, London.

Publication 14. Arouche, C. and Davidson, R. (2006) The Consultation Process in the Design and Refurbishment of Conference Venues, in *Proceedings of the International Convention/Expo Summit*, Hong Kong Polytechnic University/University of Nevada, Hong Kong.

Publication 15. Davidson, R. and Rogers, T. (2006) *Marketing Destinations and Venues for Conferences, Conventions and Business Events*, Butterworth-Heinemann, Oxford.

Publication 16. Davidson, R. (2008) What does Generation Y want from conferences and incentive programmes? *Tourism Insights*, VisitBritain, May, online.

Publication 17. Celuch, K. and Davidson, R. (2008) Human resources issues for the international business events industry, in Ali-Knight, J. et al (eds) *International Perspectives of Festivals and Events*, *Advances in Tourism Research Series*, Butterworth-Heinemann, Oxford, 241 – 252.

Publication 18. Davidson, R. (2009) *Business Tourism: Providing a social legacy*. *Tourism Insights*, VisitBritain, September, online.

Publication 19. Celuch, K. and Davidson, R. (2009) Human resources in the business events industry, in Celuch, K. and Davidson, R. (eds) *Advances in Business Tourism Research*, ATLAS Publications, Arnhem, 29 – 40.

Publication 20. Davidson, R. (2010) What Does Generation Y want from conferences and incentive programmes? Implications for the tourism industry, in Yeoman, I. et al (eds), *Tourism and Demography*, Goodfellow Publishers, Oxford, 115 – 129.

Publication 21. Davidson, R. (2011) Web 2.0 as a marketing tool for conference centres. *International Journal of Event and Festival Management* (2) 2, 117 – 138.

Publication 22. Celuch, K. and Davidson, R. (2011) *Better Business Results through Motivational Experiences and Incentive Travel*, Vistula University, Warsaw.

Publication 23. Halpern, N., Graham, A. and Davidson, R. (2012) Meetings facilities at airports. *Journal of Air Transport Management* 18, 54 – 58.

Publication 24. Davidson, R. (2014) The Business of Corporate Events, in Beech, J. et al (eds) *The Business of Events Management*, Pearson Education, Harlow, 56 – 69.

Publication 25. Davidson, R. and Keup, M. (2014) The use of Web 2.0 as a marketing tool by European convention bureaux. *Scandinavian Journal of Hospitality and Tourism*, 14(3), 234-254.

INTRODUCTION

My published work, focusing on the field of business events, is concerned with the investigation of technological and demographic factors as joint agents of change in the development of business events, with particular reference to Europe.

This Commentary reviews this work to date, providing a critical analysis of 25 publications either single-authored or co-authored by me in the past 22 years. For that period, my entire output comprises 33 published works connected with the themes covered in this Commentary, and a complete list of these is provided in Appendix 1. However, the 25 publications submitted in this Commentary are those that are most closely connected with the themes that have been most central to my research into the impacts of technology and demographics on the evolution of business events.

Where appropriate, I will make reference to certain of my 8 publications that have not been submitted as part of this Commentary but which nevertheless may further illustrate the impact of my research in this field.

Taken as a whole, the body of my published work provides insights into the progression of my research activities in this field, from early conceptual and exploratory investigations to the more recent qualitative and quantitative studies relevant to my research questions.

This Commentary begins with an outline of the context within which I have developed my research trajectory and a rationale for my choice of research focus. It describes the philosophical approach underlying my research, as well as the research methods employed. It then seeks to demonstrate the coherent nature of my work and the independence and originality of the contribution that I have made within my chosen field of research.

THE RESEARCH CONTEXT

At its very core, my research has been driven by a keen interest in the influences that shape the activity or, more accurately, the collection of activities variously denoted by the terms 'business tourism', 'business events' or by the acronym MICE (IAPCO, 2009) - meetings, incentive travel, conferences and exhibitions. Of these three, 'business events' has become the generally preferred nomenclature in academic and practitioner circles, and that is the term I will employ throughout this Commentary, except when citing others authors and providing publication titles. More precisely, the key focus of my research has been to expand our knowledge of technological and demographic factors as agents of change in the development of business events, including an investigation into the ways in which these elements of the external macro-environment affect how business events, venues and destinations are (on the supply side) designed, developed and marketed and (on the demand side) perceived and experienced by stakeholders. A key theme to emerge from my research has been the agency of technological and demographic factors in this context.

Such is the diversity of business events that no universally accepted definitions of these exist. However, the broad range of such events may be seen in Rogers' (2008:5) definition of these as: 'conferences, conventions, symposia, congresses, incentive group events, marketing events, special celebrations, seminars, courses, public or trade shows, product launches, exhibitions, company annual general meetings, corporate retreats, study tours or training programs'.

A key factor that motivated me to choose to focus my research activities on business events stemmed from my perception that the academic community had largely disregarded this field, eclipsed on the one hand by research into leisure tourism and on the other by the analysis of sports and cultural events. In my opinion, this inattention was particularly unwarranted given the considerable economic benefits of business events. For example, for almost 1 in 4 overseas visitors (24%) to the UK in 2013 the principal motivation for their trip was attendance at a business event, and spending by those business visitors accounted for almost a quarter of all spending by inbound visitors (VisitBritain, 2014). Taking Europe as a whole, figures released by the World Travel & Tourism Council indicate that spending by inbound and domestic business visitors over the continent as a whole amounted to US\$1103.7 billion, 24.4% of the total of all spending on tourism by domestic and international visitors (WTTC, 2014).

However, the impacts of business events on host communities extend far beyond their contribution to earnings from tourism, encompassing their role as catalysts for the creation of intellectual capital. Authors such as McInerney (2002) and Coakes et al (2004) have emphasised the key role played by meetings and conferences as sources of knowledge creation and knowledge transfer. In their scoping study of five large conferences held in Sydney, Foley et al (2010: v) concluded that: 'The events have allowed the dissemination of new knowledge, techniques, materials, and technologies in each of the sectors, providing ... educators, practitioners and

researchers with access to a network of international colleagues. This networking has provided local delegates with new business and research collaborations, and will generate innovation, ideas and research agendas for many years to come'.

Evidence of the substantial contribution that business events make to the commercial, intellectual, cultural and political spheres, led me to focus my attention on two distinct but linked elements in the market environment – technological and demographic changes – and their impacts on the evolution of business events. This has been the organising thread linking the vast majority of my publications used for this Commentary, and the basis of their coherence as a set of studies.

When I first developed an interest in business events, I realised that the extant body of research in this field was largely fragmented and lacking a clear research agenda to provide clear guidance for any future analysis.

Nevertheless, in the early 1980s, several authors had acknowledged the continuing growth of business events and business travel (Lawson, 1982; Bush, 1982; Cook, 1985), despite the global economic downturn of the early years of that decade. Most authors publishing in this field at that time (for example, Bush, 1982; Lewis, 1983) focused on demand-side characteristics of this market and, notably, how the hospitality industry could benefit from marketing their services and facilities to planners of conferences and incentive travel. This theme was to continue to dominate the research agenda into the following decade with contributions from *inter alia*, Richards and Richards (1994) emphasising the benefits to hotels, of the business events market. There was also a predominant research focus on North America.

However, even in those early days of investigations into the business events market, technology made sporadic appearances as a research theme, notably the growing availability of video-conferencing and how the Gulf War had boosted the use of such facilities as an alternative to face-to-face meetings (*ibid*).

Nevertheless, despite the contributions of researchers such as these, Yoo and Weber (2005:194), focusing on one aspect of business events, convention tourism, observe that:

'In the early to mid-1990s numerous authors deplored the paucity of research on convention tourism in general (e.g., Abbey & Link, 1994; Pizam, 1991; Zelinsky, 1994) and specific topics such as convention destination images in particular (Oppermann, 1996a, 1996b). This appeared to be a surprising neglect considering the fact that in view of its substantial economic benefits for destinations, convention tourism constituted an important segment of the tourism industry even then'.

However, other authors suggested that research in this field was growing, with Lee and Back (2005) identifying 135 papers written on the theme of conventions alone between 1990 and 2003 (their review excluded exhibitions and incentive travel).

Van Doren, Koh, and McCahill (1994) suggest that a crucial gauge of the maturity of any growing field of research is an analysis of the extent and direction of its evolving research literature. By 2012, there appeared to be sufficient evidence of progress in this field for Mair (2012), in her review of the developments in research into business events over the years from 2000 to 2009, to suggest that rather than highlighting a dearth of research overall, it was more accurate to conclude that the field had progressed to a stage where it was more helpful to identify specific research strengths and gaps. Accordingly, one strength of the research output reviewed was the fact that several of the papers had been published in highly-regarded journals such as *Tourism Management* and the *Journal of Travel Research*. Another sign of progress identified was that certain of the gaps in research (for example, the experiences of meetings participants) highlighted by Lee and Back (2005) appeared largely to have been addressed. In terms of methodologies employed in the developing body of research into business events, both Yoo and Weber (2005) and Lee and Back (2005) highlighted that a trend towards the use of increasingly sophisticated multivariate techniques, and while Mair (2012) also noted the use of multivariate techniques, she noted that they were still in the minority overall.

RESEARCH PHILOSOPHY AND METHODOLOGY

Against this background of a developing body of knowledge of the business events sector, a key objective of my research activities has been to make a contribution towards increasing our understanding how the business events industry is shaped by forces operating in the market environment, with particular reference to technological and demographic trends. From my very first undertakings in this field, it has been my intention throughout that my research output should have operational as well as academic value, providing insights of use to practitioners and policymakers in addition to the academic community. The extent to which I have achieved this aim has added considerably to the scope of the impact of my published work.

My specific research objectives were:

1. To establish a conceptual framework for the study of business events, with particular focus on the definition of the roles of the stakeholders operating in the business events market system.
2. To investigate the prevalence of use of information and communications technology (ICT) by stakeholders in the business events industry, as well as their motivations for using ICT tools.

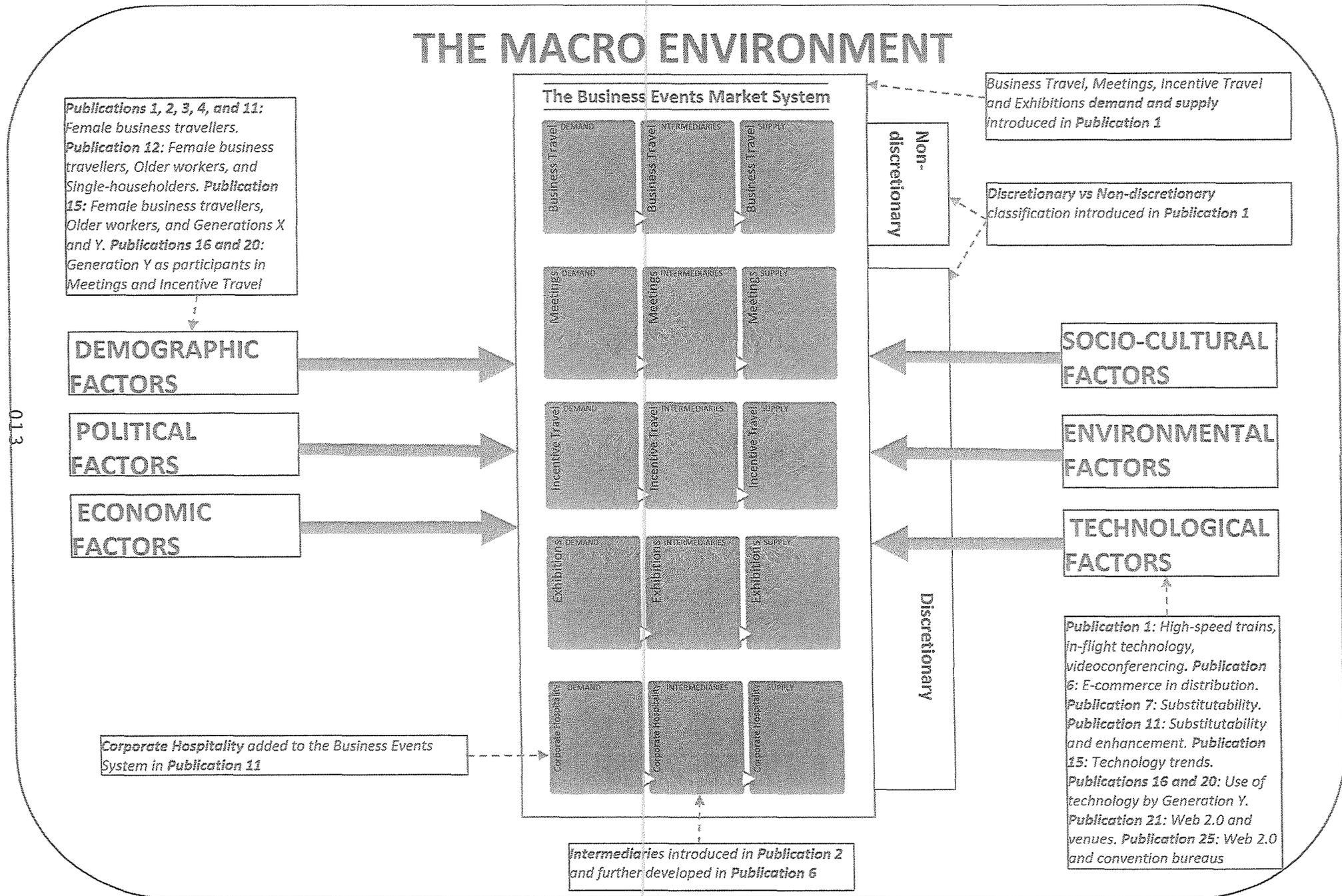
3. To analyse the challenges and opportunities presented to the business events industry by the application of advances in ICT.

4. To investigate the intergenerational differences between the youngest cohort of business events attendees – ‘Generation Y’ - and older generations, in order to determine the possible consequences of those differences for the ways in which members of each generation prefer to experience business events.

A visual representation of the conceptual framework I developed and the key macro-environmental factors that I analysed in order to pursue my research objectives, are shown in Figure 1. The development and refinement of my proposed conceptual framework for the study of business events – here labelled the Business Events Market System – is seen, in its final form, to comprise five sub-sectors: Business Travel, Meetings, Incentive Travel, Exhibitions and Corporate Hospitality. Within each sub-sector, three categories of market stakeholders are identified: Demand, Intermediaries and Supply. A distinction is proposed between those four sub-sectors which may be considered as ‘Discretionary’ (for which the choice of site is open to negotiation and to the marketing efforts of individual destinations and venues) and the ‘Non-discretionary’ Business Travel sub-sector (for which the destination is generally determined by the location of the business to be conducted).

In Figure 1, the Business Events Market System is shown to operate within a Macro-Environment where the key factors influencing the stakeholders in that System are Demographic, Political, Economic, Socio-cultural, Environmental, and Technological. For the two factors that are the principal focus of my research objectives, Technological and Demographic, a mapping of the relevant publications is given, highlighting the pertinent themes explored in each.

Figure 1. A visual representation of the conceptual framework



In seeking to meet my research objectives, I examined concepts from across a range of disciplines in order to determine which of those most effectively helped me analyse my research problems. In my contributions, therefore, I have employed concepts from a number of different academic disciplines including human resources, education and architecture and design.

The majority of my publications that may be categorised as descriptive research – largely comprising books and book chapters – are based upon reviews of the relevant literature. This approach enabled me to develop a useful, factual picture of each of the issues under investigation. It has been argued (for example, by Easterby-Smith et al., 2008) that literature reviews constitute, in themselves, a research activity that can make a contribution to knowledge. Bryman (2008:7) also defends the literature review approach by contending that:

‘In many cases, the relevant background literature relating to a topic fuels the focus of an article or book, and thereby acts as the equivalent of a theory’.

My literature-based contributions served the purpose of generating what Blumer (1954) calls ‘sensitising concepts’, which give ‘the user a general sense of reference and guidelines in approaching empirical instances ... [and] ... suggest directions in which to look [when conducting fieldwork]’ (ibid.: 7). These sensitising concepts proved to be invaluable in directing my subsequent research activities that included the collection of data.

For those of my studies involving data collection, I employed a mixed methods research approach, a research design that uses the ‘mixing’ of quantitative and qualitative approaches during the data collection phase of a study, i.e. the use of methods drawn from both approaches within one study (Creswell 2003). Mixed methods research originated in the 1960s as a concept of combining quantitative and qualitative research methods within the same study (Leech and Onwuegbuzie, 2009), and it has progressed in design and significance over the years (Creswell, 2003; Tashakkori and Teddlie, 2010) to the point that many social scientists now believe there is no major problem area that should be studied exclusively with one research method (Terrell, 2011). Mixed method studies emerged from the paradigm wars between qualitative and quantitative research approaches to become a widely used mode of inquiry (ibid.). While the quantitative approach (i.e., a positivist paradigm) has historically been the cornerstone of social-science research, the mixed methods approach is built on the premise that it can be more fruitful to consider how the strengths of quantitative and qualitative (a interpretivist paradigm) approaches can be merged within a mixed methods research approach (Lopez-Fernandez and Molina-Azorin, 2011). The results obtained through the different methods combined can enrich and improve our understanding of the phenomena under study and foster fresh ideas about them, in order to give answers to questions that are difficult to answer by using a single method (Greene et al, 1989; Tashakkori and Teddlie, 2010).

Bryman (2004: 453) identifies a research paradigm as 'a cluster of beliefs and dictates which, for scientists in a particular discipline, influence what should be studied, how research should be done [and] how results should be interpreted'. In paradigmatic terms, the stance that has reflected and guided my research is that of pragmatism, a paradigm that encompasses both qualitative and quantitative research methods. Pragmatists link the choice of approach directly to the purpose of and the nature of the research questions posed (Creswell 2003). Research is often multi-purpose and a 'what works' tactic allows the researcher to address questions that do not sit comfortably within a wholly quantitative or qualitative approach to design and methodology.

Reflecting pragmatism's fundamental orientation 'toward solving practical problems in the 'real world' (Feilzer, 2010: 8) rather than on assumptions about the nature of knowledge, I rejected the constraints of working within a single ontological and epistemological research stance, in favour of using the combination of research approaches that I considered to be the most suitable means of expanding our understanding of the business events market. This approach is closely aligned with my particular values, as a key purpose of my research has been to find solutions to real-world problems. An important consideration for me has been to see that the knowledge that is gained through my research is transferred into changes in the business practices of business events professionals.

More specifically, the mixed methods research approach most commonly adopted in my research papers is best described by the term 'concurrent nested strategy' (Terrell, 2011). The defining characteristic of this approach is that there are two data collection methods. One is embedded (i.e., nested) within the other, and priority is given to the primary data collection approach with less emphasis placed on the nested approach. In the case of the surveys that formed the basis of my research papers, in particular those focusing on the use of ICT by business events stakeholders, the primary data collection approach was the use of quantitative surveys; but nested within those surveys were qualitative elements such as case-studies and open-ended questions, the responses to which enriched the quantitative findings.

Using this approach, I was able to benefit from the strengths of the concurrent nested strategy, described as the ability to collect two types of data simultaneously; and to benefit from the advantages of both qualitative and quantitative methods (ibid.).

The following Commentary outlines the extent and nature of my contribution to the research literature in this field and the impact of my work in academic and practitioner circles.

COMMENTARY

At the point at which I began publishing academic works, I was employed as Education and Training Manager with Visit Britain, the UK's destination marketing organisation. My remit was to raise the quality and quantity of tourism teaching and research in higher education institutions in the UK. A quarter of a century ago, tourism itself was a relatively under-researched discipline, and my first two publications, Davidson (1989) and Publication 1, helped to fill that gap by proposing a conceptual framework for the study of tourism, categorizing the key sectors of the Western European tourism industry and outlining the principal impacts of tourism activities on the economy, the environment, and the culture of the destinations where they take place. Although the first of these publications was written as an introductory textbook (and therefore not submitted here for consideration) the relevance of both works to this Commentary is the fact that they each highlighted travel for *work-related* purposes as a discrete element of tourism, asserting the right of this segment to be studied to the same degree as the other forms of tourism that were the focus of growing academic research at that time. Publication 1 (of which the three chapters most pertinent to my research topic are submitted – from the updated second edition) was based on desk research, with the addition of original case-studies. I identified four sub-segments of the business events market: general business travel; meetings; incentive travel; and exhibitions. I also introduced to the academic community the distinction between discretionary business events (meetings, incentive travel and exhibitions, for which the choice of site is open to negotiation and to the marketing efforts of individual destinations and venues) and non-discretionary business travel, for which the destination is generally determined by the location of the business to be conducted. This useful and operational distinction has been widely adopted by researchers in the academic community (for example, Dolnicar (2002), Lubbe (2003) and Theobald (2005)), Publication 1 also included an investigation of the trends then impacting upon business events, an aspect of the book that I developed in my consequent analysis of the changing market environment for this sector. One indication of the impacts of these two books is the fact that Davidson (1989) was also published in a Polish language version; and Publication 1, which ran to two editions, was also published in two foreign-language versions, French and Spanish.

Elements of the Publication 1 first edition material on economic trends and their impacts on business events were subsequently updated in line with more recent developments in the European economy and published in a more analytical form as an academic paper the following year [Publication 2]. Based on desk research, this conceptual paper showed that the most significant demand-side changes in business travel in Europe were those brought about by the economic downturn prevailing at that time (the early 1990s), notably, shrinking corporate budgets. The paper also highlighted key supply-side responses to changes in demand. However, the findings outlined in Publication 2 also emphasised the role played by changing demographic trends in shaping demand for business events, notably the rise in the proportion of female business travellers.

A useful counterpoint to the demand-side findings of Publication 2 was provided by the results of my analysis of supply-side responses to shrinking corporate budgets for business events, published in the book chapter Publication 3, which was based on a review of the literature on that topic. Technological advances emerged as a key theme of this publication, as I demonstrated how one of the key responses of suppliers in this market, such as airlines and hotels, was to harness the most recent developments in technology in their product enhancement, through, for example the provision of sophisticated in-flight communication facilities and office facilities such as modems and fax machines in guest rooms.

An introductory textbook focusing exclusively on business events was published that same year [Davidson (1994)] but is not submitted here for consideration, as it was primarily intended for a readership at the Further Education level. It is based on desk research, with the addition of original case-studies. It is worthy of note that this was the first textbook ever to be written entirely on this theme, and it has received, to date, 124 citations. Acknowledging the pioneering and innovative subject material covered in this publication, two authors in the field of business events later described it as a 'ground-breaking' publication (Swarbrooke and Horner, 2001:3). The other reason that makes this publication worthy of note is the fact that its focus on how business events were being shaped by factors in the market environment, included consideration of the considerable advances being made in information and communications technology (ICT), themes upon which I was to elaborate in my next publication.

Published in 1996 in France – which was at this time my country of residence – Publication 4 was my first article to appear in the practitioner press. The readership of the journal *Cahiers Espaces* predominantly comprises tourism professionals, and, as a result of the impact of the publishing of a French version of Publication 1, I was invited by the journal editor to present a review of qualitative and quantitative changes in the business events market in France. Based on desk research using French sources, the findings demonstrated that while French corporate demand for business events was still subdued as a result of the recession of the early 1990s, other trends were having a growing influence on this market – and these included the effects of demography and technology, which were clearly emerging as the two themes forming a common thread for my research.

My most-cited book [Publication 5: 171 citations], based largely on desk research but with the addition of five in-depth case studies, took a supply-side perspective, focusing on the dynamics and evolution of destinations in the tourism system. Although business events was not the principal focus of this book, as authors we asserted the right of this sector to be taken into consideration on account of its power to generate visits to destinations in the same way as leisure tourism does. Chapter 2 of this book noted that the 'total tourism products' of many destinations were becoming increasingly diverse, with new elements such as business events, being introduced in order to complement the leisure tourism activity already taking place there. The principal characteristics of business events were contrasted with those of leisure tourism, in terms of aspects such as seasonality of demand, types of destinations visited and the consumer decision-making process. However, the

book's most innovative contribution was arguably our introduction of the concept of the Tourism Product Portfolio (TPP) as a model for use in clarifying any destination's current position in the overall tourism market as well as the strategic choices faced by those with responsibility for marketing it. The TPP was developed by building upon the concept of the total tourism product as a combination of resources and services and Butler's (1980) 'Tourist Area Life Cycle'. We demonstrated how the application of portfolio analysis techniques to the TPP could create a structure that could be operationalised for the consideration of strategic possibilities and strategic problems, by destination managers. The TPP model was widely adopted by academic researchers such as Rogerson (2002) and Dale and Robinson (1999) who focus on tourism as a source of economic growth for destinations.

My work for the following 14 years focused exclusively on the study of business events, following a career move in 1998 to my first full-time academic post. At that time, much of the pure research and applied research agenda was being set by the considerable expansion of tourism studies and research in higher education – an expansion which, it must be said, focused largely on the subject of 'leisure tourism', somewhat at the expense of the phenomenon of business events, despite the evidence that business events had the potential to generate considerable economic benefits as well as opportunities for knowledge transfer knowledge creation, as described earlier. My over-riding objective, therefore, was to uphold business events as a fertile area of study worthy of the attention of academic researchers as a topic in its own right and to fill some key gaps in the extant research.

In the context of the rapid developments in technology at this time, the book chapter, Publication 6 and the paper Publication 7 analysed aspects of how ICT applications were being harnessed in the domain of business events. The first of these publications suggested a refined conceptual model for the business events market by identifying stakeholders representing demand, supply, and – for the first time – key *intermediaries*, as the focus of this chapter was the analysis of distribution channels for business travel. The chapter, based on desk research, argued that certain forms of business travel, as a 'search good' (Schertler and Berger-Koch, 1999) offered a high potential for disintermediation - the bypassing of mediators/intermediaries in this market.

In Paper 7, my co-authors and I elaborated upon the theme of how ICT was being used by stakeholders in the business events market, but went beyond examining the role played by internet-related technologies in increasing the efficiency with which buyers and suppliers locate each other. By analysing the potential of ICT applications such as videoconferencing and virtual exhibitions to act as substitutes for face-to-face business events, we contributed to the academic and practitioner debate of those years, over the extent to which the concept of internet-based virtual reality might be harnessed to deliver 'tourism' experiences to consumers, as an alternative to actual visits to destinations (for example, Cheong, 1995, Williams and Hobson, 1995, and Bristow, 1999).

While the book chapter Publication 6 was largely based on desk research, Publication 7 included original primary research in the form of a quantitative survey

of 80 meetings and incentive travel planners in Europe, to determine their actual and projected use of ICT. Respondents indicated their various uses of ICT for purposes linked with the planning of meetings, incentive trips and exhibitions, and specified whether their uses of ICT for those purposes were increasing, decreasing or stable. They were also invited to indicate which types of websites they visited most frequently, for work-related purposes. While a clear picture emerged of overall growth in the use of ICT by most of these planners, a minority of non-adopters were found still to be eschewing these applications in their work. A limitation of the methodology adopted for this paper is that the actual reasons for adoption and non-adoption were not explored. In retrospect, it could also have been useful to cross-reference the rate of adoption and non-adoption with the demographic characteristics of the respondents to see whether any significant patterns emerged.

Nevertheless, among our most significant results was the finding that videoconferencing as a substitute for face-to-face business events was still limited to short, corporate meetings involving only a few participants, but that the future use of ICT products as alternative to attending live business events would be very closely linked to the perception of the risk factor inherent in travelling – a pertinent observation, given that this research was carried out only a matter of months after the terrorist attacks in the US in 2001. Nevertheless, we called into question what many believed at the time to be the inexorable growth of the use of ICT in a business events context, indicating its dependency on levels of ICT literacy and, confirming the work of contemporary researchers such as Graetz (1998) and Doherty-Sneddon et al (1997), who asserted the primacy of face-to-face communication for most business-related purposes.

My contributions continued with four publications examining the interface and interconnectivity between leisure tourism and business events [Publication 8; Publication 9; Publication 10; and Publication 13]. The journal paper [Publication 8] was the first academic publication to employ a mixed method approach to uncover the role of business events in stimulating demand for leisure tourism at destinations. The conceptual element of the paper was complemented by two quantitative surveys and a set of case-studies. The paper examined how business events can generate leisure tourism through participants extending their trips for leisure purposes, bringing spouses or other guests with them on their business trips, engaging in leisure or cultural activities as part of their business events, or returning to the destination for a holiday as a result of having had positive experiences of the city during a business trip. The conceptual aspect of the paper proposed a classification system of four sub-segments of business events participants: Extenders, Returners/Ambassadors, Socialisers and Business Guests), and examined the motivators and inhibitors that can affect the level of demand for adding leisure extensions to business trips, including factors such as the timing of the business event, the image of the destination and the type of business event attended (corporate or association).

The two quantitative surveys were designed to elicit the responses of two distinct populations with an interest in business events and leisure tourism: the 350 participants at the 35th World Vegetarian Congress in Edinburgh, who were

surveyed to ascertain their patterns of behaviour in terms of adding pre- and post-conference leisure extensions to their trip; and the membership of the Association of British Professional Conference Organisers (ABPCO), who were surveyed with the aim of investigating their approaches to adding leisure extensions to the events they organise.

One of the most significant findings of the survey of participants was that the level of incidence of leisure extensions increases in direct proportion to the distance between the participant's home and the conference destination. Another key contribution arising from the results of this survey was to demonstrate, for the first time, the concept of the 'ripple effect', by which participants' leisure extensions were not confined to the destination in which the business event was held, but encompassed visits to other parts of the host country and – in some cases – to other, neighbouring, countries. The survey of conference organisers revealed an even division of the respondents into those who took a proactive approach to offering add-on leisure packages to the events they organised and those who preferred only to respond to client demand for these. While making a useful contribution to our knowledge of the interface between business events and leisure tourism, a limitation of both surveys is the absence of qualitative elements which, had they been included, could have yielded useful data explaining the motivations and reasons guiding the behaviours of the conference participants and the professional conference organisers. As the results stand, we have an accurate idea of what both populations do and think – but little explanation of *why*.

Publication 8 also provided a set of examples of good practice concerning how destination marketing organisations from around the world were successfully taking measures to encourage business visitors to extend their trips for leisure purposes. These empirical findings led to the production of a set of guidelines for use by tourism practitioners, suggesting how business visitors could be persuaded to extend their business trips for the purpose of engaging in leisure tourism activities. The impact and contribution of the research is highlighted by the subsequent level of dissemination as I received numerous invitations to speak on this theme at international conferences of tourism and business events practitioners. Publication 9 is one example of my contribution to such a conference (*Territoires et marchés: Colloque de recherche en tourisme de l'association des IUP*) and is distinguished by its introduction of the my model of the Pleasure Quotient of business events – the extent to which leisure and enjoyment are present as motivating elements in any business event. In the model, incentive travel and corporate hospitality, for example, may be placed at one end of the spectrum, due to the high levels of leisure and entertainment activities generally provided for participants; while at the other end of the scale, non-discretionary, short individual business trips, with their strong focus on conducting the business in hand, may be situated. This publication reproduced the destination marketing organisations' case-studies from Publication 8, but also added a number of new case-studies highlighting the best practices of hoteliers, event organisers and transport operators.

My developing research in this field appears as Publication 10, which is based on a paper presented at the 2002 Convention Expo conference at the University of

Nevada in Las Vegas, and subsequently published in a special edition of an academic journal, dedicated to the proceedings of that conference. One innovative element of this paper was the inclusion of best-practice guidelines for guest programmes, which complemented the material developed in the previous two publications.

Another invitation to speak on this theme came in 2005 when I was a keynote speaker at the International Congress and Convention Association global conference in Montevideo, Uruguay, where I presented my findings in front of over 400 business events practitioners. In that same year, Publication 13, sponsored by the Business Tourism Partnership, a federation of the UK's leading trade associations with an interest in business events, disseminated my recommendations in print form to UK-based business events professionals, and is still in print as a set of guidelines and case-studies for destination marketers and conference planners. Also in 2005, I received a major accolade from the UK business events industry, in recognition of my work in business travel education and research, when I was voted 'Meetings and Incentive Travel Personality of the Year' at the Meetings and Incentive Travel magazine's annual award ceremony in London.

The enduring impact of my research into how business events can be leveraged to boost spending of leisure tourism at destinations may be seen in the fact that over 10 years after the publication of my initial findings, these were being cited verbatim as 'Expert Opinion' by academic commentators (Getz, 2013: 274 - 275). Other researchers such as Kellerman (2010), Christofle (2012) and Mackellar (2007) have adopted these findings in their own work on the interface between business travel and leisure tourism.

Publication 11 comprises a detailed analysis of the evolving roles of the different stakeholders operating in business events demand, supply and distribution. As the main contributor to this book, I was able to make of it a distillation of my research of the preceding years, with a strong emphasis, in each chapter, on the impact of ICT on each sub-segment of the business events market. The final chapter built upon my research into the interface between business events and leisure tourism, as investigated in Publications 8 – 10 and 13. However, a key part of the book's value was the refining and the extension of the conceptual definition of the Business Events Market System proposed in Davidson 1994, to include the new category of Corporate Hospitality as a sub-segment of business events. Another innovation in this publication was the highlighting of the concept that there were considerable overlaps between some of the categories of business events, creating 'hybrid' business events such as 'concentives' – corporate conferences held in attractive locations, to reward the participants for their performance in the workplace. This categorisation of business events was consequently adopted by some of the growing number of researchers in this field (for example, Deery et al., 2005 and Rogers, 2008). This book, based on desk research with 10 original case-studies, had a broad and enduring impact, being widely adopted as a set text in the by now growing number of universities offering courses in business tourism/business events, and being published in Chinese and Polish editions. It remains to this day a standard text on the subject of business events, and will be updated in a second version in 2015.

Publication 12 disseminated to an academic audience a review of the key European social trends (such as more women in employment, an ageing population, and the quest for better work-life balance) with predictions of the likely consequences of these trends for demand for business events. The material included in this paper was based upon the findings of the first of what was to become a series of annual reports analysing trends in the field of business events, commissioned by Reed Travel Exhibitions and launched each year at their European Incentive, Business Travel and Meetings exhibition in Barcelona. (As annual reviews of trends based upon a syntheses of the findings of primary sources, these reports are not included in this submission; however, their findings are very widely reported in the global business events industry press, providing a significant surge of interest in my work each year, among the practitioner community. Taken together, these reports represent a 10-year longitudinal study of trends in the global business events sector).

Despite the emphasis, in Publication 12, on developments in the demographic profile of the European population, another two years were to pass before I was to publish my initial ideas on what was to become a major focus of my research: the impact of the youngest generation of business events participants on the business events industry.

During that period, the focus of my research broadened to include the supply and marketing of the venues and destinations in which business events are held, resulting in two publications on this theme. The conference proceedings paper, Publication 14 was consistent with Carlsen's (2004) call for further research into venue design, construction and management. The principle underpinning this research project was the requirement for the priorities of all key stakeholders in this field to be balanced to the greatest extent possible, in the design of venues for business events. The paper's literature review harnessed research from the field of architecture and design to consider how the vogue for 'human-centred sustainable design' principles might be applied to the construction of business events venues. It then examined the role of internal and external stakeholders in the venue design process and the consultations that may take place between these stakeholders as part of that process. This project's primary research instrument consisted of a quantitative survey of 65 UK academic venue managers, and the results indicated that consultation among certain stakeholders prior to and during the construction phase of new or expanding venues was widespread, but that the views of the end-users of these facilities - business events planners and participants - were the least likely to be taken into consideration. The low priority apparently given to the views of these key stakeholders was highlighted as a cause for concern. This exploratory investigation into venue design nevertheless leaves a number of questions unanswered - for example to what extent do architects and designers themselves consult with end-users, thus involving them indirectly in the design process? Further research in this field is most certainly required.

In Publication 15, my co-author and I continued with the supply-side perspective, analysing the various approaches to sales and marketing employed by destinations and venues in the business events market. Chapters on the theories and principles

of marketing and sales alternated with chapters outlining actual practice in those activities. The book's 74 citations demonstrate its importance to the academic community, while its emphasis on best practice and its 22 case-studies of innovative initiatives in destination and venue sales and marketing, mean that this book was also widely adopted by practitioners who valued the overview it provides of suppliers in this market.

It was in the final chapter of this book – Future Trends and Challenges for the Conferences, Conventions and Business Events Sectors – that we analysed the roles played by three key demographic trends in shaping the design of business events:

- *The increase in the proportion of women in professional employment and senior management.* Developing ideas presented on this theme in Publications 1, 2, 3, 4 and 11, it was argued that the growing presence of female delegates at conferences was having a number of impacts 'from how venues are designed (more toilet facilities for women) to the food served during conference breaks (lighter and generally healthier)'.
- *The ageing of the European and North American populations.* First presented as a relevant factor in Publication 12, the consequences of the trend towards a growing proportion of older workers (60 years +) remaining longer in employment were developed in Publication 15. It was argued that people in this age group had a number of compelling reasons to continue attending conferences, including the need to network in order to progress in their careers and the importance they assign to active membership of professional associations.
- *The rise in significance of Generations X and Y.* Defined as those born between 1964 and 1977 (Generation X) and between 1978 and 1994 (Generation Y), these cohorts' tastes and preferences, we argued, were creating the need for fundamental changes in the design of business events. In particular, we contended that this generation's predilection for the effective use of technology presented the business events industry with formidable challenges, and that such events would need to be adapted radically in order to satisfy the demands of this rapidly-growing segment of the market.

Any one of these trends could have provided a compelling focus for further research into demographics as they relate to the area of business events. However, of these key trends, it was the challenges presented by the emergence of Generation Y (also referred to as the Millennial Generation, Nexters, Generation.com, Generation Why, Echo Boom, and Boomer Babies) as a significant factor in business events participation, that most stirred my interest and guided much of my research activity in the following years. The actual age of consumers has long been recognised as a major demographic variable in market segmentation to be taken into account by

those responsible for creating and marketing products and services. However, some authors (for example, Stevens et al, 2005) have argued that it is important to consider not only chronological age but also life cycles and generational cohorts. It has been noted that this notion of generational cohorts provides a major research paradigm for tourism (Moscardo et al, 2011), and my work in this field was based on the principle that the same notion may be applied in order to determine the probable impacts of demographic changes on business events.

By the middle of the 21st century's first decade, Generation Y was widely recognised to be the fastest-growing segment of the workforce in most developed countries. In the United States, for example, the Census for the year 2000 had predicted that Generation Y would grow in significance from comprising 25% of the American workforce by 2006 to comprising the actual majority of the working population by 2018 (U.S. Census Bureau, 2000).

But despite its potential to have a major impact on the operations of the business events system, the entrance of this new - and huge - birth cohort, Generation Y, into the workforce had been all-but ignored by the academic research community. This was in stark contrast with the activities of researchers in other, related, fields who had already explored what type of consequences the distinguishing characteristics of Generation Y might have on the world of marketing (for example, Wolburg and Pokrywczynski, 2001; Cui et al, 2003, Syrett and Lamminman, 2004), human resources (for example, Cole et al, 2002; Morgan and Ribbens, 2006), and education (for example Goldgehn, 2004; Coomes and DeBard, 2004).

The additional factor that convinced me to focus on Generation Y as a key demographic trend was the fact that one of the most significant distinguishing characteristics of this cohort was its predilection for the use of technology, emphasised by commentators such as Donnison (2007), who identified digital media use, especially for entertainment, social networking and creative endeavours, as being a clear and salient characteristic of this generation. I was therefore attracted by the prospect of exploring a demographic element of the macro-environment that could be closely linked with the other element that was a focus on much of my research activity: technological factors.

Accordingly, the ideas presented in the final chapter of Publication 15 were consolidated and elaborated upon in Publication 16, a paper that was disseminated to tourism and business events professionals through a journal aimed at practitioners. This exploratory publication, based on desk research and drawing upon relevant concepts developed in the fields of human resources, marketing and adult education, focused exclusively on Generation Y as participants in business events, and included a number of recommendations for how such events could be designed and marketed more effectively in order to engage and sustain the interest of participants from that cohort: for example, through harnessing the full capabilities of technology; by designing events to be more interactive; and by making more effective use of conference speakers. It was also postulated that a key method of gaining the attention of Generation Y when promoting business events was to make more use of strong images and fewer words in marketing messages.

My interest in this topic developed over the following years, as a result of the enthusiastic response of the international practitioner community. In the six years following the publication of my initial research on this theme, I was invited to speak at 16 international conferences for practitioners in the business events and hospitality sectors, including those attended by destination marketing professionals (International Congress and Convention Association, European Cities Marketing), meeting planners (Meeting Professionals International, Union of International Associations) and business events venues (International Association of Conference Centres). My work on Generation Y was introduced to the academic community at the conference of the Travel and Tourism Research Association in 2008 and then conceptually adapted for an academic readership in the book chapter represented by Publication 20. The contentions made in this publication were more robustly underpinned by references from the literature than had been the case in Publication 16. Citations from the literature review were used to challenge and consolidate the ideas presented in the previous paper on this topic. In addition, Publication 20 identified an important gap in our knowledge of how Generation Y relates to business events – the cohort's preferences regarding the *types* of destinations it favours as settings for business events – and proposed a research agenda designed to fill that gap.

The essential contribution made by Papers 16 and 20 lies in the fact that I applied research from the fields of human resources, marketing and education to support my contention that the differences between this generation and preceding generations were sufficiently important to warrant radical changes in how business events are designed and marketed – and that Generation Y's attitude towards and use of technology were key factors. I argued that their acquaintance and aptitude with technology in their formative years considerably sets Generation Y apart from previous generations in the way they wish to experience how, for example, business events are marketed (their preference for experiential marketing, their use of social media), designed (their preference for more involvement at the event design stage) and executed (their preference for more participative conferences, with shorter presentations). I concluded that supply-side stakeholders the business events industry, including meeting planners, venue managers and business events destination marketing organisations, will be obliged to adapt their products and its marketing techniques in order to satisfy this youngest cohort of events planners and participants.

The enduring impact of Publications 16 and 20 may be seen in the fact that many of the concepts they introduced were subsequently adopted by academic researchers investigating not only Generation Y as business events participants but also in a range of associated areas from education (Rienties et al, 2012) to visitor attractions (Leask et al, 2014).

Before pursuing a related line of research that was also inspired by the debate on Generation Y, my research continued with an exploration of the education and career paths of those who are responsible for marketing destinations as business events locations, convention bureau employees. The research underpinning Publication 17 (and developed for a wider audience in Publication 19) built upon the

work of authors who have investigated human resources in business events in general (Schreiber and Beckmann, 1999; McCabe 2006; and Weber and Chon, 2002) by focusing for the first time on human resources issues for convention bureau staff, in particular the education and career paths followed by those key stakeholders whose role it is to link demand for business events facilities and services with suppliers providing those. This study took place within a human resources context widely acknowledged to be characterised by limited provision of specific education and training for business events and the absence of a recognised career path and career progression opportunities for those employed in this sector.

The quantitative primary research element of this study comprised a web-based survey of destination marketing organisations' employees (primarily employees of convention bureaus). 113 responses from 30 countries were received. The 32 questions in the survey were developed from the literature review and investigated respondents' educational attainments, previous employment and future career plans. This was the first time that this population had been surveyed in connection with their own careers, and the findings served to provide further empirical evidence to support the 'butterfly' career model identified by McCabe and Savery (2007) as a human resources characteristic of employment in the business events industry as a whole.

The implicit link between Publications 17 and 19 and the demographics theme of my research agenda was the analysis of respondents' educational qualifications, cross-referenced by their age groups. The findings demonstrated, for example, that the convention bureau employees aged over 40 at the time of the survey were significantly less likely than their younger counterparts to have a university degree or postgraduate qualification. More broadly, these papers raised questions about the role of the education system in the preparation of young people for employment in destination marketing roles and proposed a research agenda for an investigation into the extent to which universities may play a role in this endeavour.

I developed a specific aspect of Generation Y's impact on business events in the research expounded in Publication 18, a paper published in a journal with a predominantly practitioner readership. In this paper, I argued that Corporate Social Responsibility (CSR) principles, as manifested in the design of business events, went beyond the simple 'greening' of those events (the environmental dimension of CSR) in vogue then and now, to encompass how business events can also have a positive impact upon the lives of the local populations, in particular the disadvantaged (the social dimension of CSR). Support for this contention was provided by researchers such as Dahlsrud (2006) whose work indicated that in the majority of definitions of CSR, the environmental dimension and the social dimension are equally emphasised.

The link with Generation Y was two-fold: firstly, the consensus as identified by Donnison (2007) that a distinguishing characteristic of this cohort was its members' positive attitude towards diversity, flexibility, *social issues* and their own futures (my italics); secondly, the phenomenon identified by authors such as Chon and Luh (2005) that volunteer tourism as a form of creating a social legacy held particular appeal for Generation Y. In this paper, I proposed a classification of different forms

of CSR activities linked to business events, according to the degree of direct interaction and involvement with the lives of local residents. I did not take an acritical approach, however, as I also reviewed the many disadvantages and risks of adding a social legacy dimension to business events, as well as the advantages. The conceptual element of this paper was complemented by a case study that highlighted four CSR initiatives that accompanied a single business event and offered examples of best practice for business events planners.

This observation that a fast-growing number of business events planners are themselves members of Generation Y, displaying the strong predilection that this cohort displays for the use of the social media and other Web 2.0 applications in their personal and professional lives (Donnison, 2007) informed two of my most recent contributions to this area of knowledge. These reflect the advent of the set of online applications commonly referred to as Web 2.0. Two research papers, [Publication 21 and Publication 25] have added considerably to our knowledge of how, why and to what extent the use of Web 2.0 applications for marketing purposes has been adopted by conference venues and by destination marketing organisations respectively. A similar methodology was followed in both papers: a mixed methods approach, using web-based surveys including both open and closed questions based upon issues arising from the literature reviews.

In Publication 21, I explored the use of Web 2.0 applications as marketing tools by major UK conference centres. Marketing managers from 10 out of a possible 12 major UK conference centres, as defined by membership of the International Association of Congress Centres AIPC) participated in the survey. The findings suggested that while some UK venues had comprehensively adopted these applications such as blogs, Facebook, LinkedIn and YouTube into their marketing communications programmes, others were lagging behind, due to a series of barriers to adoption including lack of staff expertise in the use of Web 2.0 and difficulty in measuring the return of investment in this form of marketing. The two most commonly mentioned motivations for adopting the use of Web 2.0 applications was 'to embrace the additional marketing opportunities' offered by such applications and the fact that 'a member of staff had developed expertise/interest in Web 2.0. General public awareness, brand awareness and reinforcement, and customer acquisition and retention were shown to be the most common objectives for venue marketing managers' use of these applications. The more qualitative responses to the open questions on respondents' advice for other venue managers yielded a number of examples of good practice, as well as guidance on possible pitfalls.

As well as offering demonstrable value to practitioners, the findings of Publication 21 have been acknowledged and in some cases expanded upon by the academic community. The use of Twitter in particular appears to be of interest to those such as Jussila et al, 2013 and Christopher-Taylor et al (2015) citing this publication.

Publication 25 focused upon the use of Web 2.0 in the destination marketing campaigns of convention bureaux, the organisations charged with attracting business events to the cities they promote in this market. The subjects for this study were marketing managers of European convention bureaux, and their views were

sought using a self-administered online questionnaire. Twenty-two usable questionnaires were returned. The results of this paper's survey included the findings that early-adopter European convention bureaux are harnessing the power of Web 2.0 as marketing tools, especially YouTube, LinkedIn, Facebook and Twitter, using the particular strengths of each application: for example, LinkedIn for the profiling of potential clients for sales purposes and Twitter for stimulating dialogue about their destinations. However, as was discovered from the conference centre managers surveyed for Publication 21, the convention bureau respondents also reported that they were facing considerable difficulties in measuring the return on investment in their use of Web 2.0 applications for marketing purposes. And similarly, the more qualitative responses to the open questions in the survey yielded a number of examples of good practice which serve as guidance for convention bureau marketing managers considering using Web 2.0.

Both of these studies (Publications 21 and 25) have made a unique contribution by providing, for the first time, valuable data which enable venues and convention bureaux to benchmark their own use of Web 2.0 against that of their competitors. However, a limitation common to both of these publications is the absence of complementary research into *demand-side* use of Web 2.0 applications – the extent to which meeting planners themselves make use of the social media, for example, when selecting venues and destinations for their events. Analyses of meeting planners' use of Web 2.0 in the workplace would yield valuable data which could provide further guidance to venue and convention bureau managers. A further limitation concerns the convenience sampling technique employed in both studies. This, combined with the small numbers in each sample, considerably limits the extent to which the findings of these publications may be generalised to other venues and convention bureaux. The fact that respondents in each case were self-selecting leaves open the possibility for bias in the survey results, in the sense that enthusiastic, confident users of Web 2.0 as a marketing tool may have been over-represented. Certainly, there is a compelling case to be made for further research into how, how much and why other types of venues in other countries, and convention bureaux in other continents are making use of these applications. Finally, given the extremely fast pace at which these technological developments are advancing, it can be argued that cross-sectional studies such as these two ought to be complemented by longitudinal analyses to highlight business events stakeholders' changes in behaviour over time.

Each of the remaining publications submitted here serves in its own way to advance the discourse on different aspects of supply and demand in the market for business events.

In Publication 22, my co-author and I developed 15 original case studies of incentive travel programmes, highlighting the clients' objectives for using incentive travel as a motivational tool, and how these particular business events were designed to achieve those objectives. Certain of the case studies illustrated themes already explored in my research, such as the role played by ICT in communicating with incentive travel participants throughout the programme, and the including of CSR initiatives in incentive trips. This publication's sole focus on the incentive travel sector

of business events responded precisely to Mair's (2012) entreaty that more business events research should include incentive travel.

The research undertaken in connection with Publication 23 focused on the supply-side theme of airports as venues for business events. The research context in this case was the growing pressure on airports to expand the revenue that they earn from non-aeronautical sources such as retail (Graham, 2009; Martel 2009). My own motivation for co-authoring this paper was my wish to understand to what extent airport-based venues were proving to be as popular as other forms of 'unusual' venues such as museums and tourist attractions, which were enjoying considerable success as places in which to host business events (Salem 2007).

The primary research comprised an online survey (mainly quantitative, with some qualitative elements) of airport managers worldwide. The 154 responses indicated that there had been extensive investment in meetings facilities in many airports, but that this investment tended to serve internal/local demand, rather than incoming business visitors. The survey also highlighted that there had been limited investment in resource allocation – in terms of both staff and marketing. The low response rate - typical of airport surveys - and the over-representation of European and North American airport respondents limited the extent to which our findings could be generalised. Furthermore, analysis of the data revealed no significant differences between airports that do and do not provide meetings facilities in terms of their location, ownership, number and purpose of travel of passengers and main types of services provided by the airports. A study using a larger sample size, however, may be able to reveal significant differences in these variables.

Finally, Publication 24 takes the form of a book chapter on the theme of corporate events, a segment of the wider business events market. In many ways, this is an appropriate point at which to end this Commentary, as Publication 24 distils many of the themes explored throughout my years as a researcher in this field, in particular, the unprecedented changes being wrought on the field of business events by powerful technological and demographic forces operating in the market environment. These – and other – forces will ensure that the field of business events remains fertile ground for research for many years to come.

CONCLUSION

I would suggest that the publications outlined in the above Commentary represent a coherent, original and independent contribution to scholarship and to applied research in the field of business events, notably through the identification of the impacts of key technological and demographic factors in the field of the demand for, and marketing of, business events. I have sought to demonstrate that my research has added ample academic and operational value, in each of the following ways:

1.

Firstly, I have published in print and disseminated through frequent conference presentations original knowledge that has increased the academic and practitioners communities' understanding of how technological and demographic trends are impacting upon the field of business events. My research has taken place against an international background of increasing research activity in what was still at the end of the last century an under-researched area. I would argue that I have made a significant contribution to the progress in field of research acknowledged by those who have undertaken reviews of developments in research into business events (Yoo and Weber, 2005; Lee and Back, 2005; Mair, 2012).

As one of the pioneers in this field, I have played a role in establishing business events as a field of study by making a compelling case that this subject is as fertile and complex an area of investigation as the study of leisure tourism and cultural and sports events.

2.

Secondly, my work contributed to setting the research agenda in the field of academic research in business events. My work on Generation Y in particular has stimulated the interest of a significant number of researchers who regularly contact me for advice and guidance with their work on this theme. The number of academic publications dealing with this theme has grown, and recently a book was published specifically on how the youngest generations are re-shaping the events industry (Golovinski, 2011).

3.

Thirdly, I have created a focus for the growing population of academic researchers undertaking studies in this area. I have made this contribution partly through the conceptual framework developed in my early publications, which provided a clear classification of the different types of business event and the roles of the various stakeholders operating in the business events market system. This conceptual framework provided useful signposts, definitions and structure in what had previously been, for many, a somewhat nebulous and daunting area of study.

I also offered more practical support to researchers in this field through the Business Tourism Special Interest Group that I created in 2003, under the auspices of ATLAS, the Association for Tourism and Leisure Education. With over 300 members, this group holds its own annual conference at which academics and other researchers meet to exchange ideas on education and research issues relating to business events. In addition, responding to Reid and Andereck's (1989) contention that academic journals constitute an indicator of the direction and nature of research in any field, I have made it one of my priorities to serve on the Editorial Advisory Boards of two specialist journals that have been at the forefront of publishing papers on the theme of business events: the International Journal of Event and Festivals Management and the Journal of Convention and Events Tourism.

4.

Fourthly, an additional measure of my contribution to our knowledge and understanding of trends in business events, as represented by these publications, are the frequent invitations I receive to share my findings as a keynote speaker at international conferences and to publish in the business events trade press and in the form of commissioned reports [Publication 13; Celuch and Davidson (2007); Publication 22; Davidson (2003 – 2013); and Davidson (2012)]. The theme common to all of these reports is the changing market environment for business events, the wider area of expertise for which I am recognised nationally and internationally not only within academia but also by the business events community itself. The annual reports on trends [Davidson (2004 – 2014)] that I compile every year and launch at Europe's largest trade show for this sector are eagerly-awaited by practitioners worldwide, and this helps to significantly raise my profile. This may at least partly explain why, for five years, I was included in Conference & Incentive Travel magazine's 'Power 50' – the 50 most influential people in the UK conference industry.

5.

Finally, I would argue that, taken as a whole, the body of my work, spanning 22 years, may be regarded as a form of longitudinal study of the two main themes of my research: technological and demographic factors as agents of change in the development of business events. In the quarter of a century that has passed since I first began to investigate these topics, the world has experienced sweeping changes and upheavals caused in part by rapid developments in technological progress and by the emergence of an assertive new generation that grew up with the internet and was to a large extent defined by their relationship with technology. In terms of the impacts of these two forces on business events, the themes of my research have tracked the most relevant developments, from the earliest days of the internet and e-commerce to the advent of Web 2.0; and, in demographic terms, from the era in which business events were still adapting to women participants to a time when

Generation Y are now close to becoming the most dominant presence in the global workforce.

FUTURE RESEARCH AGENDA

The themes around which my future research agenda will revolve are threefold:

1.

I will investigate the business events industry's reaction to the fast-growing number of older people remaining in employment. Currently, one out of every nine people in the world is aged 60 years or over. By 2050, one out of every five persons is projected to be in that age group (United Nations, 2012). It is one of my key research objectives to explore how the business events industry can best adapt in order to satisfy the particular needs of this important cohort. It will be a significant challenge to organise business events which successfully harness the valuable experience and wisdom of people in this age group, and research is required to ensure that conferences, for example, make optimum use of this opportunity for knowledge transfer within and between generations.

2.

I will undertake research to test empirically some of the precepts presented in my work to date, in particular those relating to Generation Y. I will carry out primary research to determine the extent to which there really are demonstrable inter-generational differences in terms of preferences for how business events are designed and marketed. This project will also enable me to test the hypothesis, voiced by many, that the tastes and values of Generation Y are evolving as they move towards early middle-age.

3.

I will, in general, work to fill a research gap, originally identified by Lee and Back (2005) by focusing more on the *experience* of business events participants. I wish to undertake more qualitative research in order to gain a better understanding of the participant's experience of their 'journey' through any business event, from initially being informed of it, through their anticipation of attendance and their participation, to the post-event phase, and their reflections and evaluation processes. In this way, my future research will be designed to complement my largely quantitative work to date.

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APPENDIX 1

COMPLETE PUBLICATIONS OUTPUT - IN REVERSE CHRONOLOGICAL ORDER.

Publications	Authorship	NUMBER OF CITATIONS
PAPERS IN ACADEMIC JOURNALS		
Davidson, R. and Keup, M. (2014)(forthcoming) 'The use of Web 2.0 as a marketing tool by European Convention Bureaux', Scandinavian Journal of Hospitality and Tourism.	Co-authored. My contribution: 50%	0
Halpern, N., Graham, A. and Davidson, R. (2012) 'Meetings facilities at airports', Journal of Air Transport Management 18, 54 – 58.	Co-authored. My contribution: 30%	2
Davidson, R. (2011) 'Web 2.0 as a marketing tool for conference centres' in International Journal of Event and Festival Management (2) 2, 117 – 138.	Single-authored	7
Davidson, R. (2004) 'The impact of social trends on the business tourism market', in Boletín del Centro de Documentación en Ocio 27, 11 – 22.	Single-authored	0
Davidson, R. (2003) 'Adding pleasure to business: conventions and tourism', in Journal of Convention & Exhibition Management 5 (1), 29 – 39.	Single-authored	15
Davidson, R., Alford, P. and Seaton, T. (2002) 'The use of information and communications technology by the European meetings, incentives, conferences and exhibitions (MICE) sectors' in Journal of Convention &	Co-authored. My contribution: 50%	9

Exhibition Management 4 (2), 17 – 36.		
Davidson, R. (1993) 'European business tourism - changes and prospects', in <i>Tourism Management</i> 14 (3), 167 – 172.	Single-authored	8
BOOK CHAPTERS		
Davidson, R. (2014) 'The Business of Corporate Events' in Beech, J. et al (eds) <i>The Business of Events Management</i> , Pearson Education, Harlow.	Single-authored	N/A
Davidson, R. (2010) 'What Does Generation Y want from conferences and incentive programmes? Implications for the tourism industry' in Yeoman, I. et al (eds), <i>Tourism and Demography</i> , Goodfellow Publishers, Oxford, 115 – 129.	Single-authored	5 (book)
Celuch, K. and Davidson, R. (2009) 'Human resources in the business events industry' in Celuch, K. and Davidson, R. (eds) <i>Advances in Business Tourism Research</i> , ATLAS Publications, Arnhem, 29 – 40.	Co-authored. My contribution: 50%	0
Celuch, K. and Davidson, R. (2008) 'Human resources issues for the international business events industry' in Ali-Knight, J. et al (eds) <i>International Perspectives of Festivals and Events, Advances in Tourism Research Series</i> , Butterworth-Heinemann, Oxford, 241 – 252.	Co-authored. My contribution: 50%	16 (book)
Davidson, R. (2001) 'Distribution channels for business travel' in Laws, E. and Buhalis, D. (eds) <i>Tourism distribution channels: practices, issues and</i>	Single-authored	6

<i>transformations</i> , Continuum, London, 73 – 86.		
Davidson, R. (1994) 'European business travel and tourism', in Seaton, A.V et al (eds) <i>Tourism: The State of the Art</i> , John Wiley & Sons, 377 – 382.	Single-authored	11
ARTICLES IN PRACTITIONER JOURNALS		
Davidson, R. (2009) 'Business Tourism: Providing a social legacy' in <i>Tourism Insights</i> , VisitBritain, September, online.	Single-authored	0
Davidson, R. (2008) 'What does Generation Y want from conferences and incentive programmes?' in <i>Tourism Insights</i> , VisitBritain, May, online.	Single-authored	4
Davidson, R. (2002) 'Leisure Extensions to Business Trips', in <i>Travel & Tourism Analyst</i> , October, 1 – 17.	Single-authored	0
Davidson, R. (1996) 'Le marché des congrès: tendances', <i>Les Cahiers Espaces</i> 45, 29 – 32.	Single-authored	0
BOOKS		
Davidson, R. and Rogers, T. (2006) <i>Marketing Destinations and Venues for Conferences, Conventions and Business Events</i> , Butterworth-Heinemann, Oxford.	Co-authored. My contribution: 50%	74
Davidson, R. and Cope, B. (2003) <i>Business Travel: Conferences, incentive travel, exhibitions, corporate hospitality and corporate travel</i> , Pearson Education, Harlow. Also published in a Polish version: Davidson, R. and Cope, B. (2003) <i>Turystyka Biznesowa</i> , Polska Organizacja Turystyczna, Warsaw.	Co-authored. My contribution: 75%	77

Also published in a Chinese version: Davidson, R. and Cope, B. (2006) Business Travel, Yunnan University Press, Yunnan.		6
Davidson, R. and Maitland, R. (1997) <i>Tourism Destinations</i> , Hodder & Stoughton, London.	Co-authored. My contribution: 66%	171
Davidson, R. (1992) <i>Travel and Tourism in Europe</i> , Addison Wesley Longman, Harlow. Also published in a Spanish version: Davidson, R. (2001) <i>Viajes y turismo en Europa</i> , Editorial Sintesis, Madrid.	Single-authored	86 16
PRACTITIONER REPORTS		
Celuch, K. and Davidson, R. (2011) Better Business Results through Motivational Experiences and Incentive Travel, Society of Incentive Travel Executives, Chicago.	Co-authored. My contribution: 50%	0
Davidson, R. (2005) Making the Most of our Business Visitors. Business Tourism Partnership, London.	Single-authored	0
CONFERENCE PROCEEDINGS		
Arouche, C. and Davidson, R. (2006) 'The Consultation Process in the Design and Refurbishment of Conference Venues' in Chon, K. and Weber, K. (eds) Proceedings of the International Convention/Expo	Co-authored. My contribution: 50%	0

Summit, Hong Kong Polytechnic University/University of Nevada, Hong Kong.		
Davidson, R. (2002) 'How destinations can encourage business visitors to become leisure visitors', in Actes du colloque 'Territoires et Marchés' 2ème colloque de recherche en tourisme de l'association des IUP THL, Université de Savoie, Chambéry.	Single-authored	0
NOT SUBMITTED		
Davidson, R. and Hyde, A. (2014) <i>Winning Meetings and Events for your Venue</i> , Goodfellow Publishers Limited, Oxford.	Co-authored. My contribution: 50%	N/A
Davidson, R. (2004 – 2014) annual EIBTM Industry Trends and Market Share Report, Reed Travel Exhibitions, London.	Single-authored	N/A
Davidson, R. (2012) 'Business Tourism' chapter in Holloway, C. and Humphreys, C. <i>The Business of Tourism</i> , 8 th edition, Prentice Hall, Harlow, 285 – 311.	Single-authored	0
Davidson, R. (2012) Meetings Africa Report, South Africa Tourism, Johannesburg.	Single-authored	0
Davidson, R. (2008) 'The use of spas by meetings participants: the case of the United States' in: Smith, M. and Puczko, L. (eds) <i>Health and wellness tourism</i> , Butterworth-Heinemann, Oxford, 373-376.	Single-authored	1
Celuch, K. and Davidson, R. (2007) Poland Conference Market Survey, Polish Tourist Organisation, Warsaw.	Co-authored. My contribution: 50%	0

Davidson, R. (1994) <i>Business Travel</i> , Longman, Harlow.	Single-authored	124
Davidson, R. (1989) <i>Tourism</i> , FT Prentice Hall, Harlow. Also published in a Polish version: Davidson, R. (1996) <i>Turystyka</i> , Polska Agencja Promocji Turystyki, Warsaw.	Single-authored	0

PUBLICATION 1

Travel and Tourism in Europe

SECOND EDITION

Rob Davidson



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6

Business tourism in Europe

KEY OBJECTIVES

Reading this chapter will enable you to:

- Understand the value of business travel and tourism in Europe.
- Distinguish the four main sectors of the business travel and tourism market and their specific characteristics.
- Identify the principal current trends in each of the four sectors as well as the impact of the EU on all four.

Introduction.

This chapter is concerned with the European market (supply and demand) for travel and tourism which is directly related to the traveller's professional activity. The various segments of this market are examined in turn: general business travel – for example, people travelling to visit customers, suppliers and business contacts; meetings and conferences; incentive trips; exhibitions and trade fairs.

The benefits of business tourism for Europe are considerable. Overall, business tourism in Europe represents an economic sector of immense importance, which is expressed in the direct and indirect benefits which the various segments or sub-sectors bring in terms of turnover, employment and tax revenues. Furthermore, the business tourism sector covers a large range of activities for which the main objectives include the transfer of knowledge and expertise, networking and the exchanges of goods and services. In this way, the sector contributes

directly and continually to the process of European integration.

Nevertheless, despite the widespread recognition of its ability to bring important economic and social benefits to communities, the business tourism market is poorly documented and under-researched in Europe. A reason suggested for this is that, traditionally, business tourism was considered to be more resistant to the economic cycle and exchange rate fluctuations than leisure travel, and had also proved resilient to political change. Thus the travel industry took it for granted that travelling for business would continue to represent a dependable and unwavering sector (Rockett and Smillie 1994).

But the combined effect of the Gulf War and recession in Europe, following fast on the heels of the high-spending 1980s, altered this perception and demonstrated the rollercoaster fortunes of business travel and tourism at their most extreme highs and lows.

The 1980s ended on an up-beat note of confidence for business tourism in Europe. After the remarkable liberation of Eastern Europe, the continent seemed set for a new era of prosperity and peace, leading up to closer European cooperation and the completion of the Single Market. Demand was generally buoyant for all sub-sectors of the business tourism market.

Almost overnight, the Gulf War dramatically changed the situation, as across the globe, meetings activity involving travel was abruptly thrown into reverse. International travel in particular was affected. Fear of flying became endemic as companies demanded that their staff keep both feet on the ground, and meetings were cancelled, postponed,

Table 6.1 Business tourism turnover in the EEA, by sector

Segments		Turnover	% of sector
Individual business trips	115,000	million ECU	70.8
Conferences/Congresses	5,450	million ECU	3.3
Business meetings	20,420	million ECU	12.6
Incentive trips	3,900	million ECU	2.4
Exhibitions/fairs	17,700	million ECU	10.9
Total	162,470	million ECU	100.0

Source: CEC (1996)

or kept in-house. Hotels suffered extensive cancellations, as many professional conference organisers saw their clients lists sadly depleted; and airlines pulled out of routes and laid off staff (Davidson 1992a).

In the event, the conflict was sharp and short, but it was followed, in Europe, by a damaging recession which stubbornly set in to cloud over the economy of every European country until the middle of the 1990s.

It is now clear that business travel and tourism can be affected by the fortunes of the national/world economy as a whole, just as much as the market for leisure travel is vulnerable to changes in the levels of financial well-being of individuals. But although it is true that spending fell abruptly during the recession, it is not the case that the end of that economic slump has been followed by a corresponding increase in business tourism expenditure in Europe.

The quality of information on business tourism in Europe advanced considerably in 1994, when the European Commission Directorate General XXIII commissioned a study of business and conference tourism. The objective of the exercise was to conduct a quantitative and qualitative evaluation of the supply of, and demand for, this form of tourism in the European Economic Area (EEA), which is composed of the Member States of the EU, together with Norway and Iceland.

The results of the survey, commonly known as the Horwarth Axe study, after the consultants who carried it out, were presented at ITB tourism trade

fair in Berlin in March 1996. At that time, the study estimated the value of business travel and tourism in Europe at around ECU 162 billion ECU, broken down as shown in Table 6.1.

In addition to this volume of direct turnover, business tourism in the EEA has considerable induced effects and generates a large number of ancillary activities linked to conferences and exhibitions. In total, this induced activity is estimated at 1.5 to 2 times the direct turnover of the sector (CEC 1996).

The rest of this chapter examines the four main sectors of the business travel and tourism market:

- 1 general business travel
- 2 meetings
- 3 incentive travel
- 4 exhibitions and trade fairs.

Nevertheless, it is important to recognise that a distinguishing characteristic of this market is that the different categories often merge into one another, blurring the distinctions between them. Many conferences are accompanied by an exhibition on the same theme – for example, medical conferences often include an exhibition of pharmaceutical products. Similarly, when a conference is held in an attractive destination, such as Monaco or Nice, for example, an employer, in selecting a member of staff to attend, may also be using the event partly as a form of incentive for outstanding performance in the workplace. Finally, exhibitions often include conferences featuring high-profile speakers as a way of attracting more visitors.

General business travel

DISCRETIONARY AND NON-DISCRETIONARY BUSINESS TOURISM

Three out of the four types of business tourism listed above – meetings, incentive travel and exhibitions – may be considered to be ‘discretionary’. This means that the choice of where such events are to be held is open to negotiation and that the organiser or planner of these forms of business tourism can use some discretion in choosing a venue. As a result, all potential destinations which could serve as venues for conferences and other meetings, incentive trips, exhibitions and trade fairs are in competition with each other to attract these events. As the venues for these types of event are negotiable, those with responsibility for choosing the venue are usually open to being persuaded by effective marketing by the destinations or by the lobbying of potential delegates or clients.

General business travel, on the other hand, is principally non-discretionary. It involves trips taken within the normal framework of professional activities, by commercial travellers, for example, or by those who travel to meet clients or to provide a service as a routine part of their working lives.

General business travel is considered to be non-discretionary as it is practically impossible to influence the final destination of such trips. If the contract to be signed or the customer to be visited is in Hong Kong, for example, then no amount of

marketing or lobbying will persuade the business traveller to fly to Monaco instead. It is also very difficult for the tourism industry to influence the amount of general business travel, as this is primarily demand-led, being determined by the pattern and volume of economic activity which is outside its control. (Nevertheless, efforts are being increasingly made by the tourism industry, for example, to persuade business travellers to extend their trip by adding on a ‘leisure weekend’ and/or to bring their spouse/partner on the trip.)

THE VOLUME OF EUROPEAN GENERAL BUSINESS TRAVEL

The European Business Travel and Expense Management Report 1993 published by American Express (1994) ranked Europe as the world’s foremost business travel market, outspending the United States and Asia. In the ten European countries surveyed (Belgium, France, Germany, Hungary, Italy, the Netherlands, Spain, Sweden, Switzerland and the UK), there were over 94 million people in the private sector workforce alone. In 1993, the last year for which the survey was undertaken, private sector expenditure on T&E (travel and entertainment) amounted to US\$141 billion or 2.5 per cent of the total GDP of the countries involved. Some idea of the magnitude of the private sector’s spending on T&E is given by the information contained in Table 6.2.

Of the six countries’ T&E, 31 per cent is spent on international travel, primarily by sales staff and management.

Table 6.2 Principal European business travel and expense markets

	T & E (US\$ billion)	% of GDP on T & E	% of T & E spent abroad
Germany	38.8	2.5	24
United Kingdom	30.3	3.5	38
France	25.3	2.2	24
Italy	16.0	1.9	28
Spain	8.8	1.9	23
Sweden	6.8	3.8	60

Source: American Express (1994)

TRENDS IN EUROPEAN BUSINESS TRAVEL

More for less

For the mid-1990s, the Horwarth Axe survey identified an increase in the number of European business trips, but a reduction in the average spend per trip. Part of the explanation given for this phenomenon was that the development of faster modes of transportation increasingly allows the possibility of a return day trip within Europe, where previously it would have been necessary to spend a night in a hotel as part of the trip. A decline in the number of nights spent in hotels as a result of destinations being served by high-speed trains, for example, is a phenomenon which has been observed in Europe ever since the Paris-Lyons TGV connection was built. For this reason, the consultants claim, the European programmes to develop the transportation infrastructure (including the high-speed train network) may have a notable influence on the number and nature of business trips in Europe. However, they add that the impacts of those programmes on European business travel are not likely to be measurable before the years 2005 to 2010 (CEC 1996).

The principal reason for lower spending on business travel per trip is that many of the buyers of business travel and tourism have remembered the cost-saving lessons they learnt from the dark recession days of the early 1990s and have continued to follow the same spending patterns. The various measures taken by European companies to control their travel costs, as described by Davidson (1994a) have increasingly become institutionalised: trading down on class of travel for trips made by air and rail; implementing formal company travel policies to control spending; and using the centralised purchasing of travel and accommodation in order to negotiate special discounts and corporate rates.

As early as 1993, some commentators were predicting that the cost-consciousness made necessary by the recession would not automatically diminish with the return to more prosperous times. Among them was O'Brien, who maintained that 'The Gulf War educated the corporate sector as to the amount of non-essential travel expenditure incurred in previous years . . . The 1990s will witness the advent of the responsible, cost-con-

scious business traveller. Travel preferences will become less important to the corporate client as the benefits of cost reductions will increasingly outweigh them' (O'Brien 1993). Echoing this point one year later, Verchère wrote that:

Even an economic rebound . . . is unlikely to shake off this quest for value now demanded of airline, hotel, car rental and travel firms by their corporate clients. Where once extravagance reigned, large and multinational corporations now exert the biggest squeeze on the budgetary and travel fronts. (European 1994)

By the mid-1990s, Europe had witnessed a dramatic recovery in business travel – at least in terms of numbers of people travelling. In 1996, the Daily Telegraph in a special report was able to report that: 'Business travel in Europe has never been more diverse or more competitive. Driven by the economic upswing and the liberalisation of air routes, passenger traffic is at record levels with an unprecedented choice of carriers and fares' (Daily Telegraph 1996).

But, as forecast, actual spending on general business travel was far less buoyant. Even by 1996, despite steady increases in the volume of people travelling on business, there were no signs of a return to the pre-recession spending levels. Taking as an indicator air travel budgets for business travel, the IATA Corporate Air Travel Survey for that year reported that these remained 'essentially unchanged despite the recovery of economies around the globe. Where a change has been noted, 18 per cent saw some reduction in budgets while 10 per cent reported increases' (IATA 1997).

Carlson Wagonlit's annual business travel survey for 1996 was launched with the heading: 'Business travel trends reflect increased economic optimism' (Carlson Wagonlit 1997). The survey confirmed the general increase in the number of business trips being made: 38 per cent of those interviewed for the survey expected to make more business trips over the following 12 months, as opposed to 28 per cent at the time of the previous survey, a year earlier.

The importance to companies of managing their travel costs was also underlined in the survey, which highlighted a slight increase in the number of companies prepared to trade down in class of

travel, and a greater increase in the number of companies operating formal travel policies (from 60 per cent to 77 per cent of the companies interviewed).

Moreover, the moves towards more Spartan levels of comfort for business trips appear to have the support of the travellers themselves, as predicted by O'Brien, above. The demands of business travellers regarding their means of transport, as identified by Carlson Wagonlit, were summed up by the phrase: 'No frills, speedy service and keen pricing.' As an indication of this attitude, around 81 per cent of travellers, decision-makers and travel bookers agreed that they would be happy to travel on less expensive, no-frills flights on short-haul routes within Europe, a rise of 5 per cent over the previous survey published in January 1996.

Ample space in which to work was only considered important when travelling long distances by train or on long-haul flights. From a list of travel extras and facilities, speed of service, including rapid check-in, was felt to be the most important factor when travelling by Eurostar, 'Intercity' trains or on short-haul flights (Carlson Wagonlit 1997).

More women business travellers

Verchère, writing in the *European* (1993) quotes American Express research showing that an increasing proportion of those travelling on business are women. Over Europe as a whole, according to American Express, the average proportion of women among business travellers is around 13 per cent. Most countries are close to this figure, but the UK has the greatest proportion of business-women on the move, due to the high ratio of UK business travellers who are women working in the financial and service sectors.

Nevertheless, Europe has still a long way to go in order to match the situation in the USA, where 40 per cent of business travellers are women. But, commentators generally agree that as European economies continue to shift away from manufacturing towards the service sector, where most women business travellers are concentrated, the situation seems set to change. The question which the various sectors of the business tourism indus-

try is currently asking itself is how best to cater for this growing market?

Regarding hotels, policies range from providing a host of special facilities for female guests – an approach used by chains such as Thistle Hotels, who offer 'suitable toiletries and magazines . . . a communal ladies-only table in the restaurant, and secure floors' (Daily Telegraph 1996) – to the lighter touch used by chains such as Hilton International, who, although keeping a close watch on the interests of their female guests 'through a discreet mixture of gender diplomacy and customer research' (European 1993), claims to have no special agenda for female corporate clients. This would appear to be the policy favoured by Heather Blaseby, European managing director of Utell International, who claims that women travellers do not want to be segregated on separate hotel floors but treated the same as their male counterparts. She believes that highlighting the female traveller makes them a 'sitting target' (European 1993).

SUPPLY-SIDE INCENTIVES

As the market becomes more demanding and more cost-conscious, the business travel industry has had to find more effective ways of winning and keeping customers. Following the principle that it is cheaper to keep existing clients than to attract new ones, hotels, airlines and other forms of transport are increasingly offering incentives to woo their most loyal customers. Hotels, in particular those belonging to national and international chains, have launched their own loyalty programmes for frequent travellers, emphasising the savings in time and money which membership of such schemes can bring. For example, the late check-out or early check-in facilities offered to certain cardholders can avoid the expense of paying for an extra night's accommodation, while express check-in/check-out facilities can make for valuable time savings. Free room upgrades, discounts on laundry and telephone surcharges, and free nights' accommodation at weekends are among the other perks offered by hotel chains in their efforts to attract and keep business clients.

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But perhaps the best-known of all incentives are the airlines' 'frequent flyer' programmes'

(FFPs). During the 1990s, European air carriers followed the example of their North American competitors and offered FFPs as a means of encouraging regular business travellers to book with them. The principle is that the passenger travelling on an airline earns points, or air miles, which can be accumulated and eventually exchanged for free flights or other benefits, such as upgrades to business or first class on the airlines.

The popularity of such schemes in Europe – at least with the business travellers themselves – was shown as early as 1993, when the November survey of such travellers conducted by Official Airline Guides showed that 70 per cent of those interviewed said that, given a choice of carriers on a route, they would choose the one to which their FFP belonged (Financial Times 1993). The fact that, in the vast majority of cases, the actual cost to the airlines was minimal, since the ‘free’ seats were merely using spare capacity on their aircraft, added to the apparent win-win aspect of such programmes.

By 1996, however, a number of problems had emerged which indicated that the appeal of FFPs was less than universal. Objections arose from two sources. First of all, those actually paying for the tickets, the business travellers’ employers; and secondly, the tax authorities. Companies were increasingly voicing the opinion that FFPs were responsible for inflating travel costs (because their employees tended to choose the flight offered by the airline to whose FFP they belonged, which was not always the cheapest on offer for the journey to be undertaken) and even for encouraging employees to make unnecessary or circuitous trips in order to earn bonus points. A 1996 poll of ‘travel decision makers’ carried out by MORI for Carlson Wagonlit Travel showed that 64 per cent of them said that FFP benefits should go to the company and not the individual. But according to another survey by American Express, only 9 per cent of companies required FFP benefits to be handed over to them by employees (European 1996).

Nevertheless, the growing unpopularity of such schemes with many companies is clear. In Sweden in 1996, for example, more than 50 companies, including Electrolux, Volvo and Saab pressed the national airline SAS either to abandon its EuroBonus FFP or to award the benefits directly to

them rather than their employees. If this becomes part of a growing trend and companies increasingly claim FFP benefits for themselves, that would not only be bad news for their employees, it could be very bad for the airlines themselves: if companies use the ‘free’ air miles to fly their executives around the globe, instead of buying tickets in the normal way, this would represent a substantial loss of revenue for Europe’s airlines.

Another factor calling the future of FFPs into doubt is the attitude of some countries’ tax collectors. In Canada in the mid-1990s, an auditor from the government’s revenue department reassessed the incomes of two executives to take account of free airline tickets they had received through FFPs. In a landmark legal ruling, the court decided that the value of the tickets was their actual market value on the particular flight taken, rather than the (minimum) incremental cost to the airline of filling what would otherwise have been an empty seat. Following this case, there were growing signs that some European governments were also considering taxing such perks.

Nevertheless, even if such moves mean that FFPs lose their appeal as incentives, the airlines have no shortage of other incentives designed to entice business travellers and, to as great an extent as possible, keep them in business and first class compartments. Davidson (1994a) describes the inducements ranging from limousine transfers to airports and executive lounges to on-board telephones and air-to-ground teleconferencing facilities. Time will tell whether tendencies towards belt-tightening or, more likely, ‘political correctness’ in the business travelling community grow to the extent that such luxuries are no longer acceptable in the current climate of cost-consciousness in Europe.

THE IMPACT OF THE EU

In an expanded EU, the business travel market will grow in importance. The right of any business based in a Member State to establish itself in any other Member State of the EU means that companies will increasingly have branches in different European countries. Consequently, the need to travel internationally to meet colleagues will grow. In addition, as companies expand in this way, they

will no doubt seek to strengthen their trade links and their presence in the regional and global marketplaces, and reach out more often to their partners in business in other European nations. All of this means more business travel, in particular, intra-European.

Meetings

DEFINITIONS

Most professionals agree that in collecting and analysing data and statistics relating to meetings and conference activity, a consensus on terminology is a basic and urgent requirement. But poor definition of the individual market segments means that there is still no clear agreement on the terminology used in the meetings sector, which may include conventions, conferences, seminars, symposia, congresses, colloquia and so on.

Those events commonly referred to as conferences and conventions constitute the best-documented segment of business tourism because they assemble a large number of participants in one place and generally over a period of a few days. Seminars are much harder to identify than conferences because they are generally of smaller scale (frequently 20 to 50 participants) and shorter.

Regarding the market for the meetings industry, it is customary to make the distinction between the corporate sector and professional and voluntary associations. The corporate sector consists of companies, whose main reasons for holding meetings are commercial: sales and marketing conferences, new product launches and training sessions for staff. Professional associations' meetings bring together those who are active in the same occupational field, usually to bring themselves up to date with developments in their specialist domain, while voluntary associations cover the entire range of human experience outside work: people's leisure activities and interests, their faith, beliefs and ethical aspects, for example.

SUPPLY

There is a great diversity of facilities designed to serve the European conference market. The supply

of venues comprises a large number of varied facilities (for example, purpose-built conference centres, convention centres, hotels, universities and multi-purpose venues) that compete on both the national and international level.

Conference centres

In most European countries, the majority of these are built from public funds, often as loss leaders, in an endeavour to bring high-spending delegates to the destination. Few make a true profit, taking into account the cost of construction, interest on capital, and so on.

In 1995, the supply of major European conference centres of an international standard comprised 261 facilities, distributed by country as illustrated in Table 6.3.

The evolution of the supply of European conference facilities is partly characterised by a progressive upgrading of the existing facilities, in order to satisfy the growing requirements of clients in terms of what they require from facilities – especially flexibility of areas, of services and on prices. In particular, the possibilities offered by new information technology (i.e. tele-conferences) are now considered to be essential equipment for international facilities.

This constant upgrading of the European supply of conference facilities is considered essential to face the fierce competition which has developed in destinations of the Asia-Pacific region (CEC 1996). Cities such as Hong Kong, Jakarta and Singapore have recently developed state-of-the-art facilities competing favourably with established centres in Europe and North America.

Parallel to moves to improve the quality of Europe's conference centres, the quantity of such facilities has also increased. After the waves of conference centre development throughout Europe in the 1980s, it is now widely recognised that the supply of conference facilities has reached an over-supply situation in certain areas.

The increase in numbers of meetings has not kept up with the growth in numbers of conference centres in Europe. Consequently, many new conference centres are in reality multi-purpose buildings.

Table 6.3 Number of conference centres and the national seating capacity in the EEA, 1995

	Germany	Austria	Belgium	Denmark	Spain	Finland	France	Great Britain	Greece
Main conference centres	30	7	13	8	24	7	94	14	2
National seating capacity	50,000	64,200	18,400	15,700	40,000	25,500	90,000	79,500	2,800
	Ireland	Iceland	Italy	Luxembourg	Norway	Netherlands	Portugal	Sweden	Total
Main conference centres	0	1	32	1	3	13	4	8	261
National seating capacity	0	4,000	85,000	1,550	10,200	24,500	4,150	23,000	538,000

Source: CEC (1996)

They may have been planned and designed as meeting places, but as soon as they open, they compete for audiences of every conceivable nature – for exhibitions, indoor sports such as tennis, boxing, wrestling, running etc., dances, concerts, opera and ballet, and much more mundane occasions such as writing examination papers. (EFCT 1996).

Moreover, old habits of accepting the loss-making attributes of facilities are increasingly queried. In its review of conference activity in Europe in 1996, the European Federation of Conference Towns notes that 'managements are under pressure, often for the first time, to achieve operational profits for congress centres, mostly in the public area. The hotel sector, where a majority of meetings takes place, has, of course, always been based on this' (EFCT 1997b).

Hotels

It is not necessary to go very far back in time to return to an era when many hoteliers in Europe regarded conferences as a useful source of income in the slack period, but something of a nuisance in busy months. With the realisation that conferences represent a lucrative all-year-round market, the attitude of Europe's hoteliers is now very different. Far more conferences, seminars and other meet-

ings take place in Europe's hotels than in its conference centres. Most major European hotel groups, and many individual properties, now offer meetings packages which include the services of specialised professional conference staff.

On the European-wide scale, seminars and other business meetings are estimated to represent an average of about 15 per cent of total activity in hotels, or a volume estimated at more than 160 million bed nights per year. This market segment is estimated to generate a turnover of approximately ECU 20 billion on accommodation in hotels in the EU member countries alone (CEC 1996).

Dedicated residential conference centres

Throughout Europe in the 1990s, entrepreneurs identified a gap in the market for small, business-orientated residential conference venues, which were different from hotels in being free from the distractions of holidaymakers and children. They responded by providing purpose-built venues dedicated to the unique requirements of conference clients, as alternatives to the facilities of hotels and other multi-function venues.

In Europe, the concept of the dedicated management training and conference centre with accommodation, built for commercial purposes, is probably most developed in Scandinavia and the

UK (with growing interest in France). Such centres are now estimated to number between 60 and 75 in both countries

Typical of these is Sedgbrook Hall, near Northampton in the UK, which opened in 1992, in a Victorian country house converted into meeting rooms, with an added new wing containing 60 4-star standard bedrooms and hotel-type catering facilities. Sedgbrook Hall's client list is drawn from the top 100 companies and its core business is training and management meetings. The general manager attributes the centre's success to 'its provision of a businesslike environment which facilitates communication and learning. For example, a common request from companies booking rooms for training purposes is for plentiful natural light. Specialist management training centres frequently score better on this point than hotels, which have often been designed with evening social functions in mind' (Financial Times 1993).

The dedicated, or purpose-built, residential conference centre is therefore based on the creation of a 'total meeting environment' for conferences. This sets it apart from hotels in that the facility is designed specifically to serve the requirements of the meetings industry and to offer accommodation under the same roof. The service and technology employed, as well as the volume of meeting space available, are the principal elements which help to set such centres apart. However, it is interesting that few UK and Scandinavian facilities have emulated the resort orientation of many of the residential conference centres in the USA, which manage to integrate leisure facilities, such as golf courses, into the work environment without it becoming counter-productive to the principal objective.

OTHER VENUES

Spurred on by the conference business's love of novelty, a growing variety of venues throughout Europe have been entirely converted to meetings facilities or have diversified by adding meeting rooms to the range of services they provide.

For example, Europe's ample supply of country mansions, chateaux and castles have for many years been eager players in this sector, often emphasising their historical and cultural connec-

tions as a unique selling point. But more recently, other categories of venue have been added to Europe's supply of meetings facilities. This trend is well illustrated by the example of the UK, where 'there is a trend towards unusual venues for conferences and hospitality. Sports grounds are investing millions in meetings facilities. Kempton Park race course is rebuilding its conference and exhibition space, while Murrayfield in Edinburgh is building ten boxes and sixteen suites, each seating between fourteen and 40, for hospitality and small meetings. In Huddersfield, the Alfred McAlpine Stadium, one of the most advanced in the country, has been granted £5.2 million of lottery money for a new stand which will include a hi-tech conference suite. Scotland's largest conference venue, the Glasgow-based Scottish Exhibition and Conference Centre, is building a new £30 million conference facility alongside the main building which will seat up to 600. Edinburgh, meanwhile, has some unusual venues for press launches or events: 'if the Scotch Malt Whisky Society's private club is too staid, the Deep Sea World aquarium will do press events in an underwater perspex tunnel with sharks circling above' (PR Week 1997).

Universities, too, have emerged in recent years as major venues for conferences, following considerable investment in upgrading of their facilities, including the standard of student accommodation. Traditionally, European universities have succeeded best in two niche markets: high attendance, low budget conferences, and the smaller training and management seminar type of events. But, more recently, many have moved upmarket by opening their own year-round management centres for meetings of up to 200 people. Whether purpose-built or converted, the centres are usually fitted out to at least 3-star standard. And, unlike most university conference centres, availability is not limited by the academic timetable. By the mid-1990s, there were at least 30 such centres, with more due to open (Financial Times 1993).

Even Europe's ferry operators have established themselves in this market. Many large ferries, first in the Baltic Sea then elsewhere have been equipped with conference rooms. For example, the ferry operator Stena Sealink offers a one-day

Table 6.4 Number of international congresses held by continent, 1989-93

	1989	1990	1991	1992	1993	% market share 1993
Africa	356	355	368	399	446	5.1
America	1,665	1,642	1,547	1,762	1,802	20.4
Asia	1,024	1,008	985	1,018	1,138	12.9
Australasia	175	186	187	149	162	1.8
Europe	4,945	5,225	5,107	5,299	5,269	59.8
Total	8,165	8,416	8,194	8,627	8,817	100.0

Source: Rockett, G. and Smillie, G. (1994)

conference on board a ferry plying the Harwich-Hook of Holland line. Guests go on board in the morning, and by the time the ship sets sail at 11.30 am, the conference can be underway in the purpose-built auditorium seating up to 230 delegates. Before disembarking the next morning, delegates have the added opportunity (until 1999) of stocking up in the ship's duty-free shop.

DEMAND

Little has changed since the early 1990s when Smith (1991) lamented the continuing absence of reliable statistics for the European meetings industry.

Practically the only widely accepted statistics for this sector in Europe are published by the Brussels-based Union of International Associations (UIA), which has provided figures on the meetings industry for more than 40 years. Even then, their annual survey is representative of only a fraction of the overall meetings and conference activity: the market for major *international associations'* congresses.

Traditionally, Europe holds the top position in the world for the hosting of such events, as shown in Table 6.4. For 1995, the UIA listed a total of 8,802 international conferences, of which 58 per cent were held in Europe, 20 per cent in America, 14 per cent in Asia, 5 per cent in Africa and 3 per cent in Australasia (EFCT 1997a).

These figures clearly indicate that Europe is considerably ahead of other continents in respect

of hosting this type of meeting, but is nevertheless losing market share to other world regions. Keeping business from defecting from Europe to other regions is as difficult for the conference sector as it is for the leisure travel sector, and for the same reasons, in many cases: cheaper long-haul flights, lower rates, and the novelty value of holding an international conference in Ho Chi Minh City or Shanghai.

Regarding individual destinations for international associations' conferences, the order of popularity does not change dramatically from year to year. In 1995, the top country for international conferences was, as always, the USA, with 1,004 events, followed by France, the UK, Germany, Italy, the Netherlands, Belgium, Austria, Switzerland and Spain. The leading city was Paris, with 332 congresses followed by Vienna, London, Brussels, Geneva, Singapore, New York and Amsterdam.

Although many European capitals succeed in this sector, France is a perennial favourite location for this type of conference - partly for the same qualities which make it a favourite holiday destination, but also due to the fact that a great number of major international organisations have their headquarters there. Paris alone has over 1,000 such associations, out of a world total of between 6,000 and 7,000, with UNESCO and the OECD being among the largest generators of this type of meeting.

Nevertheless, international events can also give a country a temporary advantage. For example

Spain moved from the tenth to the fifth busiest country for international congresses in 1992, when it hosted the Summer Olympics in Barcelona, the World Exposition in Seville, and Madrid held the title of the Cultural Capital of Europe. Similarly Portugal also emerged as a popular conference (and incentive travel) destination in 1992, partly due to the overall perception of this country as a 'safe' destination in the aftermath of the Gulf War, and partly due to the fact that an incentive to the Algarve did not appear particularly extravagant during a period of belt-tightening in European companies.

In recent years, two former Eastern bloc cities – Prague and Budapest – have emerged as favourite destinations for this type of meeting. Also of note is the rise of Barcelona, showing the city's higher profile resulting from the 1992 Summer Olympiad (Rockett and Smillie 1994).

It must be remembered that the above figures represent only one part of the vast conference scene in Europe. To these must be added domestic demand for national and regional conferences as well as the vast corporate sector, which, between them account for approximately 80 per cent of the number of events (CEC 1996). At the same time, it would be wrong to play down the importance of international congresses too much. Although they are a minority of the total market in terms of actual numbers of meetings, these are the events for which many conference centres were designed; they last longer and bring many side benefits, such as focusing the spotlight of international attention on a host city (EFCT 1997a).

TRENDS IN THE EUROPEAN MEETINGS INDUSTRY

Steady growth but tougher competition

Each year, the EFCT produces a report on Europe's progress in the international meetings world, through scrutiny of over 70 leading conference towns and cities, all of them EFCT member destinations. The introduction to each report gives an interesting overview of the state of the continent's meetings business for that particular year.

The assessment of 1995 was indicative of the mid-1990s as a whole:

generally increasing growth, against a background of tough competition and a user demand for always higher standards and value for money, allied with concern about security and environmental factors.

Europe's economic recovery, though patchy, continues, and is reflected in both association and, particularly, corporate meetings.

The extended Common Market continues to stimulate meetings activity in line with the freedom of movement for capital, goods, services and people across the borders of the fifteen Member States – however imperfect these freedoms may sometimes seem. (EFCT 1996).

The same report shows that the bigger cities, such as Paris, Lyons, London, Berlin, Helsinki, Oslo, Dublin and Trieste, mostly showed an increase in the number and quality of meetings, but stressed that this trend was not confined to the big population centres, and popular destinations. For example, Brighton, Eastbourne, Bergen, Valencia, Reykjavik and many others also had a successful year.

In east/central Europe, Budapest, St Petersburg, Riga, Varna, Prague, Ljubiana and Zagreb are attracting meetings from around our global village. The end of the Bosnian War should enable Belgrade, Dubrovnic and eventually, we hope, Sarajevo to regain their past prominence on the congress map. (EFCT 1996)

Overall, taking into account all sizes of meetings, the picture which emerges is one of steady growth in Europe as a whole. The European Federation of Conference Towns' 1996 Report on Europe suggested that after a long period of recession, the conference business in Europe was returning to a degree of stability and increasing prosperity. The member towns' reports of how they fared in 1996 once again painted a general picture of 'continuing growth and increasing facilities against a background of tough competition' (EFCT 1997a).

Fewer large meetings

The Horwath Axe survey of business and conference tourism undertaken for the European Commission found that, at the European level, as on the worldwide scale, there was, by the mid-

1990s, a relative stagnation in the number of large events. This almost certainly reflected the downward trend in the worldwide number of international association meetings. The 47th Union of International Associations' survey covering 1995 reported a 2.99 per cent decrease over the previous year in international meetings and national meetings with large international participation. Counting only meetings organised by international associations, the figure fell -3.59 per cent compared with the previous year. Only Asia and Australasia recorded an upward trend.

Correspondingly, there has been an increase in the number of smaller meetings (to the benefit of hotels). In parallel, the average duration of events is shortening, and the content becoming increasingly scientific and technical (CEC 1996).

Shorter lead times

Lead times, the length of the period from the booking of the venue until the date of the event, have been shrinking since the early 1990s, as buyers attempt to have more negotiating power with venues increasingly desperate for business. Buyers realise that, with the over-supply in Europe's stock of conference and meetings venues, they can safely take the risk of finding all venues fully booked for the required dates.

Most of the professional conference organisers (PCOs) interviewed for an EIU study undertaken by Rockett and Smillie identified booking lead times as the area of most dramatic change that has occurred in the market for meetings and conferences over the past few years.

It used to be taken for granted that the meetings business would book some six months to a year before the event date, but booking time has shrunk considerably. One of the PCOs interviewed for this study reported arranging a meeting in Vienna for 500 delegates four weeks before the event. (Rockett and Smillie 1994)

Less ostentation

Most observers note permanent changes in spending levels and client expectations, as many of the practices brought about by the recession continue to characterise buyers' patterns of behaviour in

Europe. The UK trade body, the Meetings Industry Association, for example, sees organisers 'still negotiating aggressively' over accommodation, facility and meal rates, and prepared to spend more time than before in selecting the right venue (Financial Times 1996a).

Summers, in the same *Financial Times* article (1996a), also quotes the general manager of a conference hotel: 'It is doubtful if there will ever be a return to three-course lunches with wine. Meetings remain short and provide as much impact as possible. Delegates only stay overnight if it's essential.'

Ostentation and entertainment and travel for their own sake went out of favour during the recession and remain so. 'Nobody wants to be associated with anything that could be seen as a jolly, holiday or freebie' (*ibid.*). More business and less tourism would seem to be the order of the day throughout the European business community.

More technology

An increasing requirement for specialised audio-visual equipment and information systems equipment is a further noteworthy recent trend in the meetings and conference sectors. It has been explained by the fact that the consumer has become more sophisticated in terms of technology and therefore has more sophisticated needs in the meetings environment. Facilities throughout Europe are becoming much more sophisticated, with increasing emphasis on the provision of communications equipment and services as part of the tenancy 'package'. The concept of the venue as an empty black box is losing its appeal, largely because customers have demanded certain features as standard, for example good sound and lighting, effective simultaneous interpretation equipment and - most of all - venue staff who are trained in the provision of meeting facilities.

But Summers quotes the managing director of the UK-based Event Organisation Company, who echoes the belief of many buyers and suppliers in this sector, in maintaining that the importance of face-to-face contact will continue to sustain the conference and meetings industry, as well as the exhibition sector. 'Video-conferencing, E-mail or

the Web will never replace physical networking' (Financial Times 1996a).

Eastern Europe

In the 1990s, several East and Central European countries became active competitors in the international meetings markets, offering a range of new facilities to attract conference organisers and other decision-makers.

The Ljubljana (Slovenia) contribution to the European Federation of Conference Towns 1996 annual report is representative of the kind of progress made by many Central and East European cities in the conference business, during the 1990s:

The gradual growth of the conference business in Ljubljana has been favoured by the strengthening of Slovenia's identity, its progressive inclusion in international, intergovernmental and professional organisations, the opening up of the Slovenian economy, and the country's political, economic and social stability . . . Due to a growing interest in 'new' Central European destinations and the active participation of local scientists in international associations, Ljubljana has good bookings in the forthcoming years, including conferences previously organised in top European convention cities.

New developments in the hotel infrastructure include a 280-room 5-star Sheraton, under construction alongside the World Trade Centre, with multi-purpose conference and banqueting facilities. Its opening is planned in late summer 1998. As a complement to the existing meeting facilities, this will make the World Trade Centre district the second largest conference venue in the city. (EFCT 1997b)

Easy access is an important asset in the international meetings market, and so for Slovenia, establishing regular air links with the rest of Europe has been a matter of the utmost priority. Within six years of the country's independence, national carrier Adria Airways, a feeder airline to both

Lufthansa and Swissair, has developed a network of regular scheduled services to major European cities.

Outlook

The outlook for conference activity in Europe's cities is on the whole a positive one. Three main factors justify this measured optimism.

- 1 In spite of a strong increase in competition from destinations in the Asia-Pacific region, prospects for the European market are helped by the fact that 80 per cent of current demand for meetings in Europe is domestic (CEC 1996). Jakarta is simply not a contender in the competition for which venue the Lytham St Anne's Rotary Club will choose for its annual general meeting and dinner and dance. Europe has a buoyant captive market composed of association and corporate events at this level.
- 2 Physical travel throughout Europe has become easier and faster in many cases, aided by the opening of the Channel Tunnel and the development of high-speed train services linking many of the main business centres in Europe. Where time is money, the speed and ease with which business travellers can get to and back from their meetings is a powerful argument in favour of face-to-face interaction as opposed to conducting business by fax, phone and teleconferencing.
- 3 The impact of the EU. According to the European Federation of Conference Towns (EFCT), the EU 'has boosted the European conference scene. The freer movement of people, capital, goods and services across the fifteen participating nations has simplified many aspects of meetings marketing and management' (EFCT 1997b). The level of EU interest in this sector is considerable, and further evidence of the European Commission's involvement is discussed at the end of this chapter.

CASE STUDY: the European Federation of conference towns

Background

It is indicative of the degree of fragmentation which exists in business tourism that each market sector is represented by its own association, and often by more than one. In the meetings industry alone, a confusing proliferation of international organisations and alliances exist, including, for example:

- EFCT: European Federation of Conference Towns
- AIPC: l'Association Internationale des Palais de Congrès
- IACC: International Association of Conference Centres
- ICCA: International Congress and Convention Association
- IACVB: International Association of Convention and Visitor Bureaux (Rockett and Smillie 1994)

Smith (1991) describes the role of each of these organisations in detail. This case study examines the role of the European Federation of Conference Towns (EFCT).

The Federation was inaugurated in 1964 by a far-sighted group of Europeans as a focal point for the European meetings industry and to promote Europe as a conference destination. It also had the objective of helping meeting planners to find the right destination for them anywhere in Europe, for their next event.

Now with members in 33 countries, the EFCT has become a prominent international trade association and the centre of a network playing a significant role in the international meetings world.

EFCT activities

- Support of its members in international competition
- Worldwide publicity by means of joint brochures and actions
- Exchange of information on past and future events, of experience and ideas, of studies and publications on conferences, exhibition and incentive travel
- Collaboration with international authorities, associations and institutions
- Advance training of relevant specialists through the organisation of courses and exchange visits
- A professional advisory service to meeting planners, incentive travel and exhibition organisers and other users

Conditions of membership

The European conference cities and towns that comprise the EFCT have gained membership through satisfying a number of strict criteria. They must be able to show that they:

- have conference facilities which can accommodate at least 300 participants, with proper equipment and providing the usual services;
- have satisfactory hotel accommodation for at least 300 participants;
- are able to provide the latter with necessary transportation;
- have a team of experts in conference organisation;
- can furnish proof that they have hosted in a satisfactory manner at least five international conferences during the previous three years;
- are in a country to and from which freedom of travelling is assured.

Members

There are three different types of member of the EFCT:

- 1 *Full members*: European conference towns which fulfil the conditions for membership
- 2 *Affiliated members*: A national association of conference towns of which at least five cities of its country are full members
- 3 *Associated members*: Non-European towns which fulfil the conditions for membership.

Sales support

One of the principal benefits which membership brings is a range of services in the form of sales support. The main services are:

The EFCT Directory

This annual publication goes to over 10,000 meetings planners around the world. It lists every member town and outlines the various facilities and services they provide. Using this, organisers can personally contact the key people in conference centres in member towns and cities in Europe.

EFCT on the Internet

EFCT's new directory of European destinations is now

continued

CASE STUDY: (cont.)

available through the Internet and can be exploited 24 hours a day. Anyone connected can call up the Directory and search for EFCT cities (<http://www.efct.com>).

Trade shows

Cooperative booths are arranged at trade shows such as Confex, EIBTM, etc. These enable members to be present at a lower cost than if they were to have their own exhibit. EFCT also provides back-up by directing buyers to members who do have their own exhibits or are part of a national presence.

Marketing clinic

This is open to all members and enables them to make contact with any sort of marketing problems they may have. It is frequently used by members who need a language or editorial check for new publications.

The EFCT and EU tourism policy

EU legislation has the potential to exert an important influence on the development of the conference industry in Europe, for good or for bad. For this reason, forthcoming EU legislation needs to be carefully and constantly scrutinised by those who could be affected by it. As the EFCT states: 'The EU seldom legislates with our industry in view, but what does emerge can often inhibit conference activity' (EFCT 1996).

Over the years, the EFCT has developed a close relationship with the EU institutions in Brussels, Strasbourg and Luxembourg. In 1994, a permanent EFCT Liaison Office was created in Brussels, dedicated to close contact with the EU in all its facets and especially with DGXXIII.

This office has enabled the EFCT to look at pending legislation and to make representation to

avoid aspects that might hinder the conference business. It does this in collaboration with other professional bodies including the International Association of Professional Conference Organisers, the International Congress and Convention Association and Meetings Planners International, through a joint forum, the European Meetings Industry Liaison Group (EMILG).

The EMILG has been able to provide advice and guidance on specific industry matters. For example, they were leaders in the movement against the draft EU legislation concerned with Distance Selling. This was a consumer protection measure essentially designed to protect those purchasing items from catalogues, by telephone, etc. However, due to the wording of the original draft legislation, the directive could have left operators in the business tourism and leisure tourism sectors extremely vulnerable to unscrupulous clients claiming refunds. The onus would have been on the tour operator or conference centre management, for example, to prove that the client had had a satisfactory holiday or conference. This was considerably amended as a result of pressure from organisations representing sectors of the tourism industry, including the EFCT.

The EFCT has, however, in common with many other trade associations in the tourism industry as a whole, registered a number of disappointments with the lack of recognition for this sector within the EU. It supported the campaign for tourism to be accepted as a competency of the European Union, for example; and in its Report on 1996, the EFCT regretted the fact that the EU's proposed Philoxenia programme, which would have provided the leisure and business tourism industries with marketing and promotional support of 25 million EUROS over several years (see page 69) had not been approved (EFCT 1997b).

Incentive travel

THE USE OF INCENTIVE TRAVEL

In the increasingly competitive global marketplace, Europe's executives and sales staff constantly need to be urged on to make extra efforts in order to

perform to their full capacity. A useful management tool, incentive travel is widely recognised as an effective means of rewarding and motivating employees. Its effectiveness can be partly explained by its popularity with the 'award-winners' themselves: it would appear that no matter how frequently participants travel on business as part of

their job, for them incentive travel ranks with cash bonuses and other motivational tools such as performance/profit-related pay as a highly desired reward for achieving higher sales figures or reaching/exceeding a performance target.

Incentive travel is essentially composed of memorable and enjoyable trips paid for by the traveller's company. Although such trips may have the external appearance of leisure holidays or short breaks, they count very much as business tourism due to the very specific, work-related purpose which lies behind them. Incentive travel has been defined by the Society of Incentive Travel Executives as: 'A modern management tool used to accomplish uncommon business goals by awarding participants an extraordinary travel experience upon their attainment of their share of these goals'. This form of business tourism often takes the form of group travel, participants travelling with other award winners, with or without their spouses/partners. The trip may also involve a seminar or conference, or at the very least, a 'pep-talk' from the managing director. Those on incentive trips are particularly targeted by the destinations and tourism facilities because they generate a significantly higher spend per head than other business tourism sectors, in the order of ECU 400 to ECU 800 per day per participant (CEC 1996).

The use of travel as an incentive to motivating employees began in the US at the beginning of the twentieth century, but only gained a foothold in Europe in the 1970s, first in the UK, then around ten years later in continental Europe. Market estimates suggest that the West European incentive travel market was worth ECU 1.4 billion in 1995, a figure which accounted for less than 5 per cent of all European business travel expenditure (O'Brien 1997).

However, progress in the growth of incentive travel in Europe has not been rapid, and it was fairly devastated by the Gulf War recession of the early 1990s, when major companies pared their travel and promotion budgets, causing many small incentive travel organising companies to go out of business. The incentive travel market was also affected by the recession of the early 1990s, but by 1993, this sector had begun to show signs of recovery as big corporations across Europe found new budgets and regained confidence in prize travel as

an essential staff motivator. Since then, it has been growing by around 3-4 per cent a year.

INBOUND INCENTIVE TRAVEL TO EUROPE FROM OTHER CONTINENTS

(Note: Much of the following information on the characteristics of the incentive travel market is based on the market study *Incentive Travel Usage and its Impact on the UK and Ireland* (October 1996) conducted jointly by Travel Business Consulting and the Gordon Simmons Research Group for the British Tourist Authority, English Tourist Board, Northern Ireland Tourist Board, the Scottish Tourist Board, the Wales Tourist Board and Bord Failte Eireann, and as reproduced in the Travel and Tourism Intelligence report on the West European Incentive Travel market (O'Brien 1997). Survey data were collected from 215 interviews with British, German, Italian, Irish and US companies which purchase incentive travel as well as interviews with a sample of incentive travel houses. Data source references to this study are abbreviated in the text to the *1996 Incentive Travel Usage and Impact study*.)

The European incentive travel sector is heavily dependent, for business, on the US market - still the largest incentive travel market in the world. According to the Howarth Axe survey, US companies generate about 5.7 million incentive trips per year, compared with 1.5 million for European businesses. Europe benefits from this market, since it has been the primary international destination for US incentive groups since the 1960s. The US outbound incentive travel market accounts for close to half of all incentive travel visitors to Western Europe (O'Brien 1997).

The attractions of the incoming incentive travel market are the relatively high spending characteristics of incentive visitors from the USA and other long haul destinations. These visitors to Europe mainly use 4- and 5-star hotels and stay for an average of seven days.

But, it would appear that during the 1990s, even the US market has become more cost conscious. While at the end of the 1980s it was not uncommon for massive incentive programmes to bring over 500 visitors to Europe at a time, ten

years later the average group size for US incentive trips to Europe was between 100 and 200 people. And although their employers still pay for all aspects of the incentive trip, 'it is noticeable that costs are being reduced by allowing visitors to have more free time to do their own shopping' (ibid.).

For the US market, Europe is perceived as a luxury, top-end of the market destination. Incentive travel organisers therefore seek venues which offer quality facilities and which will create a memorable experience for award-winners. The major cities of Europe are popular venues – most notably, for the US incentive travel market, London, Edinburgh, Paris, Amsterdam, Madrid and Dublin – and many historic castles, country manors, spa resorts and casinos across the continent also compete effectively in this market.

INTRA-EUROPEAN INCENTIVE TRAVEL

The 1996 *Incentive Travel Usage and Impact Study* (O'Brien 1997) enables us to draw a number of interesting comparisons between the US market for incentive travel and the short-haul intra-European incentive travel market. The most notable characteristic of the latter is that although the trips are still regarded as a reward for performance, European companies do not tend to regard incentive travel as an out-and-out perk. Rather, European companies attempt to obtain maximum value from the trip. Hence, 3- and 4-star accommodation is more often booked than 5-star hotels; many trips take place at the weekend, in order to minimise disruption at work; the average European incentive trip lasts four nights (typically Thursday to Sunday), with a budget of around ECU 930 for accommodation and ground arrangements but excluding transport costs; European incentive groups also tend to be smaller, averaging 40–50 people. Unlike the US market which is dominated by visits to core cultural and heritage attractions, European incentives are often based on sports and hunting types of programmes and a greater emphasis is placed on the composition of activities during the incentive trip, rather than on the type and cost of accommodation provided. Those activities are also increasingly likely to include non-leisure elements such as a conference or visit to a factory, site or business, since a

growing number of European companies deliberately build in work elements in order to achieve better value from their incentive travel budgets (O'Brien 1997).

In Europe, the incentive travel market is dominated by the UK, France, Germany and Italy. However, the Scandinavian countries, Austria, Belgium and Spain are rapidly developing as incentive travel generating countries. (In the Scandinavian countries, as the author of the 1997 Travel and Tourism Intelligence survey of incentive travel in Western Europe points out, the elitism implied by incentive travel goes against the work ethos, especially in Sweden. Where travel is awarded, it tends to be offered to practically everybody in the company, and as a result, incentive travel is closer in nature to a company outing than a US-style incentive trip.)

Table 6.5 details the size of the main European markets for incentive travel, together with an estimate of the total Western European market.

THE MAIN INTRA-EUROPEAN MARKETS

One contrast which emerges from Table 6.5 is that between the extent of domestic incentive travel in the UK and that of the other three major markets. UK companies tend not to regard the home market

Table 6.5 Size of domestic and outbound incentive travel markets, 1995

Country	Ecu mn	Proportion
		of incentive market spend on domestic travel (%)
UK	424.46	7
Germany	385.92	40
Italy	274.47	45
France	164.36	40
Rest of Western Europe	132.28	na
Total West Europe	1,381.49	na

Source: O'Brien, K. (1997)

as an appropriate destination for their award-winners, instead preferring to send them to overseas destinations in France, Germany, Spain and Italy. Long-haul destinations favoured by UK companies for their high achievers are the US and the Caribbean, although interest in Far Eastern destinations is growing rapidly.

In Germany, despite the impact of the cost of re-unification and the recession, expenditure on incentive travel remained buoyant throughout the 1990s. However, the recession did restrict incentive travel budgets and force German companies to run more incentive programmes within Europe, and particularly within Germany itself (two-thirds of German companies include the home country as an option when considering a number of incentive travel destinations). Another characteristic of the German market is that a high proportion of incentive travel arrangements are handled internally by the company, rather than via third parties such as travel agents and incentive travel houses. Both the Italian and the French markets are characterised by strong domestic markets, followed by other European destinations. However, by the mid-1990s, there were signs of moves towards shorter incentive trips being sought by Italian companies, as well as a degree of trading down on hotel accommodation. Regarding the French market, it is thought that the value of this might be understated, as French companies tend to play down their involvement in the incentive travel market for reasons of tax avoidance (O'Brien 1997).

Throughout Europe, the major buyers of incentive programmes remain as they always have been, the automotive, financial services, pharmaceutical, office equipment, electronics and consumer durables sectors (European 1995) – all extremely competitive sectors, where maintaining or increasing market share demands constant exhortations to greater efforts on the part of the salesforce and management.

At the level of individual companies, in 44 per cent of the businesses surveyed for the 1996 *Incentive Travel Usage and Impact Study*, company chairmen/women and director-level personnel were found to be the most important decision-makers in the selection of the destination for the incentive programme. Sales, marketing and commercial managers selected the destinations in a

further 33 per cent of companies. Incentive travel budgets tended to be allocated from either the sales or marketing departmental budgets. Hence, incentive travel programmes – along with other motivational tools, most notably cash bonuses and profit-related pay schemes – compete internally for budgeting against other competing calls on the sales and marketing budgets (O'Brien 1997).

INCENTIVE TRAVEL DESTINATIONS

How are destinations for incentive travel programmes selected? For the European market, budget and cost consideration have been found by the Travel and Tourism Intelligence survey to be the most important determinants in the decision process, being mentioned by 34 per cent of companies. Exotic destinations were the second most mentioned influence (by 8 per cent of respondents), followed by the availability of sports/recreational facilities (6 per cent), climate and ease of transport (5 per cent each). In comparison, the US incentive travel market places less emphasis on programme cost but more on geographical considerations such as climate (67 per cent), the availability of recreational facilities (67 per cent), sightseeing and cultural attractions (58 per cent).

The USA and Europe remain the key geographic destinations for incentive travel, while the Far East, Australia, Eastern Europe and the Caribbean all attract consideration as potential incentive destinations within the selection process. Table 6.6 shows the preferred European incentive destinations of the companies taking part in the 1996 *Incentive Travel Usage and Impact Study*.

THE EU AND INCENTIVE TRAVEL

The Directive on Package Travel has had an impact on the organising of incentive travel. Whereas previously, hoteliers were free to put together and market incentive packages, they now have to be bonded (see page 50) if they offer two or more components, for example, accommodation and a day's golf or clay pigeon shoot. Alternatively, hoteliers can leave the actual packaging up to incentive agents and other professional organisations (Caterer and Hotelkeeper 1993).

Table 6.6 Destination ratings for the top incentive travel destinations, 1996

<i>Attractiveness of destinations in Europe for incentive trips</i>	<i>Ratings¹</i>
London	7.5
Paris	7.2
Vienna	7.2
Rome	7.0
French Riviera	6.9
Venice	6.8
Switzerland	6.6
Athens & the Greek Islands	6.6
Barcelona	6.5

Note: ¹ Ratings are scored out of 10
Source: Source: O'Brien, K. (1997)

TRENDS

Cost consciousness

As is the case for the conference and general travel sector of the business tourism industry, incentive travel buyers' cost-conscious attitudes have continued even after the end of the recession of the early 1990s.

One indicator of this is the trend in choice of destinations for incentive trips. According to the Horwath Axe business and conference tourism survey for the European Commission, European companies' incentive trips, having favoured long-haul destinations in the 1980s, were returning to the European and, in particular, Mediterranean regions (short or medium haul trips) by the mid-1990s. The survey report noted that due to the costs incurred and the economic context of recession, companies tended to favour less prestigious and expensive destinations, putting emphasis, instead, on the quality of the organisation and content of the programme. To this end, the European destinations have had the opportunity to reposition themselves in this market segment (CEC 1996).

These findings were echoed by Sarah Webster,

executive director of the London-based Incentive Travel and Meetings Association: 'one trend is companies being more prudent with their incentive spend, compared with the pre-recessionary 1980s . . . The long-haul market has shown no real sign of growth, but many more companies are providing incentives either domestically or within Europe to a broader range of staff rather than just the very top achievers' (European 1995).

Nevertheless, as the 1997 Travel and Tourism Intelligence survey of incentive travel in Western Europe notes, both flight and accommodation costs associated with long-haul travel, for example, to the Asia-Pacific region were falling by the mid-1990s, making long-haul travel, for all purposes, an increasingly competitive product: 'In the long term, larger aircraft offering both lower seat rates and faster journey times will make the long haul markets more competitive in incentive travel, but this will not occur before 2001' (O'Brien 1997).

More generally, the same survey noted that even although the incentive travel market was still growing by an estimated 3-4 per cent a year in Europe by the mid-1990s, this growth had been achieved 'against a background of tighter negotiations with suppliers to drive down average travel costs. As a result, the European incentive travel market is growing significantly, but corporate belt-tightening in Europe, particularly in France, Germany and Italy, is influencing the market. Tougher supplier negotiations and selective reductions in the standard of accommodation mean that there are more European incentive travellers but that average rates per traveller are falling' (O'Brien 1997).

Market growth

Webster's point above, concerning the extension of incentive travel awards to include a wider range of employees, is worthy of note. Elaborating on this point, she adds that: 'Incentives such as luxury spa weekends are also being geared more towards women as premier prize winners. Women will soon represent up to 50 per cent of the market.' Companies appear to be increasingly aware of the importance of motivating not only those 'out in the field' selling their products, but also those on

whom their sales staff depend for support, back at base. It will be interesting to see whether, indeed, this trend towards awarding incentive trips to secretaries and administrative staff, for example, will continue in the face of a general squeeze on spending.

The 1997 Travel and Tourism Intelligence survey of incentive travel in Western Europe also forecast growth in the market from other European countries, such as Austria, the Benelux countries and Spain, which it considered were set to join the UK, Germany, France and Italy as major generators of demand for this form of business tourism. The same survey estimated that ten years after its publication, Eastern Europe would also represent an important market for incentive travel (O'Brien 1997).

Another possible source of growth is thought by many to be the USA incentive travel market, as a rising number of US companies look to hold more of their incentive trips abroad. Time will tell how much of this market Europe can capture, but by the mid-1990s, a number of European Destination Management Companies specialising in the US market were reporting that group sizes were increasing again, and Europe was set to host a number of major incentive events involving groups of up to 500 participants in the period up to 1998 (O'Brien 1997).

Changing trends in destinations for incentive travel

Apart from the general trend towards European companies selecting cities and resorts nearer home for their award-winners, a number of other changes have been identified regarding their choice of destinations.

Eastern Europe

At the beginning of the 1990s, Eastern Europe was considered by many to be the part of Europe showing the greatest potential for expansion as an incentive travel destination (Davidson 1992a). However, although many parts of Eastern Europe did succeed in establishing themselves as incentive travel destinations, towards the end of that decade, commentators were predicting that

the popularity of Eastern Europe as an incentive travel destination may soon wane . . . In the past, Eastern Europe was regarded as an exciting new destination and allowances were made for the lack of tourism infrastructure there because of the (then) new economic and political circumstances. However, Eastern Europe has become an expensive incentive travel region and one that will find it increasingly hard to justify its high costs given that it can no longer be considered a new destination. (O'Brien 1997).

New destinations

Choice of destinations for incentive travel is influenced by many factors, including the all-important one of novelty value. New destinations and types of incentives are important in order to revitalise the concept of incentive travel. Given, also, that award winners are often people who travel extensively for work-related purposes, incentive travel organisers are constantly on the look-out for new destinations or new ways in which to package well-known places.

An example of the latter is the use of the Channel Tunnel, which as a novel form of transport, was incorporated into many incentive travel programmes in the few years following its opening. The 1997 Travel and Tourism Intelligence survey of incentive travel in Western Europe noted, in particular, that the fixed link had created the phenomenon of the one-day incentive for Belgian, French and UK groups, adding that, while this was unlikely to last, it was indicative of how a new transport system can itself stimulate an incentive event.

Another, more enduring focus for incentive trips, also identified by the 1997 Travel and Tourism Intelligence survey is the cruise market, which, it is claimed, is increasingly regarded by West European buyers of incentive travel as a competitive destination option for this form of employee motivation:

The rise of cruising as an incentive travel option for the west European market (it has been popular with the US market for many years) stems from the economic benefits that cruising offers. It is now possible to block-book capacity on cruise ships twelve months ahead of the incentive programme and at guaranteed rates. The fact that all

participants are ship-bound enables better coordination of both the incentive and any other company-sponsored events, and costs can be carefully controlled because food and beverages are usually contained within the negotiated rates. (O'Brien 1997)

However, as the author of the report points out, within five years, as cruising becomes more of a mass-market activity, the incentive travel industry may avoid the cruising sector, as it will no longer be perceived as exciting, new or interesting for incentive travel participants.

Finally, a number of long-haul destinations have begun targeting the European incentive market, including Australia and South Africa. The latter also offers business potential for European destinations, since it is now considered as a new incentive travel generating market, with particular interest in the UK. The Asia-Pacific incentive travel market does not yet extend to Europe, since most incentive trips offered by companies in that region tend to be short in duration (typically three days) (TTI 1997).

Outlook

It is generally acknowledged that while incentive travel in the USA is nearing maturity in marketing terms, in Europe, the market is still in the growth cycle. There is broad acceptance in the industry that Europe remains a huge potential market for this form of business tourism. As the Horwath Axe survey of business tourism in Europe said of incentive travel: 'Europe currently constitutes a considerable demand-generating resource, which remains significantly under-exploited' (CEC 1996).

Naturally, external factors play a major part in determining the volume of incentive travel undertaken in Europe. For the inbound US market, in particular, the purchasing power of the dollar against European currencies is a key consideration; while the size of European company budgets available for expenditure on intra-European incentive travel is largely determined by the state of the economy in general.

However, one commentator sees the incentive market as being under threat from two internal factors relating to employee performance and

company expenditure. First, Gold (1996) points out that the incentive market is driven by clients' conviction that their employees 'could do better', or in other words, that they are not working to their full capacity. The theory behind incentives of any kind is that employees can be urged on to even greater achievements on behalf of the company if they are inspired or rewarded by travel products. But, he claims, in the increasingly competitive world of modern commerce, where employees are under more and more daily pressure to achieve better results, higher sales figures and so on, it is no longer the case that there is a great deal of unused potential in the system. As a growing number of those in employment are finding that they have to work flat-out just to hold on to their jobs, the incremental returns from sending staff on incentive trips may diminish to the extent that such awards are no longer cost effective.

Secondly, the same author predicts that companies may choose to invest in other means of making their employees more productive. He maintains that one problem with incentive travel is the short-lived nature of the benefits it brings. Accordingly, he sees the greatest threat to incentives coming from in-service staff training, which company managers increasingly consider the most effective way of increasing their employees' productivity (Gold 1996).

Exhibitions and trade fairs

THE USE OF EXHIBITIONS AND TRADE FAIRS

Exhibitions, which may also be called trade fairs or trade shows, may be defined as 'presentations of products or services to an invited audience with the object of inducing a sale or informing the visitor'. They are generally recognised to be a cost effective way of communicating information between buyers and suppliers. Without this form of communication, the efficiency of trade would be severely diminished. As an advertising medium, exhibitions play a vital role in the marketing of goods and services. They encourage domestic trade, and when foreign visitors attend them, they also promote exports.

Exhibitions are attractive to both exhibitors

EMECA Venues Economic Impact	
Gross direct expenditure	ECU 7,783 million
Visitors	44%
Exhibitors	56%
Retained income to the region	ECU 2,733 million
Jobs supported in the region	155,500
Comparators	
Average income retained per 1,000 m ² of exhibition space	ECU 1,197,700
Average jobs supported per 1,000 m ² of exhibition space	68

Figure 6.1 EMECA venues' economic impact
Source: EMECA (1996)

and visitors because they offer face-to-face contact in bringing together exhibitors and potential buyers. They also represent a form of 'three-dimensional' advertising where, in many instances, the product can be seen, handled, assessed by demonstration and (depending on the product) even smelled and tasted.

From the point of view of the tourist industry, the advantage of exhibitions is that they stimulate travel for two different groups of people: the exhibitors who travel to the venue and the exhibition visitors, or audience, who, except in the case of consumer shows, are most likely to be attending for work-related reasons. Both groups create a high level of demand for travel services, catering and accommodation.

THE SUPPLY OF EXHIBITION FACILITIES

Each year in Europe, over 3,000 trade fairs are staged, attracting hundreds of thousands of exhibiting companies and many millions of visitors (EMECA 1996). Compared to other types of business tourism, the exhibition market is one sector for which the supply is relatively easy to identify because of the size of facilities and the heavy investment required.

The Horwath Axe study found that countries in the EEA have, in all, about 130 exhibition complexes offering on average more than 10,000

square metres of rentable surface area – the size generally required to attract events of an international stature. Most of the overall supply is concentrated in Germany, Italy and France (CEC 1996).

The considerable economic impact of exhibition activity in Europe was highlighted by a study undertaken in 1995 by the consultants KPMG on behalf of an association of Europe's leading exhibition venues, the European Major Exhibition Centres Association (EMECA). At the time of the study, EMECA's fifteen members were exhibition centres in Barcelona, Basel, Birmingham, Bologna, Brussels, Frankfurt, Leipzig, London, Lyons, Madrid, Milan, Paris (two centres), Utrecht and Verona. Since then, Düsseldorf and Nuremberg have also entered the association.

Only EMECA members' activities were included in the study, which was, in addition, restricted to the exhibition centres' trade fair programmes only, leaving aside the many other types of events (congresses, entertainment events, etc.) also hosted by such venues. Figure 6.1 shows the results of this study.

The appraisal undertaken by KPMG reveals the economic benefits of exhibitions on regional economies, showing the aggregate impact of EMECA-related exhibition activity on the fourteen regions where EMECA members are situated. During 1995, the fifteen EMECA venues attracted

gross direct expenditure of ECU 7,783 million to their regions. Of this 44 per cent was generated by visitors and 56 per cent by exhibitors. After allowing for leakages, retained income for the fourteen regions was ECU 2,733 million, which was estimated to support 155,500 jobs. This employment creation includes jobs based at the exhibition centres themselves as well as in hotels and transport services.

Naturally, the economic spin-off effects of centres' exhibition activity is not limited to the surrounding region. Most notably, exhibitions generate considerable tax revenues for governments (VAT, corporate tax, etc.), which, for the purposes of the KPMG study were included as 'leakages' outside the host regions.

THE MARKET

The European market for exhibitions and fairs corresponds to about 19 million square metres rented per year, that is between 70 per cent and 80 per cent of the world's total capacity. The total number of exhibitors is estimated at over 420,000 and the number of visitors is estimated at around 50 million (CEC 1996)

The revenue associated with exhibitions and fairs in Europe is considerable, resulting from direct expenditure of visitors and exhibitors during their stay, but particularly from the spending linked to the hire of equipment and services for exhibition stands.

Figure 6.2 shows the main meetings and exhibitions regions of Europe.

The bar chart in Figure 6.3 shows the largest exhibition centres in Europe by volume. As Figure 6.3 indicates, exhibitions and trade fairs represent one sector of the tourism industry where German dominance is undisputed. Germany has three of the world's five biggest exhibition centres and claims to host two-thirds of the 150 leading international fairs. Apart from the three leading cities, every major German town boasts its exhibition centre (*Messe*) and local economies often move to the rhythm of big fairs.

In 1995, German trade fairs attracted record numbers of exhibitors and visitors, partly because several big fairs coincided. Exhibition centres had revenues of DM3.2 billion (US\$2.2 billion) and

generated another DM 11 billion or so in business for hotels, taxis, restaurants and shops in host cities, according to the Association of German Fairs.

Part of the secret of Germany's success is that, under the current arrangements, most fairgrounds are owned by city and state governments, who carry most of the property costs and employ their own fair organisers. This means that the exhibition centres are not under pressure to reap financial rewards from ticket sales or the amount of space they rent, but instead are recognised as important instruments for boosting the local economy. That helps Germany to out-compete France and Britain, where property owners expect a decent return.

Table 6.7 shows the top ten German trade fair venues for 1995, by turnover and visitors.

New and bigger fairgrounds are on the way. Rentable space in Germany grew by 17 per cent between 1990 and 1995, and was expected to increase by a further 7-10 per cent in the five years leading up to the year 2000, as *Messen* planned to invest more than DM5 billion in new buildings and modernisation (Economist 1996).

Leipzig, once the showcase of East European industry, opened a DM1.3 billion exhibition centre in April 1996, replacing the old fairgrounds located near the centre of the city which, under the Communists, had for years hosted two annual fairs, attracting mostly East European enterprises. Like Germany's other trade and conference centres, it benefited from generous financing by the city and state authorities. About DM500 million of the construction costs were raised from selling off part of the old fairgrounds. Ownership of the new fairground is shared between the city and the state of Saxony, who also shared the remainder of the construction costs as well (Financial Times 1996c).

In 1996, *The Economist* reported that Berlin's fairgrounds were to expand capacity by 60 per cent before the end of the century, and that some DM800 million was to be spent in upgrading the *Deutsche Messe* in Hanover, the world's biggest, and the services around it, in order to prepare for the EXPO 2000 exhibition. (The Hanover exhibition centre has a dedicated high-speed train link to Würzburg in the south.)

In expanding to this extent, exhibition centres insist that they are merely responding to the

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Figure 6.2 Meeting and exhibition industry in Europe
Source: CEC (1996)

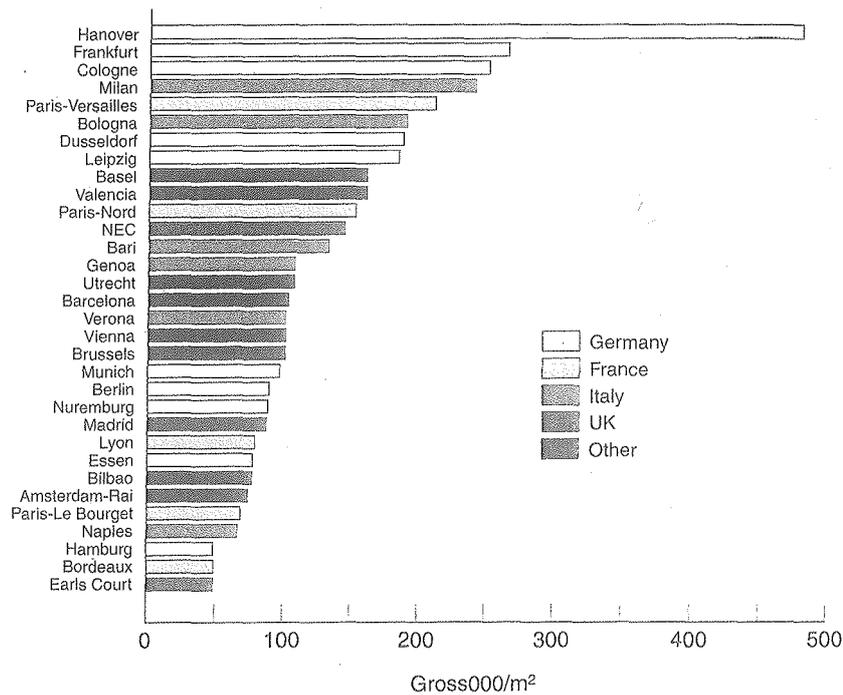


Figure 6.3 Largest exhibition centres in Europe
 Source: Deloitte & Touche

market. The leading fairs are demanding more space; fairgrounds that fail to provide it risk losing business to other cities. Berlin, for example, claimed that it could have rented 30 per cent more space than it had available for the 1995 *Funkausstellung* (a biennial fair which bills itself as the world's biggest consumer electronics show for the general public). But the problem is that constructing extra space for such blockbuster exhibitions leaves the exhibition centre with spare capacity which, to be profitable, has to be filled by other events as well.

The Economist (1996) reports that one solution to this problem being used in Germany is that of poaching events from other exhibition centres. Therefore, despite generous support from the city and state, Germany's fairs are beginning to compete with each other for exhibitors, visitors and profits. For example, the article reports, Berlin hopes to snare an international car show from Frankfurt, and Stuttgart wants to win back a toy fair from Nuremberg once it expands.

However, it is clear that such beggar-my-neigh-

bour tactics cannot enrich the whole business. Another answer is to fill the space with new fairs. Berlin hosted five new events in 1996, including one for kindergartens and another for the food and hotel industry, featuring a culinary Olympics for big-name chefs.

But as Dempsey (*Financial Times* 1996c) points out, an uncertain future hangs over fairgrounds in Germany because the cities and states may soon be no longer able to afford to continue to subsidise or own them and thus insulate them from genuine competition. Germany's towns and cities expected an overall deficit of DM11.9 billion in 1996. At the same time, they were being pressed by the federal authorities in Bonn to privatise or contract out certain services, from refuse collection to the maintenance of swimming pools and playgrounds. There is no reason to suppose that exhibition centres will not be subject to the same discipline. Trade fairs are beginning to realise the pressures they will have to face increasingly in the near future.

Germany's fairs are changing in another way as

well. The days when each fair could flag itself as the annual event for toys, furniture, cars or computers are over. With budgetary restrictions being the order of the day, exhibition centres are beginning to diversify and come up with more ideas to generate an income and make space earn a living. It is no longer the case that one place can be synonymous with one event, leaving the facilities unused for most of the year. Consequently, Leipzig's 1996 programme included as usual its international automobile fair in April, but this was followed by nineteen other events, on themes ranging from multimedia to the conservation of old buildings (Financial Times 1996c).

Table 6.7 Top ten German fairs, 1995

	Turnover (DM mn)	Visitors (mn)
Düsseldorf	450	1.8
Frankfurt	420	2.4
Hanover	380	2.3
Cologne	363	1.3
Munich	273	2.3
Berlin	211	1.3
Stuttgart	158	1.4
Leipzig	90	0.7
Nuremburg	81	1.3
Hamburg	60	1.2

Source: © The Economist, London, 20 January 1996

Figure 6.4 shows that Germany is not only the European country with the greatest supply of large exhibition centres – more than its nearest two rivals, France and Italy put together – but that it is also the country where the greatest demand for this form of business tourism exists.

TRENDS

Sustained growth

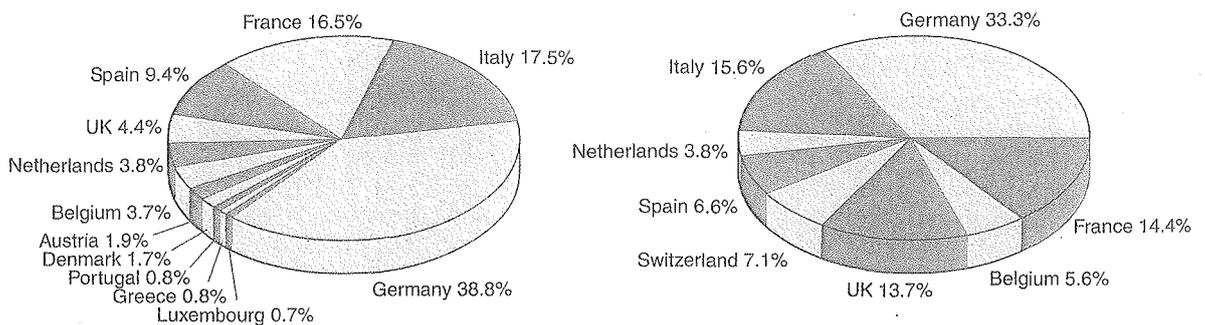
During the recession in Europe, and throughout the Western world, in 1993 and 1994, almost all sectors reduced their level of expenditure on exhibitions. However, the vast majority continued to participate, confirming their trust in this form of communication (EMECA 1996).

By 1996, the exhibition and fairs market was found to be experiencing sustained growth, greater than the growth of tourism as a whole (CEC 1996). Figures for the fifteen EMECA members shown in Figure 6.5 indicate the progression made between 1993 and 1995, in terms of numbers of exhibitions, numbers of exhibitors, numbers of visitors and gross exhibition area rented.

While the number of trade fairs at these exhibition centres increased by 3 per cent between 1993 and 1995, the number of exhibitors and visitors rose by 9 per cent and 12 per cent respectively. Between 1995 and 1996, growth for the EMECA members' business continued, with the number of exhibitions rising from 874 to 1000 (EMECA 1997).

Figure 6.4 (a) European supply share (exhibition centres greater than 20,000 m²); (b) European exhibition market share (demand) (estimated net size)

Source: Deloitte & Touche



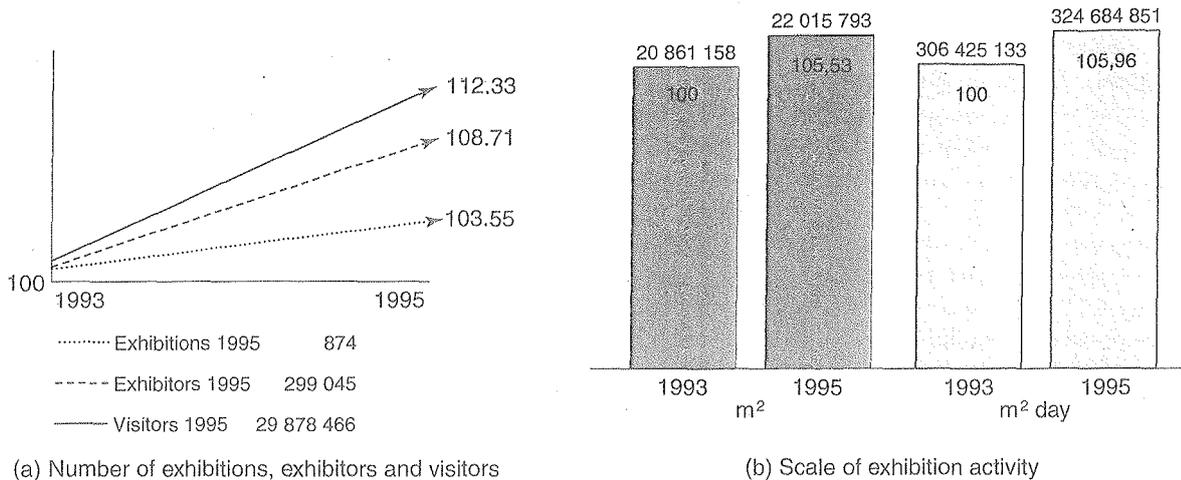


Figure 6.5 (a) Number of exhibitions, exhibitors and visitors; (b) Scale of exhibition activity (gross exhibition area rented by centres (base=100... 1993)
Source: EMECA (1996)

Eastern Europe

Will growth in the exhibitions market lead to an increase in demand for such events in Eastern Europe? Investment in the necessary infrastructure and transport systems would appear to be just as essential a prerequisite for success in this sector, as in the other tourism sectors, in the emergent democracies of Eastern Europe.

Summers (Financial Times 1996a) quotes the chairman of Reed Exhibition Companies, who expressed the belief that Eastern European markets were showing promise, but that there were still many obstacles to be overcome. 'For example, it may be difficult to establish security of tenure in halls and there can be confusion over who owns or is in charge of renting out space. In a number of cases, the condition of the halls themselves leaves a lot to be desired.' Nevertheless, according to their chairman, Reed expects to be in 'one, possibly two significant Eastern European markets in the next one to two years'.

New types of exhibition centre

Could the future signal an end to German dominance of this sector? Recent trends suggest that

the massive exhibition centres, which were the key to German supremacy in this sector of business tourism, may be in the process of becoming increasingly unsuitable for the type of exhibitions which are now being held in Europe. In their survey of the exhibitions industry, consultants Touche Ross noted that it was no longer the case that exhibition activity was concentrated in so-called 'blockbuster' exhibition centres in central Europe: 'In future, quite the opposite trend is likely to prevail, with a focus on quality rather than quantity, and on specialisation rather than volume, with central Europe threatened to be left with an oversupply of very large, inefficient, inflexible, exhibition centres.' The consultants also noted a fundamental change in the nature of exhibitions, with 'a trend towards niche marketing, the integration of other media, and the need for exhibitions to become more involved in buyer education, as product life-cycles reduce. This requires a new type of exhibition centre designed for flexibility of use and integrated with conference and seminar facilities' (Touche Ross 1994). Their findings are particularly relevant to the following case study.

The UK as an international exhibitions venue

As a venue for international exhibitions, the UK has some outstanding advantages. English, as the language used worldwide for multicultural business negotiations, is a strong asset for the UK, particularly for North Americans wishing to base themselves there for an event. Travel by air is straightforward, given the UK's position at the world's largest airline crossroads, while the Channel Tunnel has improved communications with Continental Europe. Cultural, historical, rural and 'heritage' attractions add to the UK's appeal for business visitors who combine their trip with some time-off for leisure pursuits, and these play an important part in the promotion of the UK as a business tourism destination. On the other hand, in general, the UK is not a favoured location for international events, because of its position away from the geographic centre of Europe.

Nevertheless, many professionals argue that, compared with its EU partners, the UK has been slow to invest in exhibition facilities, and that this is most evident in London, where facilities for world-standard events remain extremely limited by comparison with those available in other European capitals.

Among these is the chairman of Reed Exhibition Companies, a division of the Anglo-Dutch publisher Reed Elsevier, who in 1996 described as a 'scandal' the fact that the capital had not, until recently, 'got behind a plan that will deliver a major purpose-built venue'. The consequence, he added is that the UK was 'in terms of quality and size of space, way behind continental Europe and America' (Financial Times 1996b).

Compared to many of their European counterparts, UK exhibition venues are generally quite modest in scale. There are only a handful of venues with more than 10,000 m² of space and the market is dominated by the National Exhibition Centre, Olympia and Earls Court. Most exhibition centres are multi-purpose, hosting a wide variety of sporting events, product launches, pop concerts, conferences and other spectator activities (Beioley 1991).

One reason for this difference between the UK and the rest of Western Europe is no doubt political. In Continental Europe, there is a greater acceptance of

the notion that exhibition centres are justified through their ability to generate jobs and significant regional income, rather than as fully commercial entities in their own right. Such beliefs account for the high degree of public sector investment in such facilities and, in many cases, the provision of on-going financial support. During the 1980s and much of the 1990s, such an approach was incompatible with the political climate in the UK.

Supply and demand in the UK

In 1994, the London Docklands Development Corporation commissioned consultants Touche Ross to conduct research into the supply and demand of exhibition space in Europe viewed from a UK perspective. This was to be carried out with a view to assessing the extent of the potential demand for an exhibition centre located at the Royal Victoria Dock, East London.

The research revealed the following characteristics of the demand for exhibitions in the UK:

- 1 Currently the total demand (per capita) for exhibitions in the UK is comparable with that of other countries in Western Europe, with the exception of Germany, where demand is higher.
- 2 The demand for exhibitions in the UK shows a high degree of correlation with the growth or decline of the economy. Demand in the UK declined by around 25 per cent between 1990 and the mid-1990s, although this should be viewed in the context of a market which doubled between 1983 and 1990. (The consultants predicted that as the UK economy moved out of recession, it could be expected that demand would pick up again and that, by the late 1990s, there would be a shortage of exhibition space.)

Concerning the supply of exhibition centres in the UK, the Touche Ross researchers reported that:

- 1 The UK has only a 4.4 per cent share of the European supply of large exhibition centres, but represents 13.7 per cent of European demand for

continued

CASE STUDY: (cont.)

exhibitions and trade fairs (see Figure 6.4, page 199).

- The imbalance between demand and supply in the UK exists at all levels, but is less marked among the largest exhibition centres (greater than 100,000 m²) and among the smaller centres (less than 20,000 m²). The imbalance between demand and supply is therefore most significant in the 'middle' sized range, where the market opportunities are consequently greatest.

The major UK venues for exhibitions and trade fairs are shown in Table 6.8:

At almost 160,000 m², the National Exhibition Centre (NEC) in Birmingham is a large centre, by European standards, but it hosts relatively few international events compared with continental European venues of a similar size.

On the other hand, few exhibition centres of less than 20,000 m² in Europe achieve a genuine return on investment. Though there may be a demand for these smaller centres from a public amenity point of view,

the consultants advised that any such development in the Docklands would need to accept that public amenity rather than profitability was the primary purpose. (It was on this basis that a previous scheme, the London Dome project was put forward, but failed to secure sufficient funding.)

Touche Ross' conclusion was that there was a particular shortage of supply of exhibition centres in the UK of between 50,000 m² and 100,000 m². There is only one exhibition centre in the UK which can satisfy the demand for exhibitions in this size range: Earls Court. Moreover, the Touche Ross research indicates that exhibition revenue, per m², in larger centres is around three times the equivalent of that in smaller halls.

Recommendations

Consequently, the Touche Ross recommendation was to build an exhibition and conference centre of 60,000 m² of gross letting capacity with the potential of increasing the capacity to 80,000 m² at some later stage. The consultants advised that the centre should be integrated, offering exhibition, conference, seminar, retail and catering facilities, thereby creating a complete 'destination'. A 300-room hotel was also included within the recommended facilities.

Regarding location, the prime determinant of success, the report pointed out that anywhere in or around London was well located for the distribution of potential visitors and would benefit from the capital's international status. The site at the Royal Victoria Dock, less than 10 km east of the City of London, benefits from many advantages, arising from the massive investment in local infrastructure made during the 1990s: improved road access from the north and west, a new light railway system and direct connection to London's West End via the underground's Jubilee Line extension (due for completion by 1999). London City Airport, situated nearby, offers flights to a number of UK and European cities.

But the consultants also pointed out that the lack of road crossings from the south of the River Thames could cause congestion, and that for this reason another river crossing was desirable if the site was to reach its full potential.

Nevertheless, the report conceded that exhibition

Table 6.8 The supply of exhibition facilities in the UK

	<i>Approx gross lettable capacity 000 m²</i>
<i>Exhibition centre</i>	
National Exhibition Centre	157
Earls Court Exhibition Centre	61
Olympia Conference and Exhibition Centre	41
Scottish Exhibition and Conference Centre	19
Wembley Exhibition and Conference Centre	17
G-Mex (Manchester)	13
Harrogate	12
Brighton (Metropole Hotel)	12
Total	332

Source: Deloitte & Touche

continued

CASE STUDY: (cont.)

organisers, who are the first level of decision-maker in the 'buying chain' for an exhibition centre, consider that the optimum location for a new exhibition centre in the UK would be somewhere near the M25 on the west side of London. But it was the consultants' belief that any project to build an exhibition centre in that part of the capital was unlikely to go ahead, since the environmental drawbacks (increased traffic congestion and the need for vast areas for car parking) would not be adequately compensated for by the increased regional economic benefits which an exhibition centre would bring to that already prosperous area. By way of contrast, the opposite situation applies in the east of London, where a comparative lack of development and higher rate of unemployment means there is potential for increased regional economic benefits.

ExCeL

The solution proposed to remedy London's deficiency in the exhibitions sector, as identified by the Touche Ross research, was a new international exhibition and conference centre, ExCeL, situated on a 100-acre site on the north side of the Royal Victoria Dock, in London's Docklands area.

Figure 6.6 shows a model of Phase 1 of the ExCeL development.

ExCeL (Exhibition Centre London) is also the name of the consortium put together to design and promote the new exhibition centre.

The project has the support of the London Docklands Development Corporation (LDDC), who are both the landowner and the planning authority for this part of London. The British government gave the project Private Finance Initiative status in 1993 and in 1994, the London International Exhibition Centre Ltd (LIECL), a consortium established specifically to develop the exhibition centre, was selected by the LDDC as the preferred developer.

Originally, the intention was for the first phase to be completed in 1998, providing 47,000 m² of lettable exhibition hall space, at a cost of around £120 million. A second phase of the project would provide 110,500 m² of lettable exhibition space.

The full development, in addition to the lettable exhibition space, will also include:

- hotels, providing a total of 1,000 rooms;
- twin conference/banqueting suites, each with a 500-seat capacity;
- a 3,000-seat conference centre;
- a trade centre;
- conversion of historic warehouses on the site for exhibition-related uses, and;
- a variety of shops and restaurants.

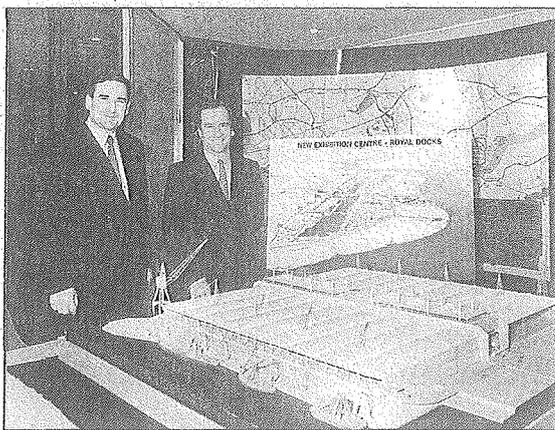
Economic impact

In a second report linked with the development of ExCeL, the consultants Touche Ross (1995) provided an assessment of the exhibition centre's potential economic impact. The assessment of potential visitors and exhibitors to the centre was based on comparisons with existing major exhibition centres across Europe and available statistics on the UK market. The consultants' conclusion was that a total of almost 1 million visitors and exhibitors were likely to be attracted to the exhibition centre each year for the Phase 1 development, rising to about 2.8 million people per year when the overall scheme was completed.

In total, the net expenditure likely to be generated each year by the centre's visitors and exhibitors was estimated to be £146.4 million for Phase 1 of the development and £407.6 million for the end state, broken down into the categories shown in Figure 6.7.

Regarding the local economic benefit (the benefit to the London Borough of Newham and the

Figure 6.6 New exhibition centre, Royal Docks
Source: ExCeL (Mr Hamish McFall)



continued

CASE STUDY: (cont.)

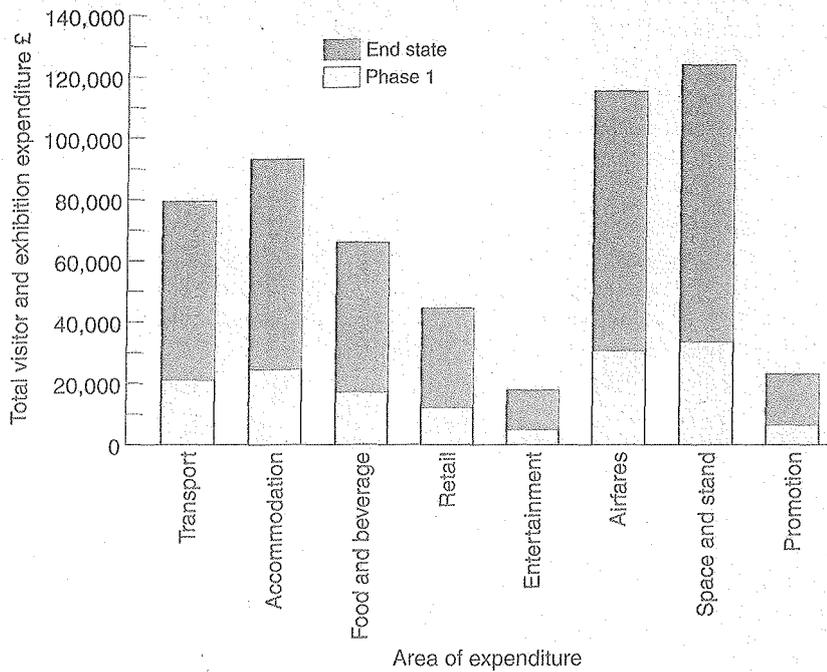


Figure 6.7 Total visitor and exhibitor expenditure breakdown
Source: Deloitte & Touche

immediately adjoining boroughs), Touche Ross estimated that this would amount to £35.4 million for Phase 1, rising to £272 million for the full end-state development.

At the same time, it was estimated that £94 million of regional benefit would accrue to the rest of Greater London, as a result of Phase 1, and that this figure would rise to £159 million for the end-state scenario.

Finally, concerning jobs created by the development, the consultants predicted that approximately 1,066 'person years' of employment would be generated by the construction of the centre, over fifteen years; 1,180 local permanent job opportunities would be generated from Phase 1, rising to about 9,000 for the completed development; and 3,133 jobs would be created for the rest of Greater London, with a total of about 5,300 regionally when the development was in its finished state (Touche Ross 1995).

Competition: go west?

ExCeL's main competitor came in the form of a proposal from Earls Court Olympia, owned by P&O, the

shipping group, which in 1995 began pursuing its own development of a site for an international exhibition centre near Heathrow airport in west London. That year, the group's Communications Manager told the Financial Times (1996b): 'For the last 20 years, the cry from the exhibition organising community has been that any new exhibition centre in London needs to be built near the main international airport.'

The rival Earls Court Olympia's plan was for a first phase of 60,000 m², to be completed by 2000, and consisting of three interconnected halls of 20,000 m² each, at a cost of £141 – £172 million. In 1996, negotiations were taking place on land acquisition, and the project had the support of the local authority, Hillingdon Council and was in partnership with the British Airports Authority.

By 1997, however, Hillingdon Council had withdrawn its support for the P&O proposal for an international exhibition centre near Hayes, Middlesex, following a lack of progress on the idea since it was first put forward (Sunday Business 1997).

continued

CASE STUDY: (cont.)

Funding

Following a number of abortive funding attempts during 1996 and 1997, funding for the ExCel development was finally within sight in January 1998, when a Malaysian Company, Country Heights, was expected to invest £120 million in the development. But, despite the length of time it took to find a suitable investor, the promoters were in no doubt as to the level of demand for the exhibition centre.

In 1996, the chief executive of ExCel was able to announce that, 'The responses we have received confirm the strong demand for a modern exhibition facility in London. Our initial expectations have been exceeded by the large number of firm bookings that have been made already by a wide range of significant

international exhibition organisers. Demand is so strong that we are now planning to accelerate the start of the second phase of ExCel' (ExCel 1996).

More specifically, the following year, it was reported (Sunday Business 1997) that National Boat Shows, organisers of the Earls Court Boat Show, had been in discussion with ExCel and were ready to switch the lucrative consumer show from west London to the Docklands if construction of the exhibition centre began by March 1998. As well as the Boat Show, exhibitions such as the Motor Show and the Ideal Home Exhibition were also believed to be in ExCel's sights.

General Outlook

The Horwath Axe report concludes that regarding the future development of business tourism in general, a majority of professionals anticipate a good outlook or growth of the market, without being able to quantify it with precision.

Overall, it has been estimated that the outlook for the business tourism sector will grow globally at a superior rate to that of the tourism market in general, for which, according to the World Tourism Organisation, a 2.7 per cent average rate of increase is forecast in the years up to 2000/2005.

This optimism is based on major trends observed in the market over the last few years; these include:

- A significant growth in the need to exchange information.
- An increasing specialisation and professionalism of activities, which results in a growth in training needs and the necessity for permanent updates.
- International companies face fierce competition from the non-European markets, which requires an increased cooperation and strategic planning between the Europeans and world-wide players (CEC 1996).

The key question is: how well-placed is Europe to benefit from this general growth in business

tourism activity? What are the strengths of Europe in terms of business tourism which will enable it to compete successfully with other world regions?

The main assets of the European supply, as defined by Horwath Axe, are:

- Its attractive diversity in terms of destinations and cultures
- Its level of market maturity, due to its historical position
- The expertise and professionalism of its specialists and the quality of the products
- The presence in Europe of many company head offices, institutions and associations, which generates an important need for meetings and exchanges of information.

Nevertheless, the European conference and exhibition industry must face up to structural and organisational problems and insufficiencies, which include:

- A real lack of statistics and information at all levels of the sector (local, national and European).
- A number of fiscal and legal barriers which hamper the activity within Europe and penalise the competitive position of the European offering in the international marketplace.
- A critical need for specialised skills training,

which are constantly evolving and which require an increasing level of professionalism from those involved.

- Scattered promotional programmes which poorly reflect the wealth and complementary nature offered by the numerous business tourism destinations in Europe.
- A lack of clarity in the definition of the business tourism activities compared with careers in traditional tourism sectors.
- The insufficient recognition of the sector as a whole and of the importance of the benefits that it generates for the region or country.
- A lack of development planning at national and European levels, which leads to an over-supply situation in several locations, detrimental to the overall sector. (CEC 1996)

The EU's solution to the European business tourism industry's problems, as described above, is to establish a common policy and global strategy to reach 'a coherent structuration' of this sector. This structuration, it is held, is necessary in order to strengthen Europe's market position, both on the European market area and in the international marketplace.

The strategy proposed by the EU, for action on a European scale, can be summarised in four main points:

- 1 Establish and/or reinforce coordination or partnership practices at all levels between the institutions, the representative professional organisations and the various operators of the sector.
- 2 Improve the structure and the activity pattern of a sector which is growing rapidly, improve its knowledge and its recognition at national and European levels.
- 3 Provide a coherent framework for the different actions taken by the European Union related to business tourism.
- 4 Modernise the existing supply to maintain its

competitiveness, revitalise its marketing and promotion in Europe and abroad, and stimulate demand to counter the competition, particularly that from North America and the Asia-Pacific region.

A European Action Plan for business tourism would be the instrument for putting this strategy into action. Regarding the administration of this Action Plan, a specific responsibility for business tourism could be created within DGXXIII, together with a permanent committee to favour exchanges and partnership between the Commission and the professional and institutional players in business tourism. It would be the role of such a committee to define the Action Plan and implement and monitor measures related to it.

The proposed strategy was welcomed by many of those operating in Europe's business tourism sector. But, as ever, the question uppermost in their minds was: would the plan ever make the transition from paper into practice?

UPDATE

Undertake your own research to find out the answers to the following questions.

- What has been the fate of frequent flyer programmes in Europe?
- Has Europe been able to hold on to its share of the conference market in the face of growing competition from the Asia-Pacific region?
- Is incentive travel still a growth market in Europe or has belt-tightening (or other factors) restricted growth?
- Have moves towards the privatisation/contracting out of exhibition facilities in Germany had any impact on this country's domination of the trade fair market?
- How successful has ExCeL been in its first years of operation?

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PUBLICATION 2

European business tourism – changes and prospects

Rob Davidson

The recession has had a major impact on the business travel and tourism market in Europe. Budgets for this purpose are under pressure at a time when the demand for business travel and conferences in Europe is actually increasing. This article examines the changes in the structure of the business tourism market and the tourism industry's response to the crisis.

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The importance of business travel to the European tourism industry was clearly demonstrated during the Gulf War, when meetings activity and corporate travel were thrown abruptly into reverse, as companies instructed their executives to keep their feet firmly on the ground. All sectors of the tourism industry, from hotels and airlines to conference centres and car hire firms, felt the devastating effects of losing the greater part of their valuable business clientele as events in the Middle East ran their sorry course.

With the return of peace to that region came a growing optimism in the tourism industry that the high-volume, high-spending levels of business travel, which had characterized the 1980s, were about to return. The evidence appeared to show that the demand for business travel, corporate and associate meetings, conferences, exhibitions, trade fairs and incentive travel packages was set to resume, providing custom for the swelling ranks of providers of business tourism-related services in Europe.

One of the first analyses of the post-war situation in European business tourism was a survey of corporate travel carried out in spring 1991 by Visa International.¹ This forecast a return to strong growth in the business travel market, but suggested different rates of recovery for different countries' business travel markets. The authors of the survey reported that corporate travel was already back to pre-war levels in France and Italy, while in the case of Germany and Scandinavia, travel expenditure levels were estimated to be still 20–25% down. This reported buoyancy was confirmed by the results of a follow-up telephone survey of French businesses conducted by American Express after the end of the Gulf War. This found that fewer than 4% of those companies were planning a reduction in travel expenditure as a result of the war.

The UK situation was less clear. While the Visa survey was predicting a rapid return to pre-Gulf War levels for European business travel in most countries, its authors were of the opinion that demand from the UK would remain depressed at least throughout 1991. The same report saw Germany's corporate travel market as having the greatest growth potential for the 1990s, with reunification stimulating considerable travel demand. Over two-fifths of the German companies interviewed in the Visa survey reported increases in their corporate travel budgets to offset the effects of the Gulf War period.

¹*Business Travel Expenditure in Europe 1991*, Visa International Service Association, London, 1992.

In the event, however, the return to business tourism's golden age of high-spending travelling executives, generous incentive packages and lavish conferences has failed to materialize in Europe. Consequently, providers of business travel services are currently undergoing the most difficult period most of them can remember. But the far-reaching impacts on the European business tourism market have not arisen out of the events in the Gulf, but from the more intractable effects of the deep recession which has stubbornly settled over most of the world economy. While the national economies of Europe and many of Europe's traditional incoming markets for business tourism remain depressed, companies' travel budgets will not stretch to the easygoing largesse which characterized the 1980s and the early years of this decade. Providers of business travel services, conference organizers and incentive travel houses may recall nostalgically those glory days, when, according to an American Express European survey conducted over 1989, 1990 and 1991, companies' spending on travel and entertainment was rising faster than both inflation and company revenues;² but the effects of the recession have cut deeply into the structure and texture of the business tourism market in Europe. In many ways, the party is over.

However, the prevailing economic gloom has certainly not caused a substantial reduction in the *demand* for business travel and tourism in Europe. At the very time when travel budgets are shrinking or at best remaining stable, the demand for business travel and meetings activity is actually on the increase. Before examining the changes in the business tourism market itself, some of the reasons for the increasing demand in this sector must be given.

Increase in business tourism demand

The European Single Market and liberalization in Eastern Europe have been key factors in stimulating business travel and tourism in this region. The move towards greater globalization of markets and industry in the European Community, and greater collaboration with foreign companies are already increasing demand, as representatives of businesses in European countries travel further afield in search of new business. The increased opportunity for companies to set up shop in new countries has led to a spate of mergers, acquisitions and partnerships over borders. This multinational business expansion means growth in the demand for training seminars, product launches and all the other forms of general meetings activity associated with the growing internationalization of businesses.

Increased business travel to, from and within Eastern Europe has also been the logical outcome of that region's new opportunities to open its economies to the rest of the world. The current infrastructural improvements under way in Eastern Europe, combined with their hotel building programme, will accelerate this trend, as well as consolidating their position as the fastest-growing incentive travel destination, over the next few years.³

The exhibitions industry, too, has received a boost from the Single Market, which has brought a new impetus for European conferences to be accompanied by exhibitions. The abolition of border controls has made it much easier for exhibitions to move around the Community, bringing an end to the kind of delays, losses and charges which exhibition organizers have found so frustrating in the past.

Finally, the recession itself has been indirectly responsible for some of the recent increases in the volume of business travel in Europe. The new ways in which business and manpower are organized in the 1990s, as companies try to reduce their cost bases and operate with greater flexibility, mean that they are tending to make more use of subcontract-

²The American Express European Business Travel Management Survey, 1991 Edition, American Express Europe.

³Nancy Cockerell, 'The European incentive travel market', *EIU Travel & Tourism Analyst*, No 4, 1991, p 81.

tors, consultants and external services. As a result, the numbers of those travelling on business have been added to, as this new, flexible work-force moves around their different employers.

Changes in the market

Nevertheless, despite all the signs of a greater volume of business travel, levels of *spending* in this sector are currently either stable or shrinking. Britain illustrates the latter case. According to a recent *Financial Times* article on corporate travel expenditure,⁴ Britain's companies spent around £18 billion on travel and entertainment in 1992, compared with £20 billion the previous year. Travel and entertainment represents the second largest expense for many corporations after the salary bill, and the consistent and steady pressure from companies to reduce their travel costs has meant that global spending on this budget item has not increased in recent years. More business travel for less money appears to have become the market's guiding maxim for the 1990s. This trend towards the reduction of corporate travel costs is confirmed in a *Financial Times*⁵ interview with the managing director of Wagon-Lits Business Travel, part of one of the major travel groups in Western Europe. Reporting on Wagon-Lits' own analysis of this sector, which confirms the continuous decline in the average spend on all areas of business travel since the middle of 1991, he said, 'Many large companies are radically cutting the amount of money spent on travel. This does not mean they are travelling less; rather, it shows the impact of downgrading from business class seats to economy on aeroplanes, staying in cheaper hotels for less time, and hiring smaller and cheaper cars.'

Trading down has become common practice among European firms now much more alert to squeezing better value for money from their travel budgets. With corporate accountants looking for any way to trim costs, business travel is a key target, and airline travel (accounting for a quarter of Britain's travel and associated costs) is the easiest to prune. Cutting back costs, by booking economy tickets instead of business class, or business class instead of first class is now widespread. In some cases, travelling executives are being told to forego air travel completely and to use the train where possible – which may account for the *increase* in the volume of British Rail's business clientele last year.

The same cost-consciousness among buyers of business travel and tourism is also increasingly found among meetings and conference organizers. As early as 1990, the European Federation of Conference Towns' Marketing Director Geoffrey Smith wrote, 'Meetings planners, part or full-time, are more educated about the market, eager to get more for their money, aware that most things are negotiable, and more demanding than ever. Good suppliers welcome this; they like to do business with efficient clients and share a common pursuit of excellence.'⁶

More recently, however, this cost-consciousness, coupled with the recession, and an ever-increasing supply of meetings facilities (now outstripping demand) has led to many hotels being forced to discount prices in order to remain competitive. This is now a major cause for concern among hotel operators, who feel that in the long term this will have an adverse effect on quality. 1991–92 saw a reduction in the size and length of meetings in virtually all hotel groups in Britain. The British group Rank Hotels report that their delegate numbers fell by 20% in 1991, while there was a 33% drop in the average length of conferences. The trend was decidedly towards fewer overnight meetings, with less leisure time built into conference programmes. In January 1993, the same trends were reported by the Head of the Business Department of the French Government Tourist Office in

⁴The *Financial Times*, 25 September 1992.

⁵*Ibid.*

⁶*Report on Europe: An Annual Survey of the European Conference Scene, 1992*, The European Federation of Conference Towns, Brussels, 1992.

Paris, who added two more which had been identified in the French meetings industry: less expensive hotels are increasingly being used for meetings (penalizing the luxury end of the scale) and delegates are less and less inclined to bring along an 'accompanying person'.

A final trend, identified by the trade magazine, *Conference and Incentive Travel*, is that many hotel groups are now having to deal with far shorter lead times for bookings, with meetings organizers increasingly shopping around until the last moment. In some cases, there is only a two-week period between a booking and the date of the actual meeting.⁷

However, while this kind of simple trading down and 'bargain hunting' may have become the unwritten and unofficial travel policy of many companies, others have turned to more sophisticated and systematic techniques in order to control or reduce their spending in this sector.

In-company travel management

As companies find the volume of their business trips increasing, professional managing and monitoring of travel costs is becoming more widespread. Cost-effectiveness, rather than cost-cutting, is emerging as an important goal for many businesses, and more effective travel management is increasingly seen as a means of achieving this. The American Express European survey found that 40% of the companies interviewed had designated a member of the management team to take full-time or part-time responsibility for developing, implementing and monitoring an effective travel policy. This was a significantly higher proportion than in previous surveys. In Britain alone, the proportion of companies implementing a scheme of effective travel management has grown by 50% in the four years preceding the survey.

Travel management services

The use of travel management services from an outside supplier, such as American Express themselves, is another technique, widespread in the USA and now gaining acceptance in Europe. Such services integrate a number of related service activities: recommending and booking travel arrangements; providing a convenient payment system for business travellers and flexible billing options for their employers; providing a reporting and management information system, as well as advice on using this information to improve cost-effectiveness. Bringing all of a company's travel expenditure into the hands of one agency with a thorough grasp of the opportunities for savings at each stage of the travel cycle allows for greater control and economies than using a variety of distributors.

Implants. A variation on the use of external travel management services is for a company to use the expertise of a travel team seconded to it by a travel agency. By this method, one or several employees of the travel agency move into the company's premises to set up shop there. Unlike outside agencies, where the company is just one client among many, implants work exclusively for the host company and therefore have the opportunity to develop a personal and deeper understanding of that company's travel needs. Specialist implant travel bureaux can save money and improve the efficiency of a company's travel purchases by, for example, agreeing preferential rates with travel suppliers or securing discounts on hotel accommodation. They also issue tickets, make hotel bookings and arrange currency, as well as providing the company with a regular computerized breakdown of its travelling expenses.

⁷*Conference and Incentive Travel*, April 1992.

Corporate cards. The credit and charge card companies have always maintained that the use of corporate cards by their travelling executives is a cost-efficient way of enabling a company to monitor travel and entertainment spending, detect possible delinquencies and, above all, to identify areas where savings can be obtained, by negotiating bulk purchase deals with airlines and hotels. The American Express survey reports rapid growth in the use of corporate cards, often in conjunction with the type of travel management services described above. While many European companies in particular use corporate cards merely as a convenience for employees or as a status symbol, there appears to be growing recognition of their value as an effective management tool.

Competing for clients

With the effects of the recession being felt throughout the tourism industry, the airlines and the hotels in particular have responded by chasing business customers with attractive offers. The result has been a plethora of cheap tickets, special discounts and 'added-value' gimmicks designed to woo high-paying business clients. Some airlines now offer free airport parking facilities, limousine transfers and prestige lounges to tempt the ever-shrinking supply of business class passengers. In the air, most efforts are directed towards pampering the executives with better food, more comfortable seats, and better 'goodie' bags. Similarly, hotels in Europe's major cities are increasingly ready to negotiate with potential business clients, especially those who provide them with regular customers or a substantial volume of off-season business. Corporate rates are more and more widespread.

But, while many operators in the business tourism field have followed the reflex action and reduced their prices, others have used more imaginative ways of competing for the custom of their business clients. Many operators have modified their product or their marketing strategies in order to survive in these high-volume, low-spending times.

For example, in order to capture a larger share of the conference market, many of the major hotel groups have developed dedicated meetings packages which provide a one-stop shop for conference organizers. The packages include audio-visual equipment, special comfortable chairs for delegates (who may be seated for many hours at a time) and well-trained staff. In the past year, Sheraton, Rank, Forte, Hilton, Marriott, Inter-Continental and Scandic Crown have launched meetings services designed to make conference organizing as painless as possible.

Increasing segmentation has also been identified by Projection 2000 in their 1991 survey of business travel⁸ as a major trend towards making the business tourism industry more responsive to the needs of its clients:

- *Women* now account for 20% of business travellers, with their own lobbies such as the Business Women's Travel Club and the Association of Women Executives. Crest Hotels' 'Lady Crest' product is an example of a chain catering for this segment, with extra hanging space in the rooms, spy-holes on the doors, and late opening of beauty and hair salons in their hotels. Airlines have been slower to target the female business traveller. So far, only Virgin has directed its transatlantic business class advertising at the female executive.
- *Frequent travellers* are heavily targeted by airlines through the use of frequent-flyer clubs, offering special privileges, promotions and magazines. In the effort to create customer loyalty, upgrades for frequent business flyers are increasingly offered by airlines, particularly the new transatlantic American airline companies.

International hotel chains are also now targeting this segment: the

⁸*Business Travel in Europe*, Projection 2000, London, 1991.

Hilton Club for frequent business travellers was introduced in 1990, and now has around 7000 members. A database of members' preferences ensures that the guest gets precise personal service in whichever Hilton they use, world-wide.

- *Budget* business travellers are often those working for smaller companies, or the self-employed. In Europe, where 24% of air economy-class travellers are on business trips, some airlines have introduced a special class of travel to cater for this segment. For example, Virgin has just launched a new Mid-Class section for travellers who pay the full Economy fare (about £720 return from London to New York) rather than a cheap deal with restrictions. Mid-Class passengers get seats about the same size as Business-Class seats on other airlines and a separate check-in. Similarly, the fastest-growing hotel market is the budget sector, from Holiday Inn Garden Court hotels, through Forte Travelodges, to the plethora of French budget chains such as Formule 1 and Campanile.

As long as these recessionary times persist, those operating in the business travel sector will be under pressure to fight for their own survival in a strong buyers' market. While the rush to offer discount and cheap deals for the use of anything from an airline seat to a conference centre may bring short-term benefits, in the longer term this solution presents problems. The profit margins required for constant reinvestment in products and the maintaining of quality are incompatible with falling average prices for business travel services. Alert to this, many companies are refusing to accept business from customers motivated purely by cost. British Airways,⁹ for example, in the drive to maintain a good yield on its ticket sales, refuses to always go to the bottom rate. Like many operators, they fear the advent of a 'discounting culture' among business travel and tourism buyers, which would ultimately be in the interests of no-one.

⁹*The Financial Times*, 25 September 1992.

PUBLICATION 3

39 European business travel and tourism

R. DAVIDSON

During the 1980s, business travel emerged worldwide as one of the fastest-growing and most profitable sectors of the travel and tourism industry. Travel for business-related purposes—in the widest sense, including meetings and conferences, trade fairs and exhibitions, as well as incentive travel—was recognised as being one of the most effective ways of doing business, seeking out new markets, exchanging ideas, and communicating with customers and colleagues alike.

However, it is a characteristic of the business travel industry that it tends to follow very closely the fortunes of the economy as a whole—much more so than leisure tourism does. And of all the various forms of business travel, general business travel—getting employees from A to B, from sales presentation to contract signing, and so on—is the type which represents the most accurate indicator of general economic wellbeing.

Therefore, the recession which has characterised the European economy of the 1990s has had far-reaching implications for the structure and texture of the general business travel market of this continent.

This paper examines the profile of the European business travel market during these recessionary times, and investigates companies' attempts to control their spending on business travel, in response to the crisis. Conversely, the business travel industry's own response, in the form of its efforts to maintain or expand its share of the market, is also examined.

Introduction

The importance of business travel to the European tourism industry cannot be overestimated. Europe still ranks as the foremost private sector business travel market in the world, outspending the USA and all other regions. However, the period of rapid increase in spending on business travel during the late 1980s was brought to an end by the recession, which has stubbornly set in to cloud over the economy of every European country.

But even before the Gulf War and the onset of the current economic climate, there were signs that companies were starting to turn the spotlight on travel costs, which had long been a poorly tracked item in their annual balance sheets. One of the earliest signs of this increased

scrutiny of travel spending was witnessed by the airlines who, even at the end of the 1980s, were already seeing evidence of downtrading from 'first class' and 'business class' travel. The last profitable year for European airlines was 1989. Between 1989 and 1992, European scheduled airlines lost about \$4 billion, despite the fact that actual passenger numbers continued to rise: between 1980 and 1992, according to the Association of European Airlines, traffic as measured in passenger kilometres more than doubled (Branegan, 1993).

Oversupply was partly to blame for these losses, as airlines had been adding seats just as fast as, or even faster than, traffic had been growing. For example, among the major European carriers, traffic in 1992 actually grew by 11.5%; but capacity increased at the same pace, leading to the situation where only 56.8% of seats were filled. The only solution proposed by the airlines was a series of price wars, as they began lowering their fares in the effort to maintain market share. Consequently, revenues on a passenger-kilometre basis were badly hit, resulting in a marked reduction in yield. Europe's yields on international routes were 30% lower in 1993 than they were in 1985 (Branegan, 1993).

The airlines' problems were compounded by a severe drop in the European business community's demand for the high-profit first class and business class tickets which traditionally have subsidised cheaper 'economy' seats. Despite the European Community's airline deregulation measures, intra-European airfares remain among the world's most expensive, on a cents per kilometre basis. Downtrading in terms of class of travel was, therefore, a logical step for business travellers whose budgets were coming under pressure. If the airlines looked upon this new trend with dismay at the end of the 1980s, they would have been even gloomier if they had known that this was to be no short-term economy measure on the part of their best customers, but rather a foretaste of a radical restructuring of the entire business travel market.

In a sector dogged by a dearth of reliable intelligence and a lack of hard statistical information on overall supply and demand, it is extremely difficult to quantify trends with any degree of accuracy. Statistics from the Association of European Airlines portray the situation in one sector. However, another respected source of

information in this field is the annual American Express European Business Travel and Expense Management Report, which gives a comprehensive insight into developments within the business travel market as a whole.

The 1993 European Business Travel and Expense Management Report published by American Express Europe Ltd was the result of by far the largest such research project ever carried out in Europe. Individual market surveys were carried out in ten European countries: Belgium, France, Germany, Hungary, Italy, The Netherlands, Spain, Sweden, Switzerland and the UK.

Business travel expenditure in Europe

In the countries surveyed for this report, private sector companies were found to be spending a total of \$141 billion between them on business travel—almost exactly the same figure as for 1992. On average, 31% of this is spent abroad, on international business travel. The largest market is Germany, which spent over \$38 billion, or 28% of the total; but the UK and France show significant expenditure levels, with \$30.3 billion and \$25.3 billion respectively.

What is this money spent on? Figure 39.1 gives the breakdown of spending by category, showing that airfares represent by far the largest item of expenditure, at 26% of the total, followed by hotel bills and fuel/kilometrage.

Business travel, after buildings and salaries, now ranks as the third largest cost facing most companies, accounting for 4.8% of the total costs of the average European company. But, apart from Hungary, which was expanding from a small base, only UK companies showed any significant increase in expenditure in 1993—and this was a recovery from the heavily depressed levels of 1991 and 1992. Sweden, Germany and Switzerland recorded sharp falls, while French spending on business travel remained static for the second year running.

European countries spend on average 2.5% of their gross domestic product on business travel, although there are wide variations in these percentages. The Swedes and the British spend proportionately more of their GDPs on this than anyone else (3.8% and 3.5% respectively), because of their geographical locations, which require air travel to get to their main markets, and the highly international character of their economies.

Who travels on business?

On average, 27% of employees of European companies travel on business at some time of the year. 9% of all employees travel on business abroad, with small countries such as Switzerland, The Netherlands and Belgium having the highest proportion of international business travellers among their workforces.

The ratio of travelling employees to total staff numbers also varies from industry to industry. In general, there

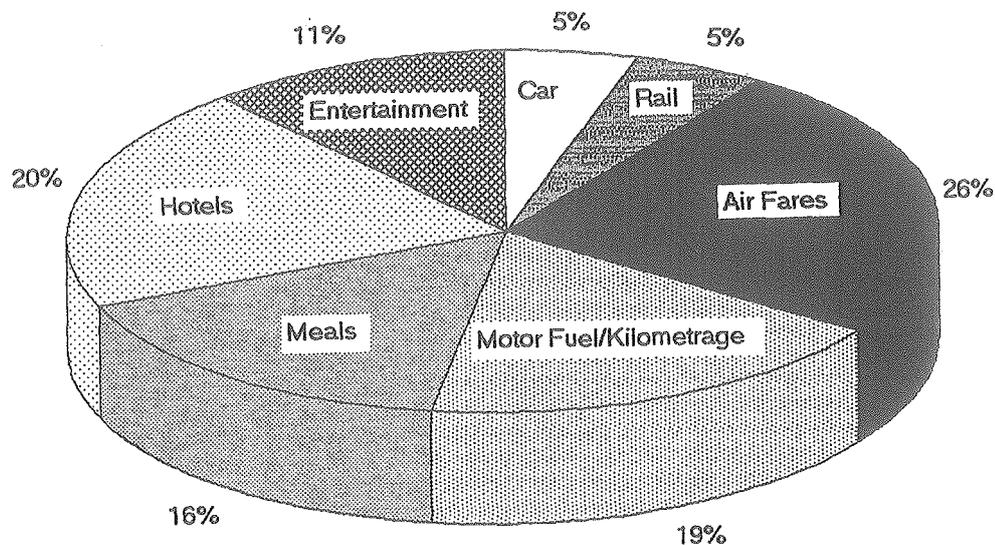


Figure 39.1 Business travel by type of expenditure (American Express, 1993)

is a high percentage of business travellers in the workforces of transport and communications, wholesale and retail trade and the energy and chemicals sectors.

Field and sales staff represent the largest single group in terms of their numbers, accounting for 27% of all business travellers. Although senior managers may be more frequent travellers, they account for a relatively small group among the population of all of those travelling for work-related purposes. However, the situation is different with regard to *international* travel, where senior management do represent a significant proportion (27%) of all business travellers. Middle and junior management account for a further 26% of all international business travellers.

An increasing proportion of those travelling on business are women. Over Europe as a whole, the average proportion of women among business travellers is 13%. Most countries are close to this figure, but the UK has the highest proportion of businesswomen on the move, at 23%. This percentage has doubled in four years, but there is still a long way to go in order to match the situation in the USA, where 40% of business travellers are women. Nevertheless, as European economies continue to shift away from manufacturing towards the service sector, where most women travellers are concentrated, the situation seems set to change.

Company measures to control travel costs

The recessionary business climate over most of the continent has led management of European companies both to tighten up their control of business travel expenses and to pursue greater value for money in this area. There is a general mood of austerity and belt-tightening, with an inclination to look for economies in all aspects of business travel.

The 'Business travel and expense management report 1993' published by American Express Europe Ltd (American Express, 1993) states that, in that year, 64% of companies had taken initiatives to control costs and manage their travel budgets more skilfully. The most commonly used techniques are the following.

Travel policies

A clearly written, comprehensive travel policy is seen by a growing number of employers as the cornerstone in controlling and reducing their travel-related expenses. Such policy documents provide staff with a vital point of reference to determine their employers' philosophy on business travel and enable them to organise their travel within clearly defined guidelines. 60% of European

companies with ten or more staff regularly travelling on business now have a written travel policy. (On the other hand, 35% have only informal guidelines for staff and 5% have no travel policy at all.) In general, as might be expected, the larger a company is, the more likely it is to have a formal travel policy.

Travel policies most commonly contain specific rules governing the following aspects of business travel.

Air travel

56% of the companies surveyed by American Express were found to exercise some control of their employees' use of air travel. For long-haul flights outside Europe, only 12% of directors and senior managers now fly first class. The most usual class is business (or club) class for this level of management. Middle and junior managers are more likely to travel in economy. But there are some interesting variations in air travel policies between countries. Sweden, France, The Netherlands and Hungary allow very few senior managers to fly first class, but at the other extreme, one in five Spanish and Belgian managers still flies first class on long-haul flights.

The survey also showed that a remarkably high proportion of senior managers were now flying economy class on long-haul flights. 40% of Spanish senior executives were expected to travel in this way. Other economy-minded countries were The Netherlands (36% of senior managers), Italy (31%), Sweden (30%) and France (26%).

Hotels

48% of European companies have specific rules relating to the hotel accommodation which their employees are entitled to use while travelling on business. These normally deal with the highest grade of hotel allowed for the various levels of management.

Car hire

50% of companies regulate their employees' use of hire cars in some way. Of these, 56% require employees to use a designated car hire company, 37% insist on prior authorisation, and 19% permit car hire in an emergency only.

Special discounts and corporate rates

Just over half of all European companies have some sort of discount arrangement or special rates from travel suppliers—most usually hotels, airlines and car hire companies. But, countries tend to fall into two groups: those where it is very usual to have special rates (Sweden,

Italy, Spain, France and the UK) and those where only a minority of companies do so (Belgium, Germany, The Netherlands and Switzerland).

Those companies which spend the most on travel are also the most likely to have negotiated special rates. Only 42% of companies with under 20 staff travelling on business have these, while the proportion rises to 70% for companies with 50 or more roving employees.

A good example of a company finding itself well-placed to reap benefits from airlines and hotels in the form of discounts is Shell International, which has chosen to use this particular cost-saving strategy in preference to downtrading. The company's outlay on air tickets is £12.5 million a year, and on overseas hotels alone £5-6 million. Clearly, such levels of spending speak volumes around any negotiating table, and Shell International has been able to strike some very advantageous deals with travel suppliers (Skapinger, 1993).

In the UK, at the height of the recession, there were concerns in the business tourism industry that a 'discount culture' was evolving in the market, as customers increasingly tried to use their negotiating muscle to get reduced rates, primarily from hotels. At that time, even individual business travellers were often able to successfully negotiate reductions in hotel rates, sometimes on arrival at the reception desk.

Now, discounts tend to be limited to corporate buyers, who use the argument based on the volume of business they can provide, to get special rates from hotels. It is now common practice for companies to limit the number of hotels they use for their travelling staff. This increases the volume of employees they send to any given hotel, and this can be used as a negotiating strength.

As a result, very few business travellers pay hotels' published or rack rates. The extreme case of this is seen in the USA, where only 20% of guests pay the full rate (Skapinger, 1993). But the phenomenon is present throughout Europe. According to the 1993 'Euro cities survey' published by Pannell Kerr Forster, guests in Edinburgh hotels were receiving average discounts of 44.8% off the official rates. In Oslo, overall discounts of 44.7% were available, while business travellers could get 42.8% off their hotel bills in Manchester and 41.1% in Athens. Even the European cities with the firmest room rates were found to be offering substantial reductions to business clients: 12.5% off in Zurich, 14.5% in Prague and 15.5% in Berlin.

This looks like a trend which is set to continue. Compared with five years ago, business travellers are in a stronger position to negotiate reductions in hotel rates, because there are fewer of them now as a proportion of all hotel guests. Geoff Parkinson, a director of the

Horwarth hotel and leisure consultancy, has demonstrated how the worldwide proportion of hotel guests who are business travellers and conference delegates fell from 56% in 1988 to 49% in 1992. The other 51% are lower-spending leisure tourists. 'Although (leisure) tourists are clearly welcome, the tourist market is very competitive and many hotels will not be able to return to full profitability without an increase in business traffic' (Skapinger, 1993).

Trading down

Trading down is the path which has been followed by many companies in their crusades against high travel bills. Standards of comfort for business travellers have fallen, with restrictions on the use of first class and business class air travel and luxury hotels. According to travel agents Thomas Cook, in 1993, only 14.9% of UK companies allowed all staff to fly business class throughout the world, compared to 25.4% the previous year. Furthermore, it was predicted that the figure would shrink further, to 13.4% of UK companies in 1994.

In many cases, this trading down is not imposed from above—by the travel policy for example—but is voluntary. Many of the senior managers currently slumming it in four-star or even three-star hotels are doing so because they want to be seen as setting an example to staff. They do not want to risk the credibility of their company's cost-cutting policy by staying in exclusive establishments—even if, as is often the case, these offer special deals to business guests.

Centralised travel buying

In the effort to control spending on travel and at the same time improve their negotiating power with suppliers, many companies are moving towards streamlining their travel purchasing arrangements. Within the majority of companies, the responsibility for making travel arrangements is still largely left to the individual travellers themselves or their secretaries, resulting in a diffused and inefficient system. But centralised travel purchasing arrangements are gaining in popularity. 38% of European companies with ten or more staff travelling regularly on business now have their own internal 'travel manager'—a person responsible for negotiating and managing the travel arrangements for all employees.

74% of companies have an 'appointed travel agent' which employees are expected to use, and 1 in 10 has an 'implant' desk of the travel agent on their own premises. Those companies with the largest numbers of travelling staff are also the most likely to have appointed travel

agents. These latter can provide their client companies with a range of valuable services, of which the most important are: lower-priced airfares through guaranteed booking at the cheapest fares or rates, bookings at very short notice, and lower hotel rates through volume rebates. As well as savings on air fares and accommodation, specialist business travel agents can deliver a range of other benefits, including corporate car hire, foreign currency and traveller's cheque provision, and passport and visa advice. Channelling all of its travel purchasing through a single travel agent also helps a company ensure that its travel policy is complied with by that agent.

Despite the range of cost-saving strategies open to them, only 54% of European companies as a whole claim to be 'extremely' or 'moderately' successful in controlling their travel costs. This figure dwindles to 26% in the case of France, where business travellers have yet to feel the full force of austerity measures to which their fellow Europeans have had to become accustomed. The business travellers least likely to endure additional pain in the future are the British, the Belgians and the Spanish, in whose countries the highest success rates were reported.

Travel industry moves to attract business

As the market becomes more demanding and more cost-conscious, the business travel industry has had to find new ways to win and keep customers. Following the principle that it is cheaper to keep existing customers than attract new ones (particularly when new customers are so thin on the ground), airlines and hotels are increasingly offering incentives to their most loyal clients.

One of the most important weapons in the airlines' armoury is the 'frequent flyer programme' (FFP). These reward systems were born and raised in the USA during the 1980s as a means of creating and maintaining loyalty to a single airline or group of airlines. The principle is that the buyer of a ticket earns points which can be accumulated and eventually exchanged for free flights and a range of other benefits—upgrade privileges, additional excess baggage allowances, expedited check-in, admission to airport lounges, etc.

During the 1990s, European carriers were forced into the FFP game, in response to the competition created by US airlines aggressively promoting their schemes. Even Asian and Far Eastern airlines which for years were able to command loyalty from passengers simply on the strength of their outstanding passenger service, have now been obliged to introduce their own FFPs.

The effectiveness of these incentive schemes was shown in a 1993 survey of European business travellers by Official Airline Guides, which reported 70% of business

travellers as saying that, given a choice of airlines on a route, they would always choose the one to which their FFP belonged.

Other incentives designed to woo business travellers and keep them in first class and business class compartments fall into two categories: on the ground and in the air. Chauffeur-driven limousine transfers to the airport are increasingly used to pamper high-spending passengers. Once at the airport, the same business travellers are more than likely to spend some time in an exclusive lounge, away from the crowds, queues and noise. British Airways leads the airlines in its provision of lounge facilities. To its range at Heathrow—Clubworld, Speedbird for CIPs (Commercially Important People) and the Oasis lounge with showers—was added in 1992 what BA claims to be the largest business class lounge in Europe, complete with 40 telephones, fax machines and photocopiers.

In the air, airlines are coming up with ever more ingenious ways of justifying their business class and first class fares. In addition to having better food and wines and more comfortable seats than those in economy class, these passengers increasingly have access to a wide range of services made possible through sophisticated in-flight technology. This can provide on-board telephones, fax and computer links, and even air-to-ground teleconferencing facilities (Davidson, 1994).

Here, the airlines' strategy is clear. In an era of corporate cost-cutting, they find themselves under growing pressure to justify the considerable price differential between business class and economy class travel. Turning their aircraft into 'offices in the sky' provides the airlines with a way of linking this extra cost with greater productivity on the part of the individual business traveller.

Hotels have adopted the same strategy. Being more responsive to business guests' need to be seen to be industrious while travelling on company business, hotels no longer aim to be home-from-home, but rather offices away from the office. Office-like efficiency for guests can be assured through the provision of laptop computers, modems, and fax machines in rooms, with translation services and the more and more widespread 'business centres' which offer guests the full range of secretarial services during their stay.

Hotels have also seen the benefits that incentive schemes have brought the airlines and are beginning to offer their own 'loyalty clubs' for the frequent traveller. The benefits of belonging to such clubs can translate into substantial savings of both time and money. For example, the late check-out or early check-in facility offered to certain hotel cardholders can avoid the expense of paying for an extra night's accommodation, while express

check-in/check-out facilities make for valuable time savings. Free room upgrades, discounts on laundry and telephone surcharges and free nights' accommodation at weekends are among the other perks now dangled by hotel chains in their effort to attract the business client.

Outlook

Most of the European companies participating in the American Express 1993 'Travel and expense management' survey were confident in their predictions that their spending on business travel would recover as the worst of the recession passes. Around 30% of them believed that their expenditure on this item was set to increase faster than total company revenue. This sentiment was particularly strong in the UK, perhaps reflecting the fact that the economic cycle is further advanced there than in continental Europe. In any case, companies were unanimous in regarding business travel activity as an essential condition of growth.

But will companies ever return to the heady, free-spending days of the 1980s? Juergen Bartels, chief executive of the Carlson Hospitality Group, which owns Radisson Hotels, is one of many in the industry who believe not. His prediction is that European and US businesses' painful restructuring in the face of growing competition from Asia will keep travel costs under

pressure: 'There is no point in building any new four- or five-star hotels in the US or Western Europe. The demand will not be there' (*Financial Times*, 1993).

Kevin O'Brien, author of 'The West European business travel market 1993-1997' also believes that the new-found cost-consciousness will not diminish after the recession ends:

The Gulf War educated the corporate sector as to the amount of non-essential travel expenditure incurred in previous years. The 1990s will witness the advent of the responsible, cost-conscious business traveller. Travel preferences will become less important to the corporate client as the benefits of cost reductions will increasingly outweigh them. (O'Brien, 1993)

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PUBLICATION 4

THE CONFERENCE MARKET: TRENDS

Translation of the paper, *Le Marché des Congrès*, by Rob Davidson.
Published in a French version in *Cahier Espaces*, 45, 29 – 32, 1996.

Following the trends seen in many other European countries, the French business tourism market, and notably the conference market, experienced remarkable growth between 1970 and 1990. The sudden interruption of this growth coincided with the beginning of the Gulf War. However, the end of those hostilities did not bring about the much hoped-for return of business tourism demand at those levels seen in the 1980s. The economic recession and uncertainty that characterise this decade have brought about sluggish levels of demand for conference venues, as demand-side factors have undergone a number of quantitative and qualitative changes.

Quantitative changes

In 1990, a 5.4% fall in the number of business travellers and a 14.9% decline in the number of bed-nights in France signalled the beginning of a drop in business levels recorded by conference centres, hotels and other venues. At the same time, the duration of the average business trip in France fell from 4.5 days to 4.1 days.

Due to corporate budget considerations, conference participants were found to be restricting their attendance at meetings to those considered essential for their business purposes. In addition to these constraints, it appeared that, for attendance at conferences away from the participants' workplace and place of residence, employers were putting pressure on those participants to considerably reduce their travel and accommodation expenses.

Given the need for businesses and individuals to cut back on spending, the 1990s have witnessed a general decline in demand for business tourism services, with corporate and association meetings making less use of 4-star hotels, prestigious restaurants and business class facilities. Private sector companies are increasingly reluctant to send their managers to opulent business events, in case of a negative reaction from their own finance departments or shareholders. This has resulted in downward pressure on prices. Conference organisers are therefore more and more demanding in terms of price and the quality of services – leading to considerably tougher negotiations with suppliers, to agree on issues of cost. This change in demand has been accompanied by growth in the supply of conference venues, leading to a general fall in rates for the use of such venues.

A survey of French conference centre directors, undertaken by the journal *Axes d'Affaires* (1993) confirmed these trends. In response to the question, 'Is it more difficult to win bookings?', 36% replied that bookings were down (by an average of 20%) on those of 3 months previously. Only 18% of respondents reported that bookings for their venues were up (by an average of 20%). For the other respondents, the situation was unchanged.

According to the same survey, 30% of conference centre directors claimed that it was the medical conference segment of demand that had been the most affected by the recession. On the other hand, 23% were of the opinion that corporate events were the most affected. For many of the directors, budgets had suffered more than the actual number of conferences being held.

Finally, in response to the question, 'If we are in a time of crisis, what has caused it?', 44% ascribed it to the general economic situation; 10% to business tourism professionals cutting their prices; 11% to the Sapin Law; and 4% to a lack of professionalism displayed by some stakeholders in this market. On the other hand, the current competitive climate was a source of optimism for some business tourism professionals. Respondents expressing this opinion perceived a rise in the number of corporate events, as companies felt the need to motivate their managers to achieve more, in economically challenging times.

Qualitative changes

'In business tourism, there is less and less tourism and more and more business'. That was the conclusion of Claude Maniscalco, the director of the Europa conference centre in Mandelieu, who led the 1994 *France Congrès* survey to identify changes in the expectations, buying patterns and practices of 2,000 French, Belgian, Swiss and Luxemburg conference organisers. This first European survey yielded a number of results of direct interest to conference venues:

* The demand for opulence, as seen in the 1980s, has gradually given way to a growing preference for more functional, multi-purpose venues on a more human scale.

* Clients expect appropriate and efficient technical services, but nothing too flashy as that could distract their delegates and also create additional expense for venues.

* They also expect an efficient team of professionals assigned to their events, as well as reasonable pricing structures.

These appear to be the priorities of today's clients.

The new business centres appear to respond well to these changes in the market, as they bring together in one place - in city centres - a number of services and facilities including reception areas, communication services, leisure facilities, as well as business services. Atria is the leader in terms of these new business centres. This new concept positions itself as a direct competitor for traditional conference centres, as seen from the words of Myriam Roche, of that company's communications service: 'Companies are reducing their budgets for external meetings. But, given the current economic climate, they need, now more than ever, to get together in order to motivate their staff and to facilitate communication between them. Lead times are shorter, and companies are increasingly demanding in their choice of venues. They are looking for more than

just a simple meeting room, in order to make their communication strategies more effective. Now, they care more about the quality of the facilities, the services provided and the reception; and they are looking for a more personal approach to how their needs are met. We need to tailor services more specifically to our clients'.

Trends

What will be the principal trends that will have an impact upon the business tourism market as we approach the end of the 20th century? Three factors would appear to deserve the attention of suppliers in this market, in France and in the rest of Europe.

* Transport

As EU Member States are moving towards a total liberalisation of their transport systems, a fall in transport costs appears likely. This matters, in the sense that high transport costs can limit the volume of business travel. Deregulation of the airlines, if conducted in the spirit of EU legislation, will not only result in a lowering of fares on intra-European routes, but will also open up opportunities for regional airports. New air routes linking provincial cities will be operated by the new generation of small airlines that are springing up all over Europe. This will create new opportunities for provincial conference centres.

* Women delegates

According to a 1993 survey carried out by *Bernard Julhiet Conseil* for the Department of Tourism, 28% of conference delegates in France were women, while, for all countries surveyed, the percentage was 38%. It seems reasonable to expect that the number of French women attending conferences will rise. In North America, the percentage of delegates who are women stands at 50%, and they have their own pressure groups, the Business Women's Travel Club and the Association of Women Executives. In order to respond to the needs of this market segment, suppliers must place more focus on well-being and safety. The Lady Crest brand created by Crest Hotels is an excellent example of what a hotel chain can provide in this respect: an extra wardrobe in the rooms, hairdressers and beauty salons open in the evening, and spy-holes in bedroom doors.

* Technology

The rapid developments in the field of technology will have a number of impacts on supply and demand in business tourism. The current development of digital transmission and the advent of multimedia services will considerably change behaviour in this market, even though it is difficult at the current time to define exactly how.

Le marché des congrès : tendances

ROB DAVIDSON

ÉCRIVAIN ET CONFÉRENCIER EN TOURISME(*)

À l'instar de nombreux autres pays européens, le marché français du tourisme d'affaires, et notamment celui des congrès, a connu une croissance remarquable entre 1970 et 1990. La brutale interruption de cette croissance coïncide avec le début de la guerre du Golfe. En revanche, la fin des hostilités n'a pas occasionné, comme pouvaient l'espérer les professionnels du secteur, un retour à la consommation, ni un volume d'affaires comparables à ceux des années 1980. La morosité et l'incertitude économiques qui caractérisent notre décennie ont provoqué une stagnation de la demande pour les équipements susceptibles d'accueillir des congrès, un certain nombre de changements quantitatifs et qualitatifs ayant modifié considérablement celle-ci.

(*) Auteur de *Business Travel*, Longman Group Limited, 1995.

Les changements quantitatifs

En 1990, une chute de 5,4 % du nombre des voyages d'affaires et une baisse de 14,9 % du nombre des nuitées passées en France⁽¹⁾ ont marqué le début d'une baisse du volume d'activités des palais des congrès, des hôtels et autres structures d'accueil. Pendant la même période, la durée moyenne des voyages de tourisme d'affaires des Français a chuté, passant de 4,5 à 4,1 jours.

En raison du resserrement des budgets des entreprises, les clients ont choisi de se rendre exclusivement aux manifestations jugées incontournables. Qui plus est, lorsqu'un congrès semblait mériter le déplacement, les entreprises faisaient pression sur les congressistes afin que ceux-ci réduisent considérablement leurs frais de déplacement, ainsi que leurs dépenses d'hébergement et de restauration.

(1) *Les centres de congrès et de réunions en France*, Geneviève POULIQUEN, Crédit National, Direction des études et du conseil, Division des analyses sectorielles, Crédit National, juin 1992.

Les années 1990 symbolisent un appauvrissement général de la demande, ainsi que la nécessité de réaliser des économies, entreprises et associations incitant les congressistes à fuir les hôtels 4*, les restaurants prestigieux et les classes affaires. Les entreprises du secteur privé sont de plus en plus réticentes à envoyer leurs directeurs à des manifestations prestigieuses, en raison de la vigilance des services financiers et des actionnaires eux-mêmes. La conséquence directe est une pression sur les prix à la baisse. Les organisateurs de congrès sont donc plus exigeants en termes de prix et de qualité des prestations, ce qui entraîne des négociations nettement plus longues – à intégrer dans le coût de revient des prestations. Cette évolution de la demande s'est accompagnée d'une augmentation du nombre de salles susceptibles d'accueillir ce type de manifestations, entraînant une baisse des tarifs de location.

Une enquête du magazine *Axes d'Affaires* (1993) auprès des directeurs de 80 centres de congrès français confirme ces tendances.

À la question "*Les affaires sont-elles plus dures à concrétiser ?*", 36 % répondent que le taux de concrétisation est inférieur (en moyenne de 20 %) à celui des trois années précédentes ; seuls 18% d'entre eux estiment que le volume d'affaires de leurs palais est en augmentation (en moyenne de 20 %) ; pour les 32 % restants la situation est inchangée.

Selon les résultats de la même enquête, 30 % des directeurs interrogés affirment que le secteur des congrès médicaux et assimilés est celui le plus touché par la récession ; 23 % estiment que c'est le secteur des conventions d'entreprise qui est le plus affecté. Pour un grand nombre de directeurs enquêtés, les budgets se sont réduits, plus que le nombre de manifestations.

Enfin, en réponse à la seconde partie de la question "*Y a-t-il un réel marasme et à quoi est-il dû ?*", 44 % l'attribuent à la situation économique générale, 10 % aux professionnels qui cassent les prix, 11 % à la loi Sapin et 4 % au manque de professionnalisme de certains acteurs du marché. D'un autre côté, l'environnement économique compétitif actuel contribue à l'optimisme des professionnels du secteur. Ces derniers estiment en effet que le nombre des conventions d'entreprise est en augmentation, les entreprises étant confrontées à l'impératif de mobiliser plus intensément leurs collaborateurs dans une conjoncture morose.

Les changements qualitatifs

"Dans le tourisme d'affaires, il y a de moins en moins de tourisme et de plus en plus d'affaires." Telle est la conclusion de Claude Maniscalco, directeur du palais des congrès Europa de Mandelieu, qui a piloté l'étude prospective France Congrès⁽²⁾ visant à identifier les changements dans les attentes, les habitudes de consommation et les pratiques de 2 000 organisateurs de congrès français, belges, suisses et luxembourgeois. Cette première étude européenne fournit des résultats intéressants pour les structures d'accueil de congrès :

(2) L'enquête lancée auprès des organisateurs de congrès, en avril 1994, par l'Association France Congrès et pilotée par Claude MANISCALCO, directeur Europa Mandelieu-la-Napoule.

- la demande pour environnement luxueux, caractéristique des années 1980, laisse place progressivement à une demande croissante pour des équipements fonctionnels et polyvalents, moins imposants mais plus humains ;
- les clients attendent des services techniques adéquats et performants, sans pour autant exiger une technologie tape-à-l'œil, qui peut être un élément de distraction pour les congressistes et sources de dépenses excessives pour les équipements d'accueil ;

• une équipe de professionnels compétents et des prix raisonnables : telle est la priorité de la clientèle d'aujourd'hui.

Les nouveaux centres d'affaires semblent bien placés pour répondre à cette évolution du marché. En effet, il regroupent en un seul site, et au cœur des villes, des structures d'accueil, des espaces de communication, des espaces de détente ainsi que les services aux entreprises : Atria est *leader* sur le marché de ces nouveaux centres d'affaires⁽³⁾. Ce nouveau concept se positionne désormais en rival des palais des congrès. Comme le démontrent les propos de Myriam Roche, du service communication d'Atria, *“les entreprises réduisent leur budget pour les réunions externes. Par contre, étant donné la conjoncture, elles ont besoin de se réunir pour communiquer, pour mobiliser leur personnel. Les réunions sont prévues moins longtemps à l'avance. Les entreprises sont de plus en plus exigeantes dans leur choix. Elles recherchent un site qui dépasse la simple salle de réunion pour peaufiner leur communication. Entrent en compte la qualité des installations, la qualité du contact, la qualité de l'accueil, la personnalisation de la réponse à l'ensemble des besoins. Il faut humaniser et préciser la prestation”*.

(3) cf. interview de Joël MINGASSON, directeur d'Atria, page 42 de ce Cahier Espaces.

Évolutions

Quels seront les facteurs d'évolution les plus importants qui affecteront le marché du tourisme d'affaires à l'approche de la fin du xx^e siècle ? Trois facteurs méritent une attention particulière de la part des offreurs de ce marché, en France comme en Europe.

Transport

Les pays membres de l'Union européenne s'acheminant vers une libéralisation totale de leurs systèmes de transport, on peut parier sur une réduction des coûts de transport. Or, ces derniers sont actuellement un frein au déplacement d'affaires.

La déréglementation aérienne, à condition qu'elle soit réalisée dans l'esprit de la législation européenne, non seulement entraînera une baisse des tarifs aériens des dessertes intra-européennes, mais ouvrira également des perspectives non négligeables pour les aéroports régionaux. De nouvelles lignes entre les villes de province seront desservies par la nouvelle génération de petites compagnies privées fleurissant partout en Europe. De nouvelles opportunités s'offriront donc aux palais et centres de congrès localisés en province.

Les femmes congressistes

Selon l'étude menée en 1993 par Bernard Julhiet Conseil pour la direction du Tourisme⁽⁴⁾, les congressistes du sexe féminin représentent 28 % du nombre total de congressistes français en France, alors que ce pourcentage s'élève à 38 %, toutes nationalités confondues. On peut donc s'attendre à une augmentation du nombre des femmes dans les congrès français.

Elles représentent déjà presque 50 % des congressistes nord-américains et possèdent leur propre groupe de pression, le Business Women's Travel Club et l'Association of Women Executives. Pour mieux accueillir ce segment de clientèle, les prestataires de services doivent se donner les priorités suivantes : bien-être et sécurité. Le produit Lady Crest de Crest Hotels illustre parfaitement les efforts

(4) *Tourisme d'affaires et clientèle congrès*, étude financée par la direction du Tourisme et la DIOP, réalisée par Bernard JULHIET Conseil sous la direction de Daniel COTE-COISSON et Anny LELOUCH.

d'une chaîne hôtelière dans ce domaine : un espace garde-robe supplémentaire, des salons de coiffure et de beauté ouverts en nocturne et l'existence de judas dans les chambres.

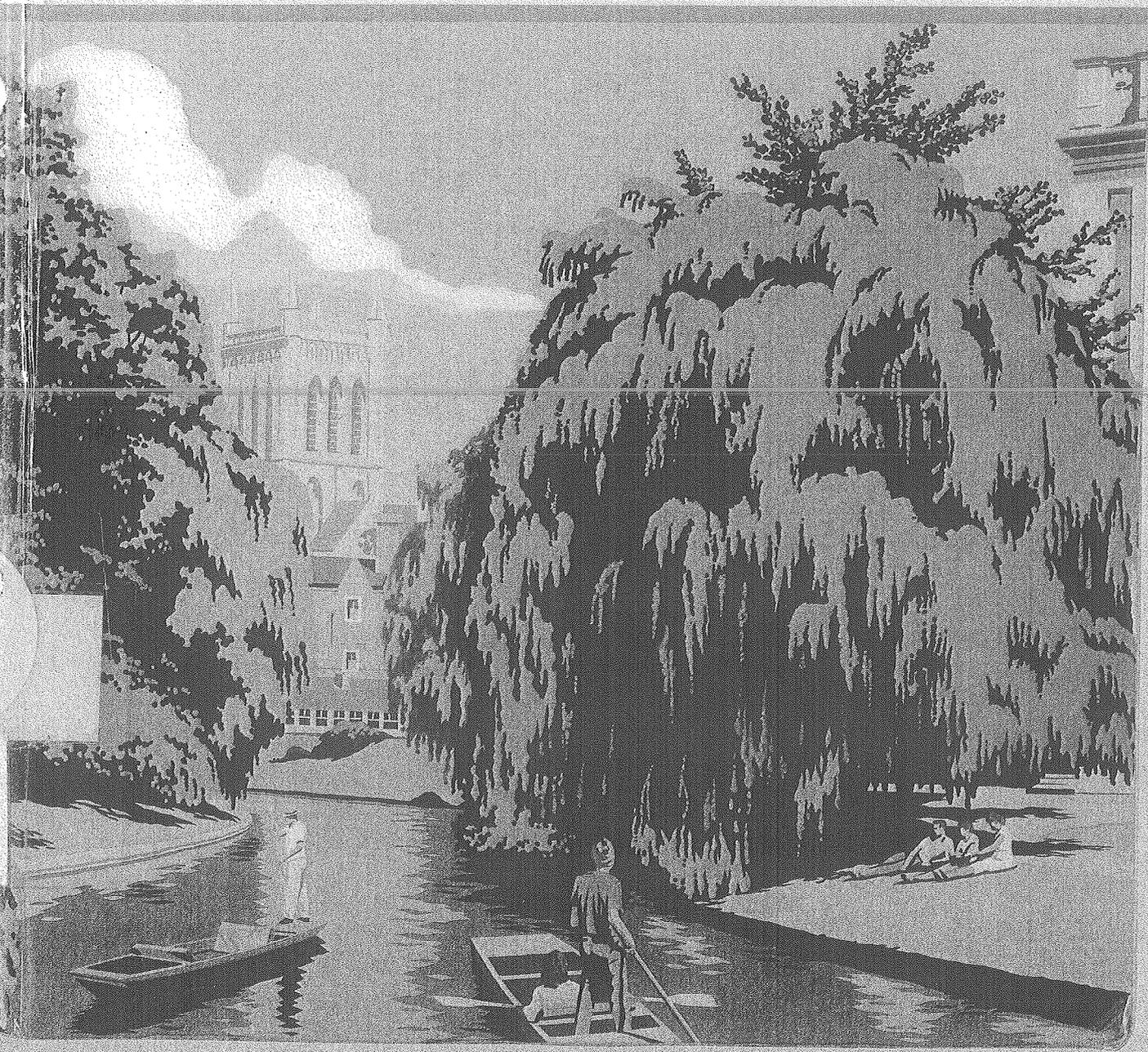
L'évolution des technologies

L'évolution rapide des technologies est susceptible d'avoir des répercussions considérables sur l'offre et la demande du tourisme d'affaires. Le développement actuel de la transmission numérique et, au-delà, les perspectives du multimédia pourraient modifier les comportements, bien que les modalités et l'échéance de cette évolution soient difficiles à définir de manière exacte à l'heure actuelle.

PUBLICATION 5

ROB DAVIDSON AND ROBERT MAITLAND

TOURISM DESTINATIONS



For Stuart and for Jane

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CHAPTER

3

The dynamics and evolution of tourism destinations

INTRODUCTION

In Chapter 2, we looked at the nature of tourism and at how the demand for tourism has changed and grown. We pointed out that we can see destinations satisfying tourism demand by supplying the experiences, or products, which tourists seek. These tourist products comprise a mix of tourism services and resources – but many of the resources are not owned by the tourism industry. In this chapter we look more closely at destinations and their tourism products. We begin by reviewing a number of ideas about how destinations develop over time. We argue that most models of tourism development are oriented toward resorts – which are simply one type of destination – and do not properly acknowledge that tourism now involves a wide

variety of destinations where it is simply one industry amongst many – just one of the ways in which the place makes its living. Finally, we suggest that it makes sense to see destinations as places which offer a portfolio of tourism products – a portfolio that has to be renewed and updated as tourists' demands change. Since the products in the portfolio rely heavily on destination resources, and since those resources are not owned or controlled by the tourism industry, the industry alone cannot ensure that resources are protected and enhanced; nor can it resolve conflicts over their use and/or bring about sufficient investment in new resources. Management and planning at the destination level is needed.

THE GROWTH AND DEVELOPMENT OF DESTINATIONS

With these points in mind, we can go on to examine how destinations develop and change over time. Several descriptive models of the dynamics of tourism development have been devised over the past few decades, in the attempt to account for, and explain, destinations' historical

development. One of the most useful of these is that of Miossec (1976). As well as providing a descriptive framework for the development of a destination's tourism facilities through time, Miossec's **tourism development model** (see Figure 3.1) has the additional value of describing

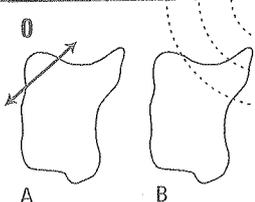
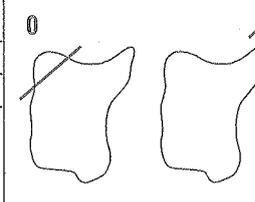
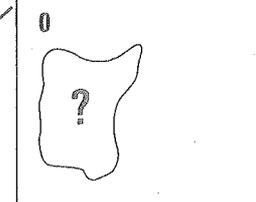
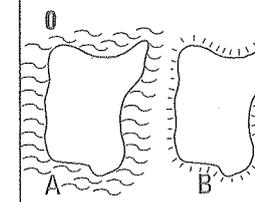
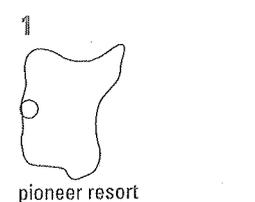
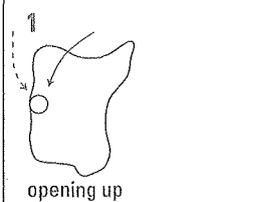
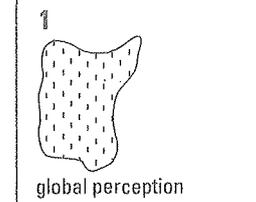
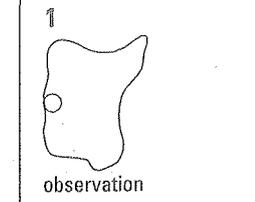
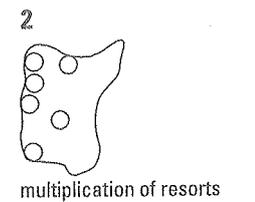
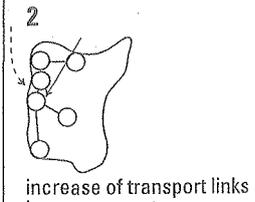
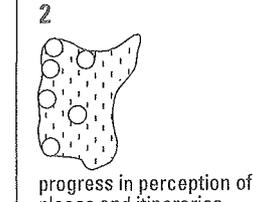
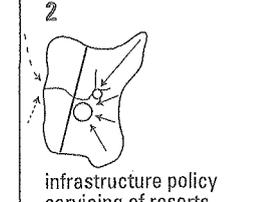
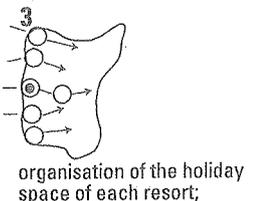
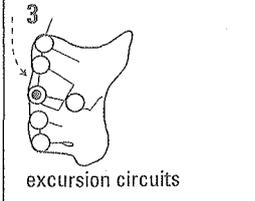
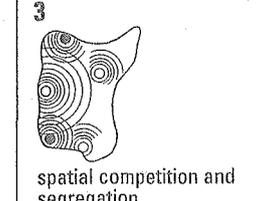
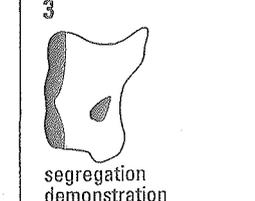
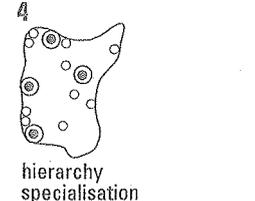
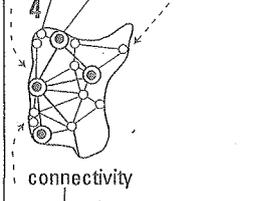
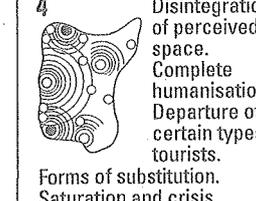
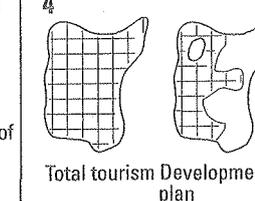
Resorts	Transport	Tourist behaviour	Attitudes of decision makers and population of receiving region
<p>Phases</p> <p>0</p>  <p>A B territory traversed distant</p>	<p>Phases</p> <p>0</p>  <p>transit isolation</p>	<p>Phases</p> <p>0</p>  <p>lack of interest and knowledge</p>	<p>Phases</p> <p>0</p>  <p>A B mirage refusal</p>
<p>1</p>  <p>pioneer resort</p>	<p>1</p>  <p>opening up</p>	<p>1</p>  <p>global perception</p>	<p>1</p>  <p>observation</p>
<p>2</p>  <p>multiplication of resorts</p>	<p>2</p>  <p>increase of transport links between resorts</p>	<p>2</p>  <p>progress in perception of places and itineraries</p>	<p>2</p>  <p>infrastructure policy servicing of resorts</p>
<p>3</p>  <p>organisation of the holiday space of each resort; beginning of hierarchy and specialisation</p>	<p>3</p>  <p>excursion circuits</p>	<p>3</p>  <p>spatial competition and segregation</p>	<p>3</p>  <p>segregation demonstration effects dualism</p>
<p>4</p>  <p>hierarchy specialisation saturation</p>	<p>4</p>  <p>connectivity maximum</p>	<p>4</p>  <p>Disintegration of perceived space. Complete humanisation. Departure of certain types of tourists. Forms of substitution. Saturation and crisis.</p>	<p>4</p>  <p>Total tourism Development plan</p>

FIGURE 3.1 Tourism development model (after Miossec, 1976)

the behaviour of tourists and the attitudes of host populations over the same phases.

Initially, in the early phases 0 and 1, there is little or no tourism development in the region in question. It is practically unrecognised as a tourist area and its residents tend to have polarised opinions of tourism's potential effects, either viewing these through rose-coloured spectacles or with a blinkered refusal to accept that there might be any positive impacts at all. Following the advent of tourism in the area (either as a result of chance discovery or as a deliberate development policy by the destination itself) a pioneer resort is first developed, then others are established, as visitor numbers increase and awareness of the areas as a tourist designation spreads (Phase 2). As local attitudes towards tourism change with experience however, the result can be either positive acceptance of this phenomenon, outright rejection, or the demand for planning controls to guide or limit tourism development (Phases 3 and 4). By this time, tourists have become more aware of the area's attractions and facilities, and this results in a degree of specialisation and hierarchy between different centres, finally leading to development saturation being reached. At this last phase in Miossec's model, the region is characterised by a clearly-defined hierarchy of interconnected centres operating as a unified destination area with a strong tourism image. Miossec suggests that by Phase 3 it is this very image – rather than the original attractions – which is attracting visitors, and that as a result, certain categories of visitors abandon the destination in search of less-developed regions.

Many authors, including Pearce (1989) and Craig-Smith and French (1993), commend Miossec's model for its simplicity and its ability to be applied to empirical studies of tourism development in specific regions. However, as a simplified framework of tourist development, some issues of relevance to the planning process are necessarily omitted from this model. One of the most important of these is the identity of the actors in the development process – those who build and own the resorts and facilities. Are they local or non-local, public sector or private sector? What are their motivations for investing in tourism development?

There are other models which do incorporate this particular issue. Regarding the local/non-local issue, several models, including that of van Doorn (1979), based on studies of tourism in developing countries, suggest a progressive reduction in local participation over time, as external developers take control of the development process. **Schwarzenbach's spiral** (see Figure 3.2), as illustrated in Ritter (1991) represents this tendency in terms of investment in tourism facilities, with the development being driven by investment and promotion carried out by agents from levels of administration which are increasingly remote from the destination itself.

However, in Gormsen's (1981) model of the **spatio-temporal development of international seaside tourism**, which is taken from a mainly European perspective, regional (i.e. local) initiative is shown to actually *increase* over time (see Figure 3.3). Unlike Miossec's model, Gormsen's is specific to particular times and places. Approximate dates are given, and the four diagrams refer to particular destination areas:

- Periphery 1 represents tourism development on both sides of the English Channel
- Periphery 2 represents the coasts of southern Europe
- Periphery 3 represents the North African coastline and the Balearic and Canary Islands
- Periphery 4 represents destinations in West Africa, the Caribbean, the Pacific and Indian Oceans, South East Asia and South America.

The model reflects Gormsen's findings that, in the destination areas observed, the initiative for tourism development first comes from actors who are external to the destination itself, but that local initiative gradually takes over (Column A). However, acknowledging the continuing importance of external capital and international investment in these destination areas, Gormsen points out that: 'the population (of these areas) is gradually becoming involved in independent (tourism business) activities, which are however limited chiefly to secondary, less profit-making tourist services.'

Linked to the question of control of the development process is the issue (included but greatly simplified in the Miossec model) of how

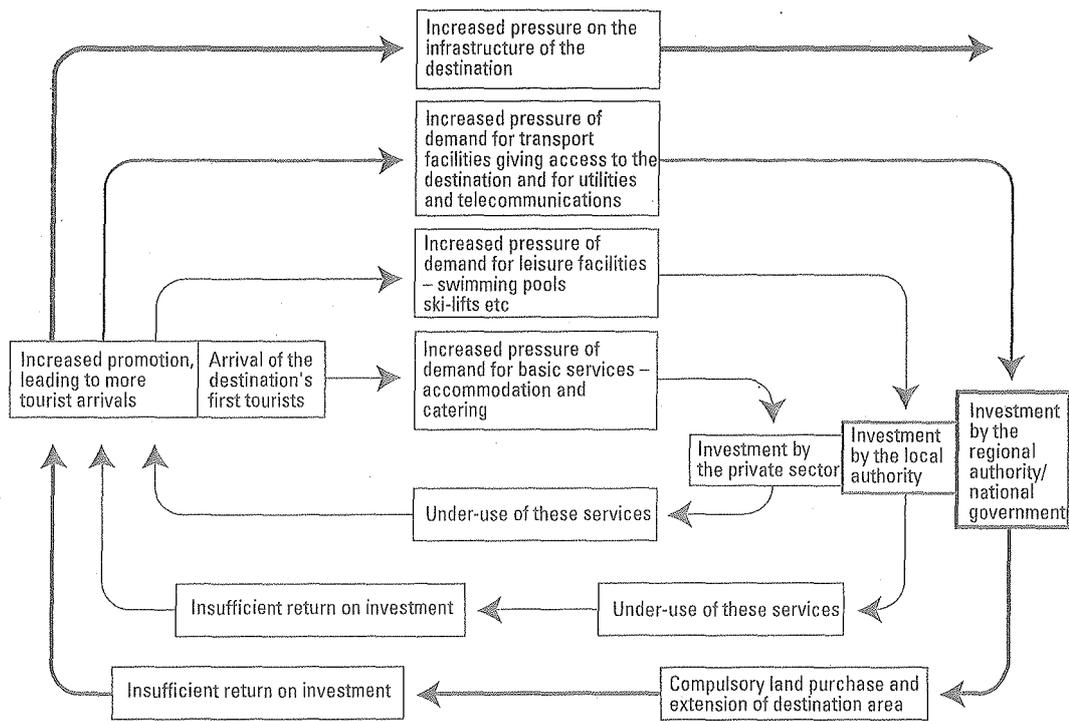
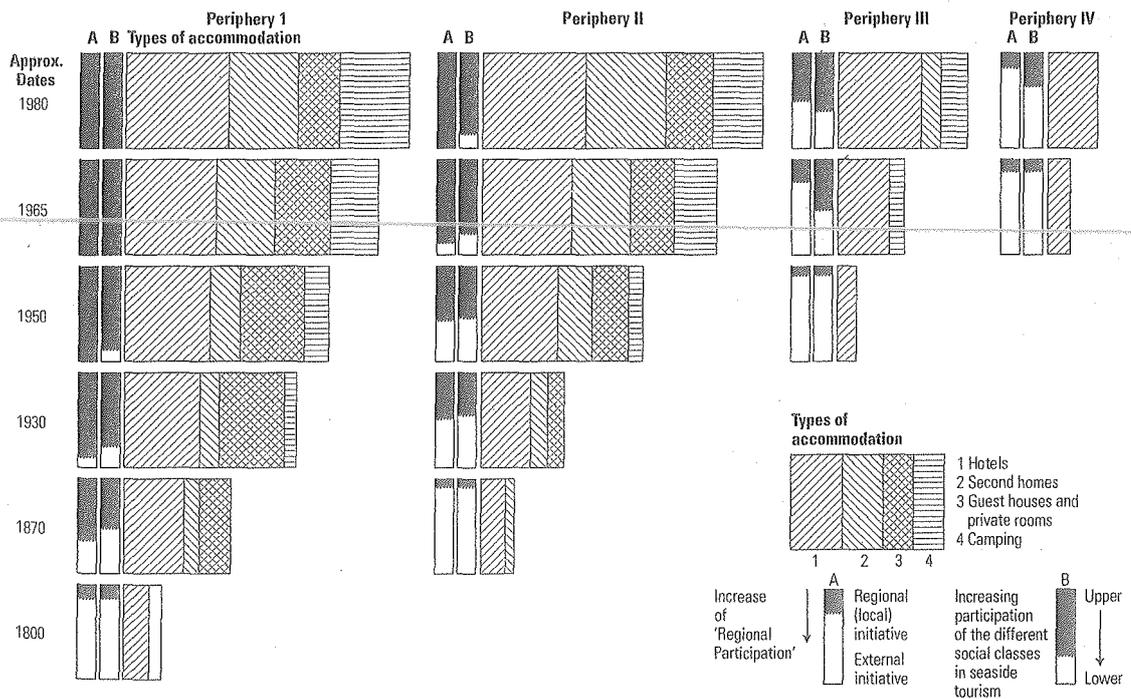


FIGURE 3.2 Schwarzenbach's spiral (after Ritter)



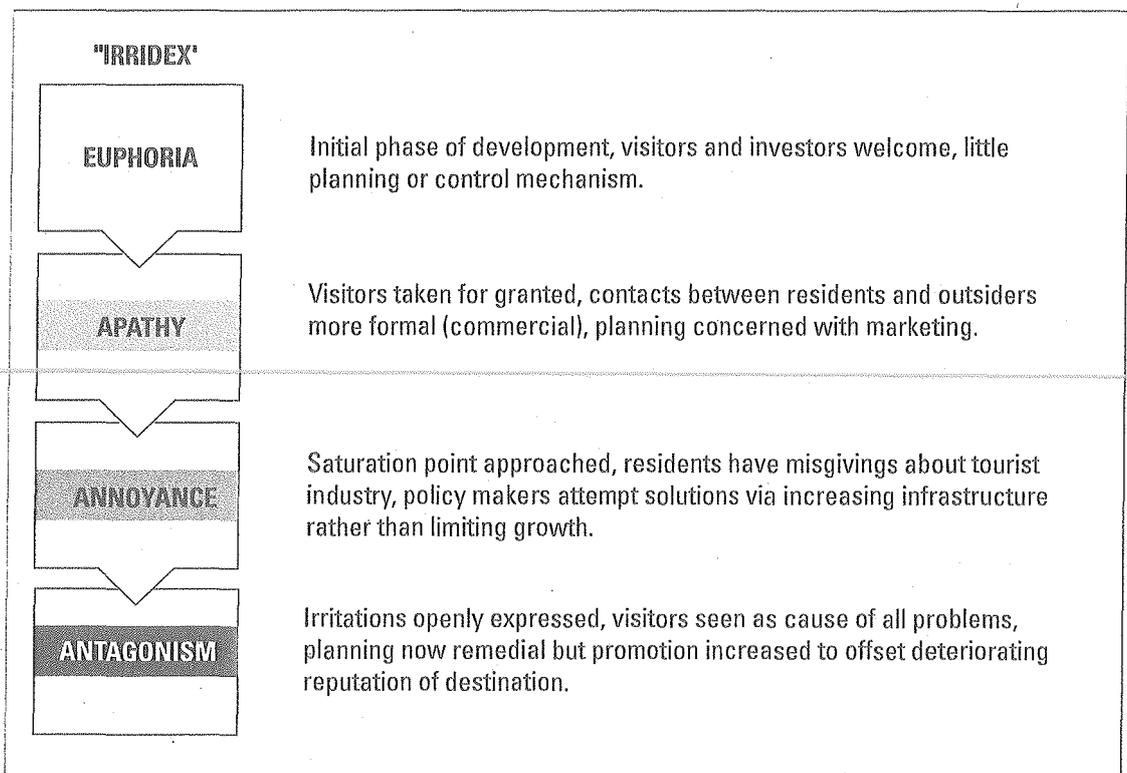
Source: redrawn from Gormsen, 1981

FIGURE 3.3 Schematic representation of the spatio-temporal development of international seaside tourism

residents' and policy-makers' attitudes towards tourists affect the planning process. Doxey's (1975) **Irridex model** (see Figure 3.4) identifies four attitudes commonly held by local residents towards tourists. The first of these, Euphoria, occurs when visitors are few in number and the extra income and stimulation they bring are welcomed by residents. At this stage, there are few negative impacts of tourism, and regulation and control are regarded as unnecessary. The positive attitudes of the Euphoria phase makes the destination more popular with visitors, who increase in number, leading to the phase of Apathy. By this stage, the residents' initial enthusiasm has cooled and more commercial transactions characterise the destination's approach to visitors. However, as the destination is still eager to maximise the economic benefits from tourism, policy for this sector is primarily concerned with marketing. But as tourist numbers continue to

grow towards saturation point and the disbenefits of tourism, such as congestion and competition for local resources, become more apparent, Annoyance becomes the dominant attitude.

Nevertheless, the planners' reaction, portrayed in this model, tends to be one of simply increasing the infrastructure at the destination, rather than tackling the thornier question of limiting growth (we examine their ability to do so later). If continuing growth causes further problems, putting an intolerable pressure on resources and services, the outcome may be open antagonism, particularly among those residents who derive no direct benefits from tourists. The case of the residents of Royal Crescent in Bath who threw buckets of water over the passengers on open-top tour buses, claiming that the noise of the guides' commentaries coming every ten or fifteen minutes was driving them to distraction, is one of the more well-publicised examples of



Source: After Doxey (1975)

FIGURE 3.4 *Irridex model*

openly-expressed antagonism towards tourists. Doxey considers that such manifestations of anti-tourist sentiments bring about a deterioration in the destination's reputation and that, side-by-side with planning measures to remedy such negative impacts, tourism promotion is also increased to offset this. But while this may be true of destinations which are very dependent on their tourism industry, in places where tourism accounts for a far less important proportion of the local economy, remedial measures need not necessarily be accompanied by increased tourism promotion (see the Cambridge case study for an example).

The destiny of tourist destinations is also determined to some extent by the profile of the visitors they tend to attract. Not only do different types of visitors have different types of impact on destinations, but the needs and motivations of those visitors also determine the range of facilities which the destination must provide for them. Several models include different aspects of visitors' characteristics in their description of tourism development, the most commonly-cited of these being tourists' socioeconomic and psychological profiles.

Gormsen's model shows the development of wider participation in tourism by other social classes apart from the élite who comprised the initial visitors to the destinations he describes. As new affluent middle class and working class travelling publics emerge in society as a whole, the proportion of visitors from these classes increases. An example of how changes in the socioeconomic profile of visitors can alter the very

nature of the destination area itself is shown in Gormsen's model, in the different types of accommodation provided to meet the demands of different social groups of visitors.

Reflecting the generally recognised tendency for the arrival of one social class to drive away the destination's existing class of visitor, several models present tourism in terms of class succession. One such scheme is that of Thurot (1973), who suggests that destinations pass through three successive phases:

- Phase 1: Discovery by rich tourists and the construction of an international class hotel
- Phase 2: Development of 'upper middle class' hotels (and expansion of tourist traffic)
- Phase 3: Loss of original value to new destinations and arrival of 'middle class' and mass tourists.

As in the case with many of the models under consideration here, Thurot's model most accurately describes tourism development in simple, resort-type destinations, where tourism is a dominant element in the local economy and where the image of the destination itself derives mainly from its reputation as a place worth visiting. However, the applicability of these ideas to all types of designation is questionable and even for resorts, the progression through a succession of phases ending in decline is far from being predestined and inevitable. These points are taken up in the following examination of one of the most widely-used models of destination development; the tourist area life cycle.

THE LIFE CYCLE OF DESTINATIONS

The **tourist area life cycle (TALC)** is probably the most widely-used model of destination development. It incorporates several of the ideas discussed previously, including the notion of a place progressing from a pioneering to an established destination, the crucial role of investment, and changes in the type of visitor attracted. It is intended to provide an organising framework for

understanding the historical development of destinations, and for analysing their current position and for considering strategy. It is derived from the **product life cycle (PLC)** which has been influential in marketing and corporate strategy. We will argue that whilst the TALC can be extremely helpful in thinking about the development and management of destinations, some of

its most important implications have received insufficient emphasis. We will describe the PLC and how the TALC is derived from it, discuss criticisms of the concepts, and go on to consider what they can contribute to our understanding of destination management.

PRODUCT LIFE CYCLE (PLC)

The PLC suggests that all products have a 'life cycle' which begins with their introduction or 'birth', and ends with their withdrawal or 'death'. The biological analogy is deliberate, and the PLC is seen as in some way mimicking biological life cycles. The PLC describes sales of a product over time, and in the classic case this follows an 'S' shaped curve – again, common in the natural world. The PLC is composed of several phases, typically: Introduction, Growth, Maturity, Saturation and Decline (Palmer, 1994). Whilst there is general agreement among commentators on this shape, the phases are difficult to identify with precision. Some versions of the PLC may have only four phases (e.g. Baker, 1992), others as many as nine (Wells *et al.*, quoted Baker, 1992).

The essential elements are common to all versions, however, and an example of the PLC is shown in Figure 3.5.

The PLC assumes that all products will tend to follow a similar path: the 'S' shaped curve. Initially sales are zero or low and climb slowly

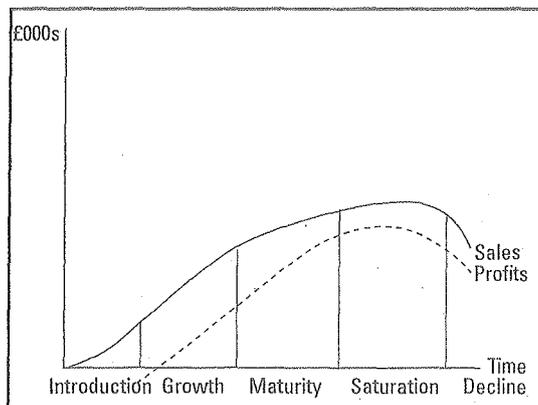


FIGURE 3.5 Product life cycle

through the Introduction phase. They expand rapidly through the Growth phase, continue to increase through Maturity, and peak when Saturation is reached. Sales then decrease in the Decline phase until the product is withdrawn. The PLC is highly generalised and shows a pattern with units of time left undefined, but it clearly implies that eventually all products will reach the end of the Decline phase if no action is taken.

It is important however to be clear at the outset about the PLC's limitations. According to Baker:

'[it] is one of the most widely known yet most misunderstood theoretical constructs in marketing ... misinterpretation arises from the mistaken belief that the PLC is a precise forecasting tool ... it may be regarded as an important tool for planning at the strategic level always recognising that it is not of itself deterministic and may be influenced significantly by environmental changes and/or marketing action'

(Baker, 1992)

Cooper (1989) also emphasises its attractions and limitations: '... despite its logical and intuitive appeal, it is difficult to operationalise and use the PLC for, say, forecasting or decision taking'.

From a firm's point of view, the value of the PLC is that it is helpful in thinking about the marketing conditions and problems associated with each phase of the cycle, and about the cash flows involved. In terms of marketing, the firm will seek to understand its potential consumers at each phase of the cycle. One means of differentiating consumers is through 'adopter' categories, which divide consumers on the basis of their willingness to try new products. It is argued that as the product moves through its life cycle it will be taken up successively by: Innovators, Early Adopters, Early Majority, Late Majority and Laggards (Baker 1992). The point is not that the same people fall into the same 'adopter' category for each product – on the contrary, the composition of each category will vary from product to product. Rather, once this categorisation is accepted, it provides a framework which allows the firm to identify more clearly its target consumers at each stage of the cycle.

The firm will have to manage the conflicting demands of its cashflows through the cycle. In the Introduction and Growth phases, demands for cash will be heavy to meet costs of promotion and investment. Revenues will be very limited in the Introduction phase, so cash flows will be negative; as Growth picks up revenues will increase, but they are unlikely to do more than service investment requirements. It is only in the Maturity phase that substantial positive cash flows can be achieved.

For our purposes, there are three main implications to be drawn from the PLC concept:

- 1 Change is inevitable, as products pass through the stages of their life cycle.
- 2 Firms reliant on a single product will thus eventually, but inevitably, go out of business as their product reaches the end of its life cycle – unless the product can be continually rejuvenated.
- 3 Funding the development of new products or the rejuvenation of existing products requires significant cash flows.

We take up these issues after our discussion of the tourist area life cycle.

TOURIST AREA LIFE CYCLE (TALC)

The TALC is explicitly derived from the PLC, and has been widely discussed following Butler's

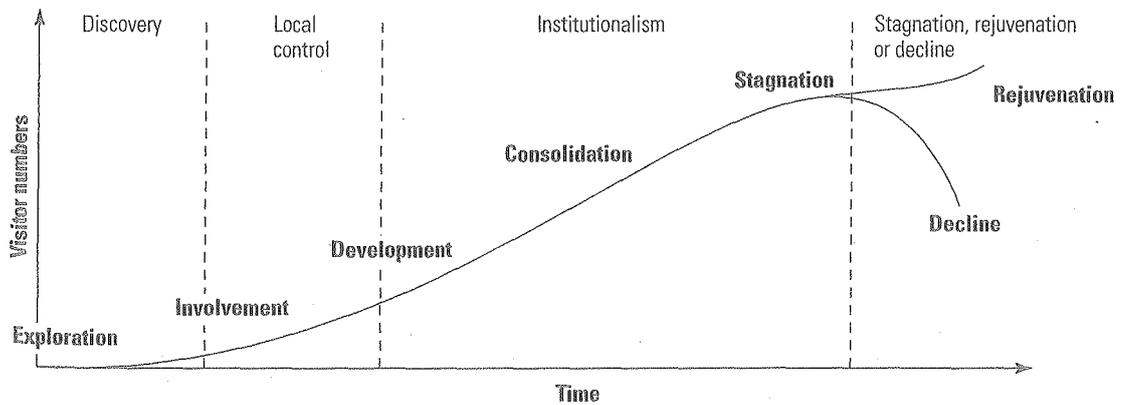
introduction of the concept (1980). Applying the notion of the PLC to tourism immediately raises the question of how the 'tourism product' should be defined and how its sales should be measured (a question to which we return later on). The TALC asserts that the product is the destination (or tourist area) and that destinations experience life cycles which are analogous to product life cycles. Accordingly to Cooper:

'Although it could be argued that the tourism product is the sum of travel experiences from anticipation to recall, the destination is a key element in the product. Destinations go through a cycle of evolution similar to the product life cycle . . . simply, numbers of visitors replaces sales of a product'

(Cooper, 1989)

In considering the development of a destination over time, the TALC attempts to model the interaction between demand for and supply of the tourism product. It considers changing patterns of demand generated by changing visitation (different types of visitor with different needs and expectations) and changing patterns of supply which arise as destination characteristics and facilities are modified. In other words, like the PLC, it is concerned with changing marketing conditions at different phases of the cycle, and thus by implication with the cash flows involved.

A depiction of the TALC is shown in Figure 3.6 (based on Butler, 1980).



Source: Butler (1980). (Reprinted with permission from Pergamon Press Ltd.)

FIGURE 3.6 Tourist area life cycle

The similarity with the PLC is clear. Success is now measured not by sales volume, but by numbers of visitors, and the curve depicts visitation to a destination over a period of time. The phases of development are depicted as Exploration, Involvement, Development, Consolidation, Stagnation (the latter two sometimes combined as a Maturity phase), and Decline. Visitation begins slowly in the Exploration phase, grows more rapidly to peak in the Stagnation or Maturity phase, and then falls as the destination enters a period of Decline. We can consider each of these phases in turn.

- In the **Exploration phase**, the place starts to become a tourist destination – in other words, a new tourist product is introduced. This phase is normally depicted in terms of small numbers of intrepid visitors ‘discovering’ some new destination, attracted in part by the lack of other visitors.

‘... small numbers of adventurous visitors are attracted by the unspoilt natural beauty or culture of the destination. At this stage numbers are restricted by lack of access and facilities, and the attraction is that it is as yet unchanged by tourism and contact with local people will be high ... Parts of Antarctica, Latin America, and the Canadian Arctic are examples here.’

(Cooper, 1994)

At this point in the cycle, a key role is played by the small number of adventurous visitors. They are the equivalent of the innovators in the PLC’s Introductory phase, and have a crucial role in starting to establish the new product in the market. The obvious difference is that in the case of the PLC, a considerable promotional effort is made to identify and catch the attention of innovative consumers (producers are seeking to develop the market) whereas the TALC sees consumers themselves developing the market through seeking out new destinations (we consider this further below). Cash requirements present another contrast. At this phase of the TALC, there is little need for investment in facilities for visitors, since the lack of such facilities provides much of the area’s attraction.

- The **Involvement phase** sees visitor numbers beginning to build up, and facilities are provided (largely by local operators). There is an identifiable tourist season and the place is marketed as a destination although visitors are still attracted to its novelty and the fact that it is not an established resort. Impacts from tourism begin to become significant, and public authorities may become involved, either through infrastructure provision, or control and management of development.
- The **Development phase** sees the most crucial change. Visitor numbers are substantial as the destination becomes better known. The visitor profile begins to change, and there is greater appeal to the less adventurous traveller. This is in part because services and facilities are expanding, and are increasingly being provided by major operators who are able to offer familiar and reliable levels of service. Increased involvement of larger firms means that investment, and thus ownership and control of the industry, comes from outside the destination. The higher levels of visitation means that destination resources begin to come under pressure, and may start to become degraded, depending on visitor numbers and the resources’ fragility. The natural and built environment may suffer wear and tear, and conflicts between tourism and the host population (or non-tourism industries) may begin to emerge. Public policy and investment to protect resources and manage conflict will be required if the destination is to sustain continuing development. Long haul destinations like the Seychelles or Bali are frequently quoted examples.
- At the **Consolidation phase**, visitor numbers continue to increase, although growth is much less rapid. The area is now firmly established as a destination and is attracting more conservative visitors seeking the familiar. Many tourism services are provided by large national or international companies, although smaller and local operators still play a significant role. The continuing increase in visitation will place further demands on the destinations’ resources, and the way these

have been or are managed will determine its future.

- The **Stagnation phase** occurs when visitor numbers peak. The destination now relies principally on unadventurous travellers who are attracted by its reassuring familiarity and extensive facilities. There is likely to be a need to promote the place and to identify potential new products and markets, in order to sustain visitation. The extent to which resource management has been effective is likely to be crucial. If the resources which initially made the place attractive have been substantially conserved, then the destination may be able to sustain a stable or gently growing level of visitation indefinitely. However, this will require continuing protection and renewal of resources, and adaptation of products and markets.
- The **Decline phase** occurs as visitor numbers fall. There will be a move down market, and there is likely to be continuing promotion in an attempt to attract sufficient visitors to meet the capacity of available facilities. The extent to which such promotion succeeds depends partly on how far the destination's original resources have been degraded. Destinations in decline may seek Rejuvenation through a shift in products or markets and they may accept continued decline of their tourism industry or they may ultimately move out of the tourism

business altogether. In any case, significant involvement of municipalities will be required to manage change. This may involve rejuvenation strategy through major new investment in partnership with the private sector.

Central to the TALC analysis is the interaction between different types of visitors and the nature of the destination. The development of the destination proceeds as a few adventurous visitors sampling a new product are replaced with larger volumes of visitors consuming a product which becomes increasingly standardised. The growth of visitation stimulates the provision of more facilities for tourists, which itself feeds the growth in visitor numbers. The combination of more visitors and more facilities means that the nature of the destination changes.

This view clearly sees the market as segmented in terms of visitors' adventurousness, or their willingness to try a new destination product. In one sense, this simply borrows the PLC's classification of new product adopters (ranging from Innovators to Laggards). The idea has been taken further by linking destination life cycles to Plog's well-known **classification of tourists' characteristics**.

Plog (1973) broadly categorised tourists along a spectrum of personality types ranging from Psychocentrics to Allocentrics. The former are self-inhibited, nervous and lacking in the desire

Experience	Demands	Destination impacts
Explorer	Quest for discovery and desire to interact with hosts.	Easy to accommodate in terms of numbers, acceptance of local norms.
Elite	Tour of unusual places, using pre-arranged native facilities.	Small in number and easily adapted into surrounding environments.
Off-beat	Get away from the crowds.	Minor because willing to put up with simple accommodation and service.
Unusual	Occasional side trips to explore more isolated areas or undertake more risky activity.	Temporary destinations can be simple but support base needs to have full range of services.
Incipient mass	Travel as individuals or small groups; seeking a combination of amenities and authenticity.	Numbers increasing as destination becomes popular; growing demand for services and facilities.
Mass	Middle-class income and values leads to development of a 'tourist bubble'.	Tourism now a major industry, little interaction with local people beyond commercial links.
Charter	Search for relaxation and good times in a new but familiar environment.	Massive arrivals; to avoid complaints hotels and facilities standardised to Western tastes.

FIGURE 3.7 Interaction of tourist type and destination

for adventure, preferring well-packaged routine holidays in popular tourist destinations. The latter are more outgoing and independent, have varied interests and are keen to explore new places and find new things to do. Since the needs of these two groups differ so much, they will need to visit different destinations at any given time. But Plog suggests that the same destination can appeal to different categories of tourist at different times: being 'discovered' by Allocentrics, popularised by Midcentrics and then finally adopted by the Psychocentrics (by which time the Allocentrics will have long since moved on to other destinations). Since, according to Plog, the population is distributed normally along this spectrum (that is the bulk of the population is in the mid-ranges), the implication is that by the time the destination is attracting predominantly Psychocentrics, its market is already in decline. Thus, he maintains

'we can visualize a destination moving along the spectrum, however gradually or slowly, but far too often inexorably towards the potential of its own demise. Destination areas carry with them the potential seeds of their own destruction, as they allow themselves to become more commercialised and lose their qualities which originally attracted tourists.'

(Plog, 1973)

An alternative model of the relationship between different types of tourists and destinations is that suggested by Smith (1977). He identifies seven types of tourists seeking different types of experiences, making different demands and creating different impacts on the destination. (Figure 3.7).

Just as destinations can move along Plog's allocentric-psychocentric spectrum, so may they begin their involvement in tourism by being visited by a few Explorers and finish up as havens for vast numbers of Charter tourists. The relationship between visitor types and stages in the TALC is shown in Figure 3.8.

Considered in this light, the TALC seems a convincing means of explaining the development of destinations:

- it draws on an apparently generalisable set of observations about the range of visitors' personalities and preferences
- it links tourism products to a wider analysis of consumer behaviour
- it links consumer preferences with the provision of services at destinations and changing types of operator
- it is intuitively appealing and can be simply and clearly expressed.

It does, however, have a number of deficiencies; we discuss these next, and then go on to consider how they can be addressed.

WEAKNESSES OF TALC IN ACCOUNTING FOR DESTINATION DEVELOPMENT

It is a 'resort' model

'Tourist area' is a vague term, but its advantage is that it can encompass a wide variety of destinations. However, a disadvantage is that implicit definitions of 'tourist area' can come to be accepted without sufficient justification. In practice, 'tourist area' frequently seems to include the

Adopter category	Destination stage	Visitor type	
		Allocentrics	Psychocentrics
Innovator	Exploration	Allocentrics	Explorer/Elite/Off-beat
Early adopter	Involvement	Allocentrics	Unusual
Early majority	Development	Midcentrics	Incipient mass
Late majority	Consolidation	Midcentrics	Mass
Laggards	Stagnation	Psychocentrics	Charter

After Baker (1992), Plog (1976), Smith (1977)

FIGURE 3.8 Classification of tourists' characteristics

assumption that destinations follow a 'resort' model – probably a new or rapidly growing resort in the developing world or an under developed area in Europe. Thus the destination's (tourist area's) overall development is depicted as driven primarily by the tourism industry. However, as we pointed out earlier, in the UK and the rest of Western Europe (and elsewhere in the developed world), many destinations are established places and tourism is just one of a number of activities driving their development. This is true of capital cities like London and Paris, historic towns and cities like Cambridge or Montpellier, and increasingly of places which began as holiday resorts, such as Brighton or Nice. In non-traditional destinations like Halifax or Lille, tourism is a new or growing industry in a long established city. Understanding the development of tourism in destinations like these means seeing the industry as part of the local economy as a whole, and not as the dominant force driving change.

Progress through the life cycle is not inevitable

The TALC depicts inevitable movement along the curve from the Exploration to the Decline phase, a movement which results from forces outside the destination's control. Unless growth can continually be stimulated, decline may be postponed but will eventually occur. This view stems in part from the biological analogy on which the PLC and TALC are based: 'decline is ultimately inevitable, and tends to mirror the growth phase in that it accelerates over time' (Baker, 1992). This means that, like ageing movie stars, destinations can for a time stave off decay with a series of face lifts, but must in the end accept their demise. The idea that there are inevitable phases of destination development is reinforced by the TALC's resort bias, for that gives it an implicit supply and demand agenda. Since resorts are mainly reliant on tourism, they often lack alternative investment opportunities, and that means there is a tendency to retain existing tourism facilities, and develop new ones, which in turn means visitor numbers must continually increase, so that the resort is driven toward the Stagnation phase.

These perspectives are at best partial. Places

are not natural organisms and there is no reason to suppose that they must inevitably die. The apparently inevitable class or personality-type successions described by Thorot, Smith or Plog seem rooted in 'resort' models of destinations. They are less applicable to more complex destinations where tourism represents only one aspect of the economy and image of the area. Most cities, for example, receive visitors from a wide variety of socioeconomic backgrounds and with different motivations – ranging from shopping, to conferences, to high cultural pursuits. At such destinations, the different social classes coexist without, in many cases, even being aware of each others' existence. Equally, in these more complex economies, tourism is simply one of a variety of investment opportunities and it is much easier for existing tourism enterprises to diversify into other markets – this removes the tendency to oversupply tourism facilities.

Even traditional resort-type destinations, on close examination, may be able comfortably to accommodate visitors from different social classes; indeed they may depend on doing so for their continuing success in tourism. Alan Bennett could perceive a whole range of subtle distinctions regarding the different areas of a destination as apparently homogeneous as Blackpool:

'which my mother always thought a bit common. If we ever went to Blackpool, she made sure we stayed at Cleveleys or Bispham – "the refined end". The era of package holidays came too late for my parents and they never went abroad, but had they done so the same standards would have applied. Mam would soon have sussed out the refined part of Torremolinos or a select end to Sitges.'

(Bennett, 1994)

Places can exert some control over their own destiny through managing the supply of the tourism product (resources and services) and by influencing demand. This can make it possible to stabilise their position at a chosen point in the life cycle, or to influence the rate of progress along it. The role of management throughout the life cycle (and not simply as a reaction to decline) must be recognised.

Visitor numbers are an ambiguous measure of success

The PLC measures a product's progress in terms of sales volumes and revenues generated. The TALC uses visitor numbers as a proxy for sales, but this is an unreliable guide to success. In the case of a product, sales usually provide the firm with a good measure of success, since increased sales result in increased revenues and increased profits (as unit costs are likely to be falling or at least static). Rising sales will almost always signal net benefits to the firm.

From a destination's viewpoint, things are different: increased visitation in itself does not necessarily generate revenue, but may well generate costs. Visitor revenue may be a better success measure but, ideally, a destination will want to maximise the net benefits it gains from *each* visitor (that is, the benefits each visitor generates, less the costs they impose). On this basis, success should be measured not simply in terms of the quantity of visitors, but in terms of visitor quality (defined by the net benefits they generate for the destination). This is illustrated by the efforts many destinations make to attract business and conference visitors; a group which generates substantial benefits through high spending per capita, and imposes comparatively few costs. Once quality and net benefits are considered, it is clear that from a destination perspective, it may be preferable not to maximise visitation, but to stabilise visitor numbers to below their maximum potential, to focus on maximising benefits from tourism and to seek complementarity between tourism and other activities. However, the issue is complicated by the fact that the benefits and costs of visitation are unevenly distributed, especially in destinations other than resorts. The commercial tourism industry may gain continued benefits from increasing visitor numbers, and suffer few costs – but for the host population, the reverse can be true. We discuss how destination management can tackle this conflict in subsequent chapters.

The tourist area is not an integrated product

The destination or tourist area is depicted as a single integrated product in which all the ele-

ments develop consistently and at similar speed. This is a simplifying assumption which makes the model clearer, but which obscures three important points.

- 1 It assumes that all services required by visitors are equally demand-responsive, so that an increase in visitation will call forth supply as required. In practice, this is unlikely to be so. Provision of infrastructure and other public goods will tend to lag behind the provision of direct tourist services such as accommodation because of the difficulties in recovering investment costs. In an unregulated market, accommodation and other services may advance quickly from Exploration to Development whilst infrastructure remains little changed. The result is likely to be congestion, pollution and long-term damage to the destination's resources.
- 2 Different elements of the destination may have different carrying capacities and thresholds preventing balanced growth. This is clearest in the case of natural resources. Johnson and Spengler (1993) show in their study of Yellowstone National Park that whilst visitor services have only reached the stage of Development, from the point of view of the area's ecology visitor numbers are at Saturation, and causing damage. Some means of recognising and acting upon these conflicts is required. Other destinations have different inconsistencies: a non-traditional destination seeking to develop its market (such as Bradford in the early 1980s) may have many services at the Consolidation stage (hotels, restaurants, entertainment) whilst visitation is at the Exploration stage.
- 3 It is misleading to think in terms of the destination as a single product serving a single market, differentiated mainly by the adventurousness of visitors. Whilst this may be true for purpose-built resorts where tourism is the dominant industry, it is not always the case. A single destination may, in fact, offer a series of different products to different markets, each at a different point in its life cycle. For example, a British seaside destination may provide a series of products: long family holiday (in de-

cline); weekend breaks (mature); business and conference tourism (consolidation); educational tourism (growth). The destination's position on the life cycle depends on the net outcome of this series of products, which serve widely differing markets. In this sense, it is helpful to think of a destination as a series of products, or a system of tourism components, existing at several points on the TALC curve at any one time, and with a series of potentially conflicting demands on the destination's resources. We take up this point in the next section.

The role of resources is neglected

The TALC sees the development of tourism products as driving destination development. It focuses on the provision of additional tourist services and facilities over the life cycle, and pays comparatively little attention to resources, although the need to deal with problems of over-use or depletion are acknowledged. However, as Gordon and Goodall (1992) point out, it is possible to view destination development as driven at least in part by cycles in the development of the destination's resources.

In general, the natural environment, the built environment and sociocultural resources are all subject to degradation as the destination develops. An unspoilt natural environment which attracts visitors in the first place is vulnerable as the destination develops. As visitor numbers increase, peace and quiet and the sense of being in an unspoilt area will be diminished, and there may be pressure on wildlife and on natural habitats. The provision of infrastructure to cope with more visitors may itself be intrusive. The value of the built stock can also decline as the destination develops. Historic or vernacular buildings are subject to the same sort of pressures as the natural environment as visitation increases – they suffer wear and tear, and may be damaged by conversion to inappropriate uses to serve visitors. New facilities built to serve the growing market face

different problems – their attractiveness to tourists will decline as time passes if their facilities become outdated, forcing operators to shift down-market in their search for customers. Sociocultural resources can also be affected. For example, the image of a place will change as visitation increases and it becomes, necessarily, less unusual and exotic. This shift down-market will be reinforced if the built and natural environments are also being degraded. Equally, high levels of visitation may mean cultural facilities become crowded and over-used, and the host population may become less hospitable.

All this will occur if investment, maintenance and management are inadequate, but it is not inevitable. The key problem is that as resources are not generally under the control of the tourism industry, they have tended to be treated as constraints to be dealt with as tourism services expand. However, there is a strong case for seeing management of resources as being at the centre of destination development.

Overall, the TALC has a number of serious weaknesses. Its attraction is that it offers an easily comprehensible and intuitively appealing model of destination development. Its drawback is that this requires simplification which can be misleading. In particular, the TALC does not come to grips with the fact that tourism occurs not only (or primarily) in purpose-built mono-functional resorts, but in places where it is just one of a number of activities. Nor does the model acknowledge that the destination offers a composite series of tourism products, serving different markets and making different demands on its resources. To get a clearer view of how destinations can develop, we need to look in more detail at these problems. Next we will consider the different components which make up the destination's tourism product: the 'tourism product portfolio'. Later on we will consider the relationship between tourism and other economic activities in destinations.

TOURISM PRODUCT PORTFOLIO (TPP)



The **tourism product portfolio (TPP)** comprises all the tourism products which a destination supplies. Analysis of the TPP can be used to help clarify a destination's current position and the strategic choices it faces. Portfolio analysis was initially developed as an aid to corporate strategy, and is based on seeing the corporation as a series of products or businesses. In this section we discuss product portfolio analysis, and apply the ideas to the analysis of destinations.

As we pointed out previously, the logic of PLC is that a one-product firm is eventually doomed to extinction. If all products eventually follow the life cycle from birth to death, the firm which relies on a single product must itself follow that same life cycle. Of course, the notion that progress through the life cycle is inevitable is questionable, as we pointed out above, and it is easy to think of firms which have survived very successfully with a single product: Morgan, the car builders and Purdey, the shot gun makers are examples. In any event, few firms are entirely reliant on a single product. The more general point is that a firm is vulnerable if its product range consists of a series of related products each of which follow the life cycle in a similar way. Unless the firm can find means constantly to rejuvenate these products, it again faces eventual extinction. Product portfolio analysis was developed as a means of addressing this problem. If all products inevitably follow the product life cycle, then it is in the firm's interests to develop a complementary range of products, each at different stages in the cycle. Thus, as one product

reaches stagnation and decline, and sales revenue falls, another will be approaching maturity and revenue will be increasing. As products reach the end of their life cycle and are discontinued, new products are brought to the market.

The principle of portfolio analysis is simple and clear: by creating a balanced product range, a firm can ensure that the inevitable death of particular products does not bring about its own demise. Achieving such a balanced portfolio is obviously much more difficult. The key point from the firm's point of view will be how to fund the development of the new products which will be brought to market to replace those which are being retired. An influential aid to dealing with this problem was devised by the Boston Consulting Group and is known as the Growth Share Matrix, or 'Boston Box'. The Boston Box plots products' place on the PLC (their market growth rate) against their dominance, or competitive position in the market place. This allows products to be differentiated in terms of their need for cash resources or their ability to supply resources for development. A version of the Boston Box is shown in Figure 3.9.

In this depiction, 'dominance' indicates the product's share of the market. The analysis depends on high market share (a high level of 'dominance') generating high profits and cash flows. High market share generates high profits because costs are driven down by scale economies and also by experience effects. Increasing scale of production tends to lower the

		Dominance	
		high	low
Annual market growth	high	Stars (cash flow modest ±)	Queries? (cash flow -) ✓
	low ✓	Cash Cows (cash flow large +)	Dogs (cash flow modest ±)

FIGURE 3.9 *Boston Box*

unit cost, through economies of scale. As plant size increases, cost per unit decreases (doubling the size of a facility usually costs much less than double the unit cost). Scale economies may also occur in other areas, such as R&D. Experience effects stem from the cumulative volume of production (at whatever scale): as a result of experience, the firm gets better and better at producing the product, and costs per unit are driven down. The result is that products with a high market share enjoy a double advantage, and should generate high profits and cash flows.

The other axis in Figure 3.9 depicts growth in the market for a particular product, and is derived directly from PLC analysis. Individual products will experience different rates of growth depending upon their position in their life cycle: growth will be most rapid in the Introduction and Growth phases, and will slow down in Maturity and Saturation.

Given these pairs of characteristics, we can identify different types of product in terms of their current contribution to cash flow and profit, and their possible future role.

- **Cash cows** are successful products which have reached maturity and saturation. They are dominant in their market, with a high market share, and therefore costs have been driven down through scale and experience effects. The product is produced at, or near, its maximum volume, and growth is slow. There is little need for additional investment or promotion, so that there is large positive cash flow, since the product generates substantially more cash than it needs. Firms will seek to maintain the dominant position of 'cash cows' in their markets, and to extend their life. This will lead to strategies which include promotion to reinforce brand loyalty, and encouraging new uses or more frequent purchases to maintain or extend product life.
- **Dogs** are products which also form part of slow growing markets but, unlike cash cows, they have not developed a dominant position. Since their share of the market is low, they have not benefited much from scale or experience effects, and at best are likely to be generating very modest profits and positive

cash flows. Since the market overall is growing only slowly, and rival products have established dominance, there is little opportunity for 'dogs' to improve their position. In these circumstances, the firm's basic strategy will be to terminate the product. This can be done in a variety of ways: the product could be sold to a rival; a harvesting strategy could be employed, designed to maximise the returns from a restricted market; or production could simply be ended.

- **Queries** (aka problem children) are products which currently have a small share of a market which is growing rapidly. The growth in the market means that potentially, production could be expanded considerably, leading to cost reductions through scale and experience effects. However, these products are not generating profits, and will require large injections of cash from another source if they are to improve their market share. The strategic problem from the firm's point of view is whether to make this investment. If it is successful, then the product can be transformed into a 'star' and later a 'cash cow'. However, there is no guarantee of success – other firms will be promoting rival products in the market, also aiming to create 'stars'. If the strategy does not succeed, considerable investment will be wasted.
- **Stars** have a large share in a rapidly growing market. That means they are generating positive cash flows, which will increase if they can maintain their dominance and begin to benefit from scale and experience effects. Firms will seek to promote their growth and will use all the cash flow generated by the product (and perhaps more) to do so.

Portfolio analysis requires firms to assign their products to one of these categories. This allows the interactions and potential complementarity within the product range to be considered, especially in terms of how it may be developed in the future: which products should be promoted, and how currently available cash flows can best be used. Thus, from the firm's point of view, the value of this analysis is that it identifies its current strategic position in terms of its product range,

and does so in a way which focuses attention on the crucial issue of the resources which will be required for future development, and from where they can be obtained. This leads to decisions about the current and future composition of the product portfolio.

It should be noted that portfolio analysis has, however, been subject to a number of criticisms. Briefly these are as follows:

- The approach oversimplifies a complex reality. It is seen as reducing corporate strategy to choices about products, depicted in four crude, stereotypical positions derived from a simplified view of markets and competitive positions.
- Product positions and characteristics are described mechanistically, and often inaccurately. For example, dominance in the market is not necessarily the most effective route to profitability and positive cash flows – niche marketed products can also be highly successful.
- Factors which are essential to long-term strategy are not included. For example, changing technologies and changes in the social, political and economic environment will be at the heart of a firm's consideration of its future, but are not encompassed in the analysis.
- The basic assumption that a balanced and diversified product portfolio is the most appropriate strategy may be incorrect. During the 1980s, analysts drew attention to the potential problems of firms operating in series of markets with a range of different types of product, not all of which they understood well. It was argued that a better strategy was to focus on a limited number of products. The influential Peters and Waterman (1982) argued that diversification by acquisition (sometimes motivated by a desire to achieve a more balanced portfolio) had generally had disastrous outcomes for firms, and that a more effective strategy was to 'stick to the knitting' i.e. remain within areas that the company understands and in which it has particular skills. These criticisms were reinforced by the observation that many single or limited products were able to survive the severe recessions of

the 1980s more effectively than their diversified counterparts.

These criticisms clearly have validity, but apply more to the abuse of the portfolio concept than to its use. The value of portfolio analysis is not that it provides answers automatically – it does not. Rather, it sets a valuable structure for strategic questions, and a useful and readily comprehensible analysis of the current position. As such it is a valuable tool for *thinking* about strategic problems and strategic possibilities, and not a device to determine strategy automatically.

Portfolio analysis is a logical development of ideas which flow from the PLC. Since the TALC itself derives from the PLC, can we use portfolio analysis to help understand the problems of destinations? In Chapter 2 we argued that tourism is becoming increasingly diverse, and that there is an increasing range of tourism products. Whilst pleasure travel has continued to grow and to become more varied, there has in addition been rapid expansion in other categories of tourism: business tourism and educational tourism have expanded rapidly; the distinction between leisure and tourism has become increasingly blurred; and day visitors typically undertake a variety of activities from visiting a museum to going shopping.

This diversity is reflected in, and stimulated by, an increasing diversity of tourism products. Just as firms have a portfolio of products, we can see each tourism destination as offering a unique range of tourism products: its tourism product portfolio (TPP). The current strength or weakness of tourism in the destination will be the result of its current portfolio, and tourism's potential in the destination will depend on the possibilities of adapting the portfolio in the future. Destination management is thus in a real sense concerned with the management of a portfolio of products in a destination.

This idea is straightforward enough. However, as with other models of destination development, there are difficulties in making it operational. Examining the market position of a destination's products raises two problems. First, how do we define and measure the products? There is no unambiguous answer, since we can

define products at a more or less detailed level. We might see 'business tourism' as a single product, but it could then be broken down into a series of components – for example overseas and domestic business tourism. The appropriate definition of the product will depend on the destination we are considering. We can measure changes in the significance of products to a destination either by numbers of visitors or by their spending. Spending will generally capture the significance of visitation more effectively. However, this brings us on to the second difficulty: finding reliable, consistent data on tourism in destinations. Collecting information about visitors, their spending and their behaviour is difficult and expensive; the result is that the data available for most destinations are limited in scope and accuracy. Information on type of visitors and their spending, or even the numbers of visitors, is often based on dated surveys which have been fairly crudely updated. This situation may change in the future. Models are now being designed and tested which estimate the volume and value of tourism activity in destinations, as well as the employment it creates. An example is the Cambridge Local Area Tourism Model (Cambridge Economic Consultants, 1996). This seeks to overcome the lack of regularly collected local information by using information from national tourism surveys and data held by Regional Tourist Boards. 'It distributes regional activity as measured in those surveys to local areas using "drivers" such as accommodation available which influence the distribution of

tourism activity at the local level' (Cambridge Economic Consultants, 1996).

If models like this are brought into widespread and successful use, it will be possible to examine change in destinations' tourism product portfolios in much more detail. Until then, we must accept that for most destinations, any model of development must rely on broad estimates. Provided we are using the model as an aid to understanding and to clarify strategic choices, this is not too severe a disadvantage. In any event there seems little choice, since we can hardly use lack of data as an excuse for not trying to understand destination development.

We begin by defining products in a way which is appropriate to the destination we are examining. We can then look at the portfolio using Boston Box principles. We make two slight modifications. First, the Boston Box depicts market growth as a range from high to low. However, some tourism products can be in absolute decline – for example long family holidays at cold water resorts – so we depict market growth as stretching from high growth to actual decline. Second, we look at a product's market share in terms of the importance of its contribution to the destination's total tourism activities. A high share thus means a product is especially important. This allows us to examine the current product portfolios of different destinations.

Figure 3.10 below represents, in simplified form, the tourism product portfolio for London. In this case it is possible to base the model on

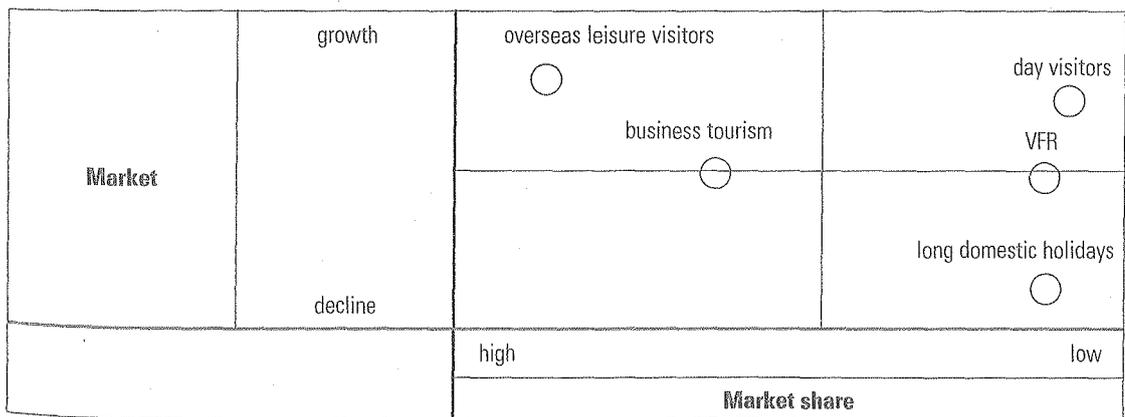


FIGURE 3.10 Schematic tourism product portfolio: London

quantified information, since the statistics for London tourism are unusually good. Here we have defined five products – overseas leisure visits, business tourism, visiting friends and relations (VFR), day visits and long domestic holidays, and measured their share of London’s total tourism activities in terms of expenditure.

Overseas leisure visits (which are a strong growth market) account for a high share of London’s tourist market. Business tourism is also very significant, but is a slow growing or static market. Day visits are a growth area, but account for a smaller share of the London tourism economy. VFR is more or less static in growth terms, and of limited significance since expenditure per visit is relatively low. Long domestic holidays, a declining activity, are of little importance. Thus the general position is a healthy one. In BCG terms, overseas leisure tourism is a ‘star’, business tourism hovers between being a ‘cash cow’ and a ‘star’, day visits are ‘queries’ and domestic long holidays and perhaps VFR are ‘dogs’. Strategic issues revolve around whether to accept business tourism is destined to be a ‘cash cow’; whether day visits can or should be developed as ‘stars’; and potential problems of success created by the overseas tourism market.

Figure 3.11 below illustrates a contrasting situation – that of a cold water seaside destination.

Although the domestic long holiday is declining, it still represents a large share of the resort’s business. The resort is poorly represented in the rapidly growing overseas leisure market, and in

the slower growing business tourism, and short break products. Its only area of high growth is in the DSS market – the conversion of holiday hotels to long-stay establishments for claimants. In this case short breaks are a dog and may have little growth potential. Overseas and business tourism are ‘queries’, but the key question is the level of investment needed to expand the markets. The DSS claimants market probably has prospects of continuing growth, but is unlikely to be an acceptable product for marketing, and is probably incompatible with other product development. Domestic long stay holidays, though in decline, do still represent sources of profits and cash flows, and can be seen as a ‘cash cow’. Strategic issues revolve around the need to recast the product portfolio. As things stand, the destination seems likely to decline; if that is to be avoided, ways of developing new products with growth potential must be found.

Looked at from this point of view, the success of a destination thus depends not so much on having a single successful product as on having a successful portfolio of products. Whilst we tend to think of destinations in overall terms (they are growing, or declining, or holding their own), it is helpful to disaggregate this performance: different products are at different points in their life cycles, and are more important (or less) to the destination’s tourism economy. It is clearly possible to make a much more detailed analysis than that presented here e.g. overseas visitors could be segmented by their country of origin (see

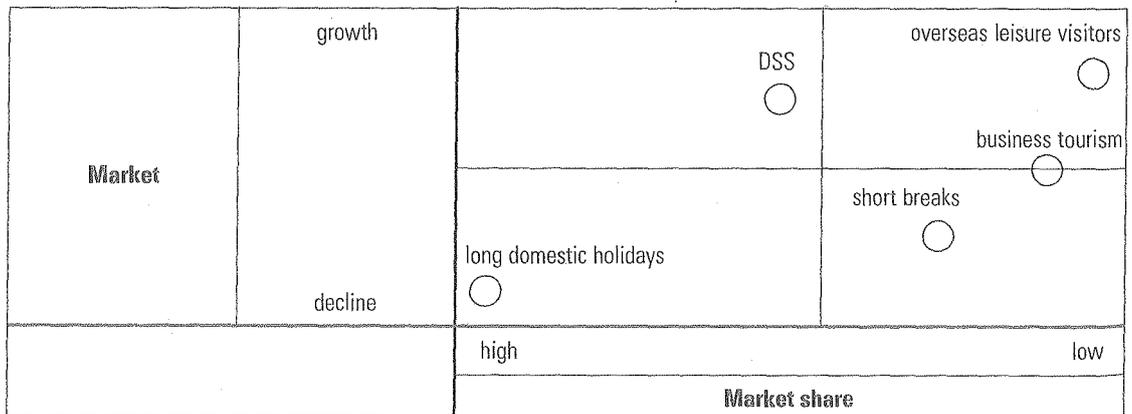


FIGURE 3.11 Schematic tourism product portfolio: cold water resort

Grabler, Mazanec and Wober 1996, for an example). The overall position of a destination is in fact the result of the performance of the whole of its tourism product portfolio (TPP). The range of possibilities is summarised in Figure 3.12.

- **The upper left quadrant** shows the position if the destination's portfolio is dominated by products in rapidly growing markets. There is scope for continued expansion and growth products can act as a dynamo for the whole industry. Possible problems will focus on the potentially disruptive effects that growth in particular products may cause – on the remainder of the industry, on the destination and its resources or on other destination activities. Policies to manage visitors and the pace and nature of development are likely to be needed.
- **The upper right quadrant** shows the position if the destination's portfolio has only a few products in rapidly growing markets: as things stand, the industry will be able to enjoy modest growth, which will be comparatively easy to manage. The dilemma is whether to attempt to become a bigger player in the growth markets by developing the products. This would offer more potential benefits, but may require very significant investment with the risk of costly failure. For example, attempting to exploit growth in the business and conference market might require investment in a conference centre – a substantial and potentially high risk project. Policies will be required to establish partnerships to share or reduce risks, share costs and maximise potential benefits.
- **The lower right quadrant** shows the position when some tourism products are focused in declining markets. The nature of the problem depends on the speed of decline, and the potential for adaptation or the introduction of new products. In some cases the best strategy will be to exit from the market, but the problem is comparatively manageable since declining products do not dominate the portfolio.
- **The lower left quadrant** shows the position when the industry's main products are in declining markets. This is potentially a serious position, although the speed of decline is again crucial. An exit strategy is unlikely since so much of the industry is dependent on the product or products. Much of the tourism industry comprises small- and medium-sized enterprises (SMEs) which are often strongly rooted in the local area, and lack the willingness or ability to shift investment as markets change. They will continue trading even when returns are very low. The key issue for the destination is likely to be how to develop appropriate substitute products to compensate

Market	growth	Rapid expansion in products with good prospects for further growth, affecting whole industry. Possible adverse impacts and dislocation.	Modest growth, but scope for significant increase – if investment forthcoming.
	decline	Serious long-term decline in key tourism product(s). Significant long-term threat to industry in destination.	Gradual decline in tourism product. Manageable shift to other activities.
		high	low
Share of destination's tourism portfolio			

FIGURE 3.12 Possible tourism product portfolios

for decline. Inaction will lead to a depressed and shrinking industry. Policy responses will focus on attempts to adapt or re-launch the products, and to seek funding and subsidy to make this possible.

This analysis is of course a simplification, and focuses on a series of polarised positions. Its purpose is to identify the different problems that arise as the composition of the portfolio varies. The tourism product portfolio helps analyse a destination's current position, and the strategic choices which it faces. In that sense, it does for a destination what business portfolio analysis does for a firm. There are however four crucial respects in which devising and implementing strategies for destinations is more complex and difficult.

1 Implementing a strategy to change the product portfolio is much more difficult. For an individual firm, business portfolio analysis can be used to review the current product portfolio to decide on new products and how their development can be financed. Once the firm has adopted a corporate strategy and selected the products to be developed, the Chief Executive Officer (CEO) and the board can ensure compliance with the strategy, even if it is unpopular in some parts of the company – for example, because some products are to be phased out and jobs will therefore be lost, or because the type or location of new products is disputed. (In practice, of course, gaining organisational consensus and carrying through the strategy can prove problematic).

Things are much harder in a destination, since the product portfolio derives from the activities of not one, but many, different organisations some of which do not even see themselves as being in the tourism business (Cambridge colleges or upland farmers, for example). Even if a strategy for changing the destination's portfolio is agreed, there is no straightforward means of assuring that all the organisations involved comply with it, since there is no true equivalent of the CEO and board. As Gordon and Goodall say:

'at critical stages in the cycle ... long term

success rests on organisational factors. Neither fragmented local competition nor dependence on the strategies of externally controlled oligopolies can ensure either innovation to replace obsolete products or coordinated redevelopment and upgrading of decaying resort areas, or avoiding of overdevelopment, crowding and environmental degradation.'

(Gordon and Goodall, 1992)

The centrality of the organisational factors means that the role of local authorities or other public bodies is critical in initiating and coordinating destination management and development – taking on the role of the CEO and Board.

2 Financing new product development is much more difficult – this is a reflection of fragmentation. In the case of a firm, once new products to be developed have been identified, cash can be channelled in their direction. Using Boston Box terminology, the 'cash cows' can be milked in order to promote 'queries' or reinforce the performance of 'stars', through new investment, advertising or other means. Again, the firm's senior management will ensure compliance. In the case of a destination, matters are much more complex: a mix of tourism products means that some are enjoying positive cash flows which could be used to develop new products for the future. The problem is that key elements of the product are derived from the destination's resources, whilst profits and cash flows accrue largely to the service-providing tourism industry. Generally, the industry does not own the resources, and that means there is no straightforward way of ensuring that investment funds are channelled in the right direction. There is, in other words, a classic externality problem: the market will tend to under-invest in the resources which provide the basis for the destination's tourism product, so that resources are degraded. For example, the natural environment will be damaged by over-use, the built stock will be under-maintained, or cultural resources will be devalued and commercialised. Equally, assem-

bling the funds for significant new investment to enhance or reconfigure the destination's product portfolio will be difficult. Instead, there will be a tendency to over-invest in individual facilities owned by the industry, to channel investment elsewhere (in the case of externally owned companies), or simply to reduce overall investment levels.

In the case of our declining seaside resort, it may be that the long-stay domestic holiday market, though in decline, is still providing positive cash flows to the accommodation sector. But if the destination's strategy is (for example) to promote business tourism by providing additional facilities, there is no straightforward way of making use of the cash flow to achieve that. In principle, the 'cash cow' could fund the development of a 'query'; in practice there is no market solution which will ensure that it does. This points to the need for destination management to coordinate individual actions and build partnerships.

- 3 There is also the broader issue of the distribution of costs and benefits. For any firm, a change in corporate strategy will produce winners and losers, but, in principle, the firm can make a judgement about whether overall benefits outweigh costs, and if they do, push the change forward. The firm can, if it wishes, then ensure that the losers are compensated, for example through attractive redundancy packages. In the case of destinations, matters

are again more complex. Change will generate winners and losers, but they will be different individuals and organisations (both within and outside the tourism industry). For example, externally-controlled hotels may squeeze out local operators as a destination develops, or visitors flocking to a popular attraction may cause congestion which has adverse effects on residents and firms outside the tourism industry. There may be a net benefit overall, but there is no means of winners compensating losers so that the benefit is equally shared. One consequence is that change which results in significant costs or losses for a particular group or groups will be strongly resisted. Destination management, again with public bodies playing a leading role, is thus required to address the question of the costs and benefits of change, and to find ways of generating sufficient consent and consensus for change to allow effective progress to be made.

- 4 We must remember that destinations have products other than tourism. The tourism product portfolio helps us to understand change in the tourism sector, but by itself says relatively little about the overall impact of tourism in the destination. For this wider perspective, we need to look at the relationship of tourism with other activities and to consider its importance in the destination as a whole – it is to this which we now turn.

THE IMPORTANCE OF TOURISM IN DESTINATIONS

The TALC is an effective means of thinking about the development of tourist destinations, and the TPP helps us understand the interaction between different components of tourism. The final element to be considered is the relative significance of tourism in a particular place (its dominance) and its growth or decline (the rate of change). Both dominance and rate of change have important implications for tourism management.

DOMINANCE

Dominance is an assessment of how important a role tourism plays in the destination. Its basis is the economic function of tourism, which includes direct economic effects, and indirect effects including intangibles such as image. Lack of adequate economic and other data means that dominance cannot be measured precisely, but

must be estimated, for example on the basis of the proportion of local jobs attributable to tourism. Such broad estimates are sufficient for our purposes. Usually, dominance measured in economic terms will act as an effective proxy for other elements, but this may not always be so; there are broader issues, such as the environmental effects of tourism and the perceptions of the host community of its role and significance. For example, if a small village is a popular part of sightseeing routes for coach and car visitors, tourism may be dominant in terms of environmental impacts and residents' perceptions whilst playing little or no role in the local economy.

Why is dominance important for problems of destination management? There are two general reasons.

- 1 Impacts, whether positive or negative, are partly a function of the relationship between the scale of tourism and the scale of a place. For example, an additional 10,000 visitors a day will have greater impacts in Chipping Camden than in the London Borough of Camden.
- 2 The extent to which tourism dominates the destination crucially affects options for future development. Destinations in which tourism plays a very dominant role will have difficulty re-orientating themselves in a completely new direction, whereas those in which tourism plays a lesser role may have a wider range of development strategies open to them.

In this context, it is important to note that changes in tourism dominance can occur in either of two ways. Most obviously, there can be change in the industry itself. Tourism may grow or decline in a destination as a result of changing demand for its products (the TPP helps us to understand this). However, the role of tourism may alter as a result of changes in its external environment – factors outside the industry. For example, during the 1980s tourism became more dominant in industrial towns and cities such as Bradford, Halifax and Wigan, as tourism initiatives were used to counter the decline in traditional economic activities (Buckley and De Witt, 1985; Beioley, Maitland and Vaughan,

1990). In a real sense, these places became tourism destinations as much because of the decline in other parts of their economies as because of tourism industry driven changes. Equally, the role and dominance of tourism may be diminished as a destination becomes more attractive to other activities. For example, the Isle of Man has proved attractive to financial services, and tourism is now a less important (though still vital) part of its economy. Some seaside destinations, such as Brighton and Eastbourne, now attract many people looking for a pleasant place to retire, as well as holidays-makers and other tourists.

RATE OF CHANGE

Rate of change encompasses the direction and speed of change. Again, we are considering change in all aspects of the tourism industry, but with an emphasis on its economic elements. We can consider growth or decline in terms of visitor numbers, the economic impacts of visitation, and the broader impacts of tourism. Rate of change is important for policy. The direction of change determines the nature of the problems to be dealt with and affects policy options. A declining industry may require measures for rejuvenation, or movement away from tourism, and sources of funds for investment will be a particular concern. Growth will see problems of accommodating increased tourism activity, perhaps including issues of capacity limits.

Whatever the direction of change, its speed will be significant. Very rapid change will be likely to require urgent and skilful management action if problems are to be avoided, whether tourism is growing or declining. Market processes left to themselves rarely result in appropriate adaptation to rapid changes. If change is taking place at a gradual rate, there is more likelihood of a market-based adaptation, and more time for management actions to be considered and implemented.

Looking at dominance and rate of change allows us to identify some of the policy problems that destinations are likely to face. They are illustrated in Figure 3.13.

Tourism growth	high	Rapid expansion, attractive to investors in tourism services; spin-off to other economic activities. Danger of environmental and infrastructure problems, community backlash. Reliance on external investment.	Interest and excitement in tourism as the new growth sector. Entrepreneurial investment. Complementarity and synergy with other activities. Potential problem of over-supply.
	decline	Potentially serious problem of economic decline. Deteriorating environment through lack of investment. Closure/downsizing tourism enterprises.	Little interest. Tourism not a central issue for place. Possible development of specialist markets.
		high	low
		Tourism dominance in destination	

FIGURE 3.13 Tourism dominance and growth

Tourism dominance is shown on the horizontal axis. High dominance means that a destination is heavily dependent on tourism, which makes up a significant part of its economy. Low dominance means that tourism is simply one among a number of the destination's activities. A position at the extreme right on the axis will mean that there are few tourism activities, and tourism does not have significant impacts on the destination. As we move left on the axis, there will be cases where tourism is still significant in absolute terms though not dominant in the destination either economically or in terms of its other impacts. The vertical axis shows the rate of growth of tourism, ranging from rapid decline to rapid growth.

■ **The top left quadrant** includes destinations which are likely to experience the problems of success. Tourism is a dominant feature of the destination and is growing rapidly. This will create benefits in terms of incomes, profits, employment and a positive image, but may also lead to problems. Rapid growth can lead to a series of environmental problems – ranging from pressures on natural habitat to infrastructure problems, to pressures for excess or inappropriate new developments. Since benefits and costs fall on different groups, there may be resentment from local residents and non-tourism businesses which are forced

to bear the problems of expansion of tourism. Growth has many positive features, but there are difficult problems concerned with controlling and managing development, creating public infrastructure, and managing competing and often conflicting interests. In extreme cases, there will be issues of carrying capacity and loss of authenticity (e.g. York and Bath).

■ **The bottom left quadrant** represents destinations which are heavily dependent on tourism, but suffering problems of decline or low growth (several English seaside resorts face this problem). They will tend to experience a series of often interlinked difficulties. Since tourism is dominant, its decline will have multiplier effects on the whole economy, as spending is reduced by individuals and firms in the industry. Low or zero profits will result in deferred maintenance and lack of modernisation of buildings and facilities, and the public infrastructure will follow the same pattern. All this will tend to give the destination a negative image and, in the worst case, it can fall into a cycle of decline, making it difficult to introduce and market new tourism products – some UK seaside resorts fall into this category. Strategies for development will be concerned with arresting the cycle of decline, and finding ways to encourage regeneration: these may include consideration of alternatives to tourism, and trying to

attract external finance (usually from public agencies) to promote the regeneration of tourism or to facilitate conversion.

- **The top right quadrant** includes destinations in which tourism is growing from a comparatively low base. In some cases, rapid growth will be associated with the reinvention of a place not previously seen as a tourist destination. The growth of tourism in industrial towns and cities in Britain and elsewhere in the 1970s and 1980s is an obvious case in point. In these cases, the growth of tourism is likely to generate excitement and enthusiasm and be seen as an opportunity for wider regeneration and developmental efforts. Issues will include means to foster development, to ensure new facilities are provided, and to achieve the maximum spin-off benefits from tourism's growth (e.g. Halifax and Bradford).
- **The bottom right quadrant** represents places where tourism is currently of little importance, and where there is little sign of

growth. This clearly implies that it will be of little concern to policy makers, local business and local residents. However, there are now relatively few places where this is wholly true. Rapid and continuing economic change fosters a constant search for new types of economic activity, and towns and cities have become increasingly imaginative in their views of what can be achieved. Tourism (especially defined in our broad terms) has, over the last 20 years, begun to make a significant contribution to places which previously would not have been regarded as destinations. Most places currently within our lower right quadrant will at least keep under review the possibility of achieving tourist development, and thus moving toward the top right quadrant. Dartford, on the Thames and well known for its M25 bridge and tunnel is an instance. We discuss the increasing role of tourism in local economics in Chapter 5.

CONCLUSIONS

There has been a tendency to see destinations as synonymous with resorts. However, in Britain and much of mainland Europe, tourism is an increasingly pervasive activity, and a much wider range of places are now tourism destinations. Traditional seaside and ski-resorts have been joined by historic cities, capital cities, rural areas, and industrial towns and cities. Places in which tourism does *not* play a role are increasingly becoming the exception. This is not a new phenomenon, but much of the literature on destination development still focuses on a resort model.

We can use the idea of a portfolio of tourism products to help us understand change in a broad range of destinations. Each destination faces a particular set of challenges, depending on the nature of its tourism product portfolio, the growth or decline of tourism products, and the dominance of tourism in the destination. The value of the portfolio idea is that it provides

a means of focusing on the key issues for a strategy of destination development; it is essentially schematic, an aid to thinking, rather than a model offering quantified measures of development and change. Such quantification would require detailed statistical data, regularly collected – and for most destinations, those data are simply unavailable.

We have argued that moving away from the resort model has some important implications:

- It focuses attention on the fact that the commercial tourism industry is primarily dependent on destination resources which are not in its ownership. Sustainable destination development thus requires some means of protecting and enhancing those resources.
- Whilst it makes sense to think of destinations in corporate terms (offering a portfolio of products) the reality is that the different products may be produced by different organis-

ations. This means that it is difficult to develop and adapt the destination's portfolio, since there is no straightforward means of using funds from currently successful products to develop new ones for the future.

- Destinations are complex places which earn their livings in many ways, of which tourism is only one. We need to see tourism as part of a broader local economy and set of activities.

We have argued that an increasingly varied range of destinations face a variety of problems – ranging from coping with decline, to dealing with rapid growth, to introducing new products or establishing tourism as a significant part of the local economy. The problems are varied but they have a common factor: the tourism industry alone cannot respond effectively to them. Management at the destination level is required. There may be a need for regulation to influence the nature and

amount of new development. Visitor management may be required so that large numbers of people can be accommodated in popular destinations without causing unacceptable ill effects. Public-private partnerships may have to be initiated to resolve conflicts between tourism, residents and non-tourism industries and to find means to fund investment in destination resources. Strategies and action programmes may be needed to adapt a destination's product portfolio or develop tourism from a low base, often with public funding. We will examine the need for, and practice of, destination management in Chapters 5, 6 and 7. We will then illustrate what can be done through detailed case studies of a series of destinations, each facing a series of different problems. In the next chapter we will consider the nature of the impacts that tourism can have on a destination.

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CONTINUUM

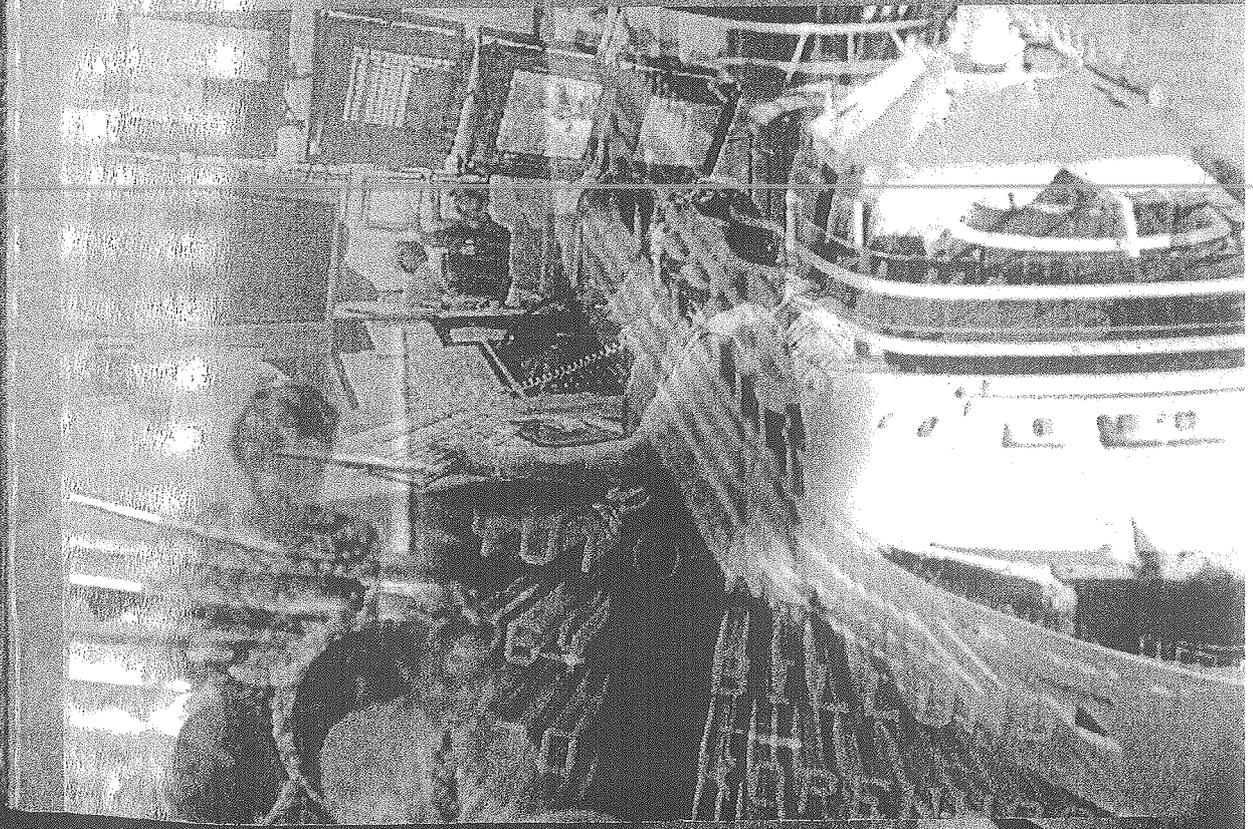
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AND ERIC LAWS

TOURISM DISTRIBUTION CHANNELS

PRACTICES, ISSUES AND
TRANSFORMATIONS

TOURISM DISTRIBUTION
CHANNELS

EDITED BY
DIMITRIOS BUHALIS
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CHAPTER 5

Distribution channel analysis for business travel

Rob Davidson

INTRODUCTION

The market for business travel and tourism may be loosely defined as being composed of 'people travelling for purposes which are related to their work' (Davidson, 1994a). Business travel and tourism activities can be classified in several ways, but the distinction most commonly made is between individual business (or corporate) travel – composed of trips made to carry out duties which are a regular, normal and necessary part of the traveller's employment – and participation in occasional work-related group events such as conferences, seminars, product launches, exhibitions and incentive programmes. Regarding the supply of business travel and tourism products and services, Table 5.1 shows that there are a number of suppliers common to all sectors: transport providers, accommodation and catering operators, and suppliers of leisure and recreation facilities. Most business travel and tourism activities – with the possible exception of one-day events – depend on these basic services. As a minimum, those travelling for work-related purposes need transport, food and accommodation, as well as something to do to help them relax at the end of the working day. In addition to these basic needs, each sector has its particular specialist suppliers of the products and services it requires in order to function effectively.

Linking all of these suppliers with the appropriate buyers is the role of the various specialist intermediaries involved in the distribution of business travel and tourism services and products. All of these intermediaries have undergone – and continue to undergo – significant changes in the context of a fast-changing business travel and tourism market environment. However, as it is in the distribution of individual, or corporate, business travel that the greatest upheavals have been

Table 5.1 Business travel distribution channel: structure, players and requirements

Sector	Main buyers	Possible intermediaries	Main suppliers
Individual business travel	Companies and other organizations (governmental, professional, etc.), possibly through: - inhouse travel managers - secretaries/PAs	Business/corporate travel agencies Travel management companies, possibly through: - implants - dedicated online booking services	Transport providers Accommodation and catering operators Leisure and recreation suppliers
Conferences and other meetings	Corporate sector Governmental sector Associations - academic - professional - trade - fraternal - religious, etc., possibly through: - inhouse travel managers - inhouse conference organizers - secretaries/PAs	Professional conference organizers Venue-finding agencies Convention bureaux Destination management companies/ground handlers Specialist marketing consortia	Transport providers Accommodation and catering operators Leisure and recreation suppliers Conference centres Management training centres Hotels meetings facilities Universities 'Unusual venues' Audio-visual contractors Telecommunications companies (video/satellite conferencing facilities) Interpreters
Incentive travel	Corporate sector, possibly through: - inhouse travel managers - inhouse conference organizers	Incentive travel houses Business travel agencies Destination management companies/ground handlers	Transport providers Accommodation and catering operators Leisure and recreation suppliers
Exhibitions/trade fairs	Corporate sector	Exhibition organizers	Transport providers Accommodation and catering operators Leisure and recreation suppliers Exhibition centres Stand contractors

experienced, this chapter will focus exclusively on that sector. . Between them, these activities comprise the principal sectors of the business travel and tourism market. Table 5.1 shows the structure of this market, including the main intermediaries responsible for the distribution of business travel and tourism products and services. Private companies, large and small, are clearly the main buyers, although they are by no means the only types of organization purchasing in this market. Representatives and employees of government bodies and agencies – international, national and local – also need to travel and meet regularly, in order to function effectively; and members of associations of all types are also important consumers, particularly in the conferences sector.

BUSINESS TRAVEL AGENCIES

While travel for leisure purposes dominates the work of most high street travel agencies, some such agencies have a business travel specialist, or a business travel department, catering exclusively for the needs of corporate clients. There are also travel agencies, known as business travel agencies, or occasionally, business house agencies, which deal solely with business travel. These business travel agencies are key intermediaries in the business travel services distribution chain, and their changing role in that chain will be examined in the following pages. Owing to the intermediary nature of their function, business travel agencies rarely find themselves in face-to-face contact with the business travellers they serve. They mainly follow their instructions, transmitted by telephone, fax or e-mail, and send the travel documents by courier to the traveller's place of work. Occasionally, for large companies with extensive travel needs, the business travel agency may operate through an 'implant'. An implant is 'a division of a travel agency that is located within the corporate offices of an organisation. The equipment and employees belong to the travel agency, but their utilisation is dedicated to the one company's needs' (Lewis *et al.*, 1995).

Before examining the precise role of business travel agencies, it is important to note that travel arrangements, especially for small companies, may be made directly with suppliers, without recourse to any intermediary. Secretaries and Personal Assistants still have this function in some companies, and also commonly found is the use of inhouse specialist business travel managers, employed by companies to negotiate and manage travel arrangements for employees, either directly, or through one or more business travel agencies. As will be discussed, it is also becoming increasingly possible for the actual business travellers themselves to make their own bookings.

DISTINCTIONS BETWEEN THE BUSINESS TRAVEL MARKET AND THE LEISURE TRAVEL MARKET

Business travellers and leisure travellers are different breeds with different needs. Some of those differences account for certain key characteristics of the business travel market. Crucially, whereas in the leisure tourism market the client is also the end-consumer of the service purchased (the holiday, short-break, or visit to a theme park, for example), this is not usually the case for the purchase of business travel services. With the notable exception of the self-employed, those who pay the bills arising from business travel are not usually the same people who actually make the trips. The fact that payment for the services used by business travellers does not normally come out of their own pockets partly explains their higher daily spend, compared with the amounts spent by those travelling for leisure.

Consequently, for business travel agents and suppliers, business travellers are generally considered to be a highly sought-after client group, because of their higher spend, higher yield qualities. They also represent the most important type of traveller in terms of volume in many cases: 51 per cent of all travellers on Virgin Trains' West coast service travel on business, a figure which rises to 64 per cent on the London-West Midlands part of the route. On that section, 35 per cent of passengers travel first class, and almost all of them are business travellers (BTF/BTAC, 1999). Although fewer in number than their leisure counterparts, business travellers are far more important to travel suppliers than their total numbers would indicate. They use airlines, rental cars, hotels, and travel agents to a greater extent than pleasure travellers do and pay premium prices for enhancements to the basic service (Mill, 1992). Furthermore, because business trips are taken throughout the year, with very little seasonal variation, in most developed countries business travel is the 'bread and butter' market for the tourism industry for much of the year.

The aforementioned characteristics make business travel an extremely attractive sector. But although the rewards for suppliers and intermediaries can be considerable, this is a sector which also provides a number of specific challenges. Business travellers are, generally speaking, highly demanding and experienced travellers. Service quality is more important to them than price. One of their expectations in terms of service quality is that their time will not be wasted while travelling. In this respect, they tend to be more time-sensitive than leisure travellers, and punctuality is essential.

People travelling on business tend to get frustrated with the many demands of travel which are beyond their control. Principal among these are the time required to travel, the long waits, and the delays of arrivals and departures. They also have more personal frustrations – being away from home and families, being alone, and living out of suitcases. (Mill, 1992)

Just as important as time-efficiency is the element of flexibility, the ability to easily change their tickets for other times and even other destinations, according to the dictates of the work to be done. Leisure travellers do not generally change their plans in this way. This flexibility is a major constituent in the higher prices which are paid for business travellers' fares. The need for speed and ingenuity on the part of business travel agents is another essential characteristic of this sector. In the case of an unexpected, emergency business trip, the booking of the necessary travel tickets and accommodation must be done immediately and quickly in what can be very difficult circumstances. Getting two executives from the UK to New York before the end of the US working day when all transatlantic flights that day appear to be full is the type of challenge which business travel agents must take in their stride.

Business travel agencies also can get closely involved in the financial aspect of their clients' purchases, particularly when they handle all of a client's travel requirements. This involvement may include negotiating rates on the client's behalf, managing their travel budget, and keeping managers informed of their company's spending on business travel and accommodation, for example. Part of the challenge for the business travel agency is to balance the employer's wish to control travel costs (by, for example, insisting on employees using the most economic class of travel) with employees' need to arrive at their destination fit for work.

THE CHANGING MARKET ENVIRONMENT

Familiarity with the main features of the contemporary market environment within which business travel services are bought and sold is essential to an understanding of the changing role of business travel agents. Clearly, the volume of business travel undertaken is linked to the amount of economic activity going on at the origin and destination of the business traveller. However, Rowe (1994) points out that although macroeconomic influences have a major demand on the demand for business travel, other factors, such as the role of trading blocs, also influence the rate of growth. The relatively favourable economic conditions enjoyed by much of the developed world at the beginning of the twenty-first century, have created an expectation of reasonably strong growth in the short to medium term. The World Travel and Tourism Council has forecast an average annual growth in business travel and tourism across Europe, the largest business travel generating region in the world, of 3.7 per cent in real terms between 1998 and 2010 (O'Brien, 1998a). However, this growth in spending has not come from a return to the extravagance which characterized much business travel until the late 1980s.

One reason why company expenditure on business travel continues to rise in real terms is that business travel air fares have risen rapidly over the past few years. But the main factor contributing to the growth is the sheer volume of people

travelling on business, which has never been so great. Increasing globalization means that few companies can afford to stay at home, but with the prevailing cost-conscious attitude towards spending on business travel, the challenge for the corporate sector is on to find creative solutions that cut costs without jeopardizing growth or damaging staff morale. Fortunately for most companies, the lessons have already been learned and put into practice.

During the recession of the early 1990s, many finance directors examined their costs and for the first time discovered how much they were spending on business travel. As a consequence of these revelations, most companies took a number of initiatives to control their spending on business travel and to manage their travel budgets more skilfully. The techniques included introducing and enforcing corporate travel policies, trading down in class of travel and accommodation, and centralized travel purchasing, either through the company's own travel manager or through one or more appointed business travel agency (Davidson, 1994b). Despite a return to a healthier economic climate for much of the world, these techniques have continued to be used by companies, who are only too aware of how much business travel is costing them. Accounting for 7 per cent of total operating costs, travel for business-related purposes is now the corporate sector's third-largest category of controllable expense, behind salaries and data-processing, but ahead of advertising (American Express, 1999). In business as a whole, there is now a search by organizations for accountability and control, focusing on cost and profit. As far as travel is concerned, corporations are now seeking more travel at less cost. These, in more detail, are the cost-cutting techniques used:

Corporate travel policies are used by companies to exercise some degree of control over their employees' transport and accommodation arrangements. Generally, these specify the class of travel permitted, the grade of hotels to be used, and, where special rates have been negotiated, stipulate the actual hotels or hotel chains to be used. In the 1999 Carlson Wagonlit Travel Business Travel survey (1999), 80 per cent of companies with over 500 employees claimed to have a formal policy. Two-thirds of these were said to cover air travel, hotels, car-hire and rail travel.

Trading down in terms of travel and accommodation services has also become widely institutionalized. For example, Air Canada reports that 70 to 80 per cent of passengers booked on its SuperComfort economy class are business travellers, while at BA, business travellers make up 25 per cent of its 10 million economy class passengers (*Time*, 1999).

Consolidation of travel agents by corporate clients is a further example of a technique widely employed during the early 1990s and which has continued even into the post-recessionary times which followed. Instead of having a number of business travel agencies handling different elements of their travel needs, companies are increasingly putting their whole travel account out to tender with a view to appointing one travel agent to handle the whole account. Fifty-two per

cent of all companies surveyed in 1999 by Carlson Wagonlit Travel claimed to have consolidated their global travel arrangements into a single travel management company. Of the rest, 33 per cent reported that they would consider consolidating their global travel arrangements in the future (Carlson Wagonlit Travel, 1999).

This trend directly impacts upon business travel agencies themselves, favouring some – those who win the coveted corporate accounts – and penalizing those who lose them. O'Brien believes that consolidation works to the advantage of the large business travel agency chains: 'This move tends to favour the appointment of the larger corporate specialists . . . The smaller independent travel agents recognise that their survival is likely to become precarious in the future if they are reliant on maintaining individual corporate accounts worth more than £0.3m per annum, since they are likely to lose them to the big multiples' (O'Brien, 1998b).

COMMISSION CAPPING AND REDUCED COMMISSION PAYMENTS

As well as coming under growing pressure from corporate clients determined to reduce their overheads, business travel agents are also operating in a context characterized by radical changes on the part of suppliers, in particular the airlines. Worldwide airlines are actively examining the way they do business. After the recession, deregulation in Europe led to greater competition on many routes. Rise of European low-cost carriers meant that the airlines found their profit margins under pressure (*Financial Times*, 1999a). Now, in common with most commercial businesses, the airline sector is actively seeking to reduce its operating costs, using a range of measures designed to maximize their own profit margins. And this is increasingly happening at the business travel agent's expense. Business travel agents rely heavily on the income they receive from procuring air travel for their clients. Estimates suggest that 75 per cent of their total income arises from air travel sales (O'Brien, 1998b). Consequently, when airlines introduce new operating techniques, business travel agents selling their flights are radically affected. Two of those techniques, commission capping and the use of new technology, will now be examined.

Distribution costs worldwide are estimated to account for 25 per cent of airlines' sales and marketing budgets and close to two-thirds of this is the commission paid to travel agents. (O'Brien, 1998a). Therefore, it is not surprising that, at the beginning of the twenty-first century most airlines are seeking to reduce their distribution costs. One obvious way to achieve this objective is to cut the commission paid to business travel agents who sell their flights. In choosing this solution, the airlines were rebelling against what they regard as too many parallel distribution costs – airlines pay a fee to Global Distribution Systems, commission to travel agents, and provide free travel in the form of frequent flyer schemes to

travellers. Commission capping, a technique used in the USA for some time, was first employed by the budget airline Ryanair in the 1990s, when they reduced their commission rate from 9 per cent to 7.5 per cent. Other airlines followed, with the result that considerable savings were made -- at business travel agencies' expense. United Airlines, for example, has been reported as saying that it will save \$150m a year through its latest commission reduction (*Financial Times*, 2000a). British Airways has announced that as from Spring 2001 it will demolish the commission payments to travel agencies and instead they will be paying reduced service charges.

But business travel agents have not always been passive in their acceptance of this technique which has so radically altered their way of operating. Travel agents in the Caribbean stopped selling tickets for American Airlines in protest, when the airline cut commission payments from 9 per cent to 6 per cent. Agents in Argentina, Peru, South Africa and Australia have all protested against commission-cutting airlines. Nevertheless, despite such protestations, it is clear to most in the air travel industry that the trend towards commission cutting is unstoppable. Many believe that the solution for travel agents is to protest less and get on with the task of redefining themselves. The redefinition process is under way, as business travel agencies are finding new ways to adapt to the changing market environment within which they operate. With the firm prospect of further commission capping on the horizon, part of the response by business travel agents has been to move towards a remuneration system based on fee-based travel management and travel agency consultancy services. With fee-based travel management, in order to cover its operating costs, the business travel agency is paid a management fee by the client whose travel and accommodation it arranges. In return, as well as receiving these services, the client receives a share of the revenue the business travel agent earns from the suppliers, including override commission. In levying fees to cover lost commission earnings, European business travel agencies are simply following in the steps of their transatlantic counterparts. In the USA, where commission capping has been in existence for some time, the American Society of Travel Agents (ASTA) estimates that two-thirds of US travel agents now levy fees for services provided (O'Brien, 1998a).

The largest business travel agents have been the quickest to respond to the commission-cutting threat by restructuring their businesses from commission-based remuneration to management fees. Carlson Wagonlit and American Express say more than 65 per cent of their remuneration is in the form of a fee (*Financial Times*, 2000a). O'Brien (1998b) sees this development as another factor operating in favour of the major business travel agency chains, rather than the smaller independent agencies: 'Fee-based management is mainly implemented by the big multiple agents because demand for this type of account management is strongly correlated with "open-book partnership management accounting arrangements" which are normally equated with the international companies sector'. Business travel agents are, therefore, turning themselves into facilitators and value-adding consultants rather

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than mere sellers of airline tickets and hotel rooms. As a result, employing a business travel agency is already becoming more like employing a solicitor – a trend set to continue: instead of business travel agencies' remuneration being based on commission, it has been predicted that there will be a ratecard of charges/fees for the services provided. In this way, business travel agents will be charging for the service they provide, like any other profession.

There appears to be little doubt that efficient travel agents do provide services for which they should be able to charge. More and more, however, the range of services offered is being extended, through necessity. All business travel agents face an operating environment where average agency profit margins are forecast to decline in the short and medium term. 'Average agency profit margins are already precariously low, hence it is essential that travel agents develop new revenue streams if they are to ensure a healthy long term future' (O'Brien, 1998b). Finding new ways of adding value to the travel management process has become a crucial issue for business travel agents. Instead of being simple intermediaries between suppliers and business travellers, travel agents are increasingly repositioning themselves as corporate advisers, not simply working within travel policy compliancy, but actually devising companies' travel policies and monitoring them.

Rapidly, the agent's contribution to the value chain is becoming less about sharing commission and issuing tickets and more about providing strategic advice about supplier selection and managing travel policies for clients. A clearer focus of intellectual capital on managing the best deals and less preoccupation with conventional commissions will shape the future. Although it is principally the airlines whose actions have necessitated these moves by business travel agents to assure their own survival, many commentators believe that it would be a mistake to think that the airlines are entirely hostile towards those intermediaries, or even indifferent to their plight. Airlines still need travel agents. The objective of travel suppliers is to reduce their distribution costs at the same time as increasing the effectiveness of their distribution. As a consequence, it is in their interest to work more closely with agents which can influence their yield and market share. The airlines have an interest in travel agents succeeding in their new role. While they wish to deal with more of their customers directly – as will be seen in the second half of this chapter – most airlines realize that they cannot do without travel agents entirely, as a substantial proportion of their bookings are still made through those intermediaries.

DEVELOPMENTS IN TRAVEL TECHNOLOGY

Reduced travel agent commission rates have been closely linked with the development of 'e-commerce'. Innovations in technology are creating new distribution channels for a wide range of products and services, including travel.

Travel is the second biggest selling product on the web, behind PC hardware, and is set to overtake PC hardware by 2002, according to Jupiter Communications, the IT market research group (*Financial Times*, 1999b). A new electronic marketplace has emerged with its own rules. It is efficient, fast, transparent and border-less. It is a place where everyone can see, and compare, all available prices. For example, Internet-based search agents can locate flights and lowest fares, and these same services can be used to book flights and to generate tickets or electronic ticket surrogates ('e-tickets'). Using this technological solution, suppliers can now reach their customers directly, using online Internet booking services. Already well established in the USA, such services were first introduced in Europe in 1995. That year, British Midland launched the first fully bookable European air travel Internet site, and Holiday Inn became the first hotel chain to provide an online booking service. Despite its obvious business travel distribution applications, growth in the use of the Internet for booking travel and accommodation has been overwhelmingly fuelled by leisure travel, a market in which the traveller's dates, times and even destinations are relatively flexible. There is extensive debate over the suitability of using e-commerce to book business travel. Business travellers can rarely choose their travel dates or destinations. As has already been noted at the beginning of this chapter, business travellers need great flexibility in the service they receive, to enable them to book then cancel and change their itineraries, if necessary. They also often need advice on related topics such as vaccinations and visa requirements, which websites, unlike travel agents, rarely provide.

Because of these limitations, the use of the Internet for booking business travel services is still fairly restricted: 89 per cent of companies taking part in the 1999 Carlson Wagonlit Travel business travel survey (1999) reported that they did not book air travel electronically. Nevertheless, the same survey found that three-quarters of travellers and bookers claimed that they would, in principle, be prepared to book flights on their computer system. Furthermore, four out of ten travellers and bookers said that they had been content to use the Internet as a source of travel information. Reflecting the apparent readiness of travellers and bookers to use the Internet for this purpose, extensive growth in online business travel is widely predicted. Inevitably, the American market will lead the way. The US-based Association of Corporate Travel Executives, which represents suppliers as well as travel managers, predicts that 32 per cent, or \$39bn (£24.6bn) of US corporations' travel expenditure will be online by 2003. The figure currently stands at \$5bn. Equivalent figures for Europe are very low, by comparison. The research company The Gartner Group estimates that the market for all online travel booking was worth £12m in the UK in 1998 and that this will grow to £1.9bn in 2003 (*Financial Times*, 2000b).

Business travel displays a number of characteristics which make it eminently suitable to purchase through e-commerce. In the area of business travel, information is largely standardized and free of emotional involvement, so that the desired travel

products can be completely described by the attributes destination, travel dates and times, quality classification and price (Schertler and Berger-Koch, 1999). The same authors argue that business travel is an example of what are known as 'search goods' – goods that can be entirely judged before purchase (after collecting the adequate information) and after consumption. Goods with a high share of search qualities generally offer a high potential for 'disintermediation', the bypassing of mediators/intermediaries.

Clemons believes that the distribution channel for air travel is very vulnerable to 'e-commerce attack', and that, should that attack be successful, travel agencies will lose much of their straightforward corporate business to direct distribution by the airlines. The airlines' attack strategy should start by developing systems for e-ticketing and should make them available directly to travellers for last-minute changes, especially changes en route. This could be part of a stealth strategy to prevent agencies feeling threatened; agencies could initially be encouraged to use e-ticketing, since it would reduce their expenses, and travellers could be encouraged to use agencies for the sake of familiarity. When airlines are ready to attack agencies, they can encourage rapid adoption of direct booking and e-ticketing through 'payment' to their best accounts. This payment can take the form of upgrades, frequent flyer miles or cash rebates. Agencies will still have a role, but it will increasingly be restricted to serving passengers that airlines do not care to serve directly (*Financial Times*, 1999c).

Is there any indication that suppliers will be tempted to follow this aggressive strategy? It is certainly true that the Internet enables airlines and hotels to sell directly to the public for a relatively low cost. But currently, the use of e-commerce for business travel services appears to be more potential than actual, even though that potential may be very significant. To take British Airways as an example. BAs' aim is that half its tickets will be sold online by 2003. At the moment, however, only 1 per cent of its tickets are distributed online. Travel agents account for 85 per cent of its sales, with the remainder being sold over the telephone (*Financial Times*, 2000a). Ryanair and Easyjet in contrast were selling the majority of their tickets online (up to 85 per cent) by early 2001. Nevertheless, flag carriers are determined to capitalize fully on the Internet's potential. For example, ten European airlines, including British Airways, Lufthansa and SAS, announced plans in 2000 to launch an online ticket service. For the first time, consumers will be able to plan complex itineraries online. The service, to be run as an independent agency, will also help with extras such as car-hire. "The aim is to bump up the amount of business travel booked online. The vast majority of flights sold online in the UK are to independent travellers, with business fliers making up only a tiny percentage (*Guardian*, 2000).

Hotels, too, have embraced the new technology, with considerable growth in the use of e-commerce. In 1999, the European director of sales and marketing of the Marriott hotel chain announced that: 'online reservations have increased dramatically over the last year, with online generated business growing by 213%'

(*Time*, 1999). However, this growth would appear to have generated its own teething problems. A 1998 survey: 'An analysis of web reservations facilities in the Top 50 international hotel chains' conducted by O'Connor and Horan (1999) found that 55 per cent of the hotel groups covered quoted a cheaper room tariff over the telephone than from their online booking facilities. The survey found that on average, web rates were 12 per cent higher than the rate quoted by the central reservations office. They point out, there is no scope for negotiating with an online booking site that only usually processes bookings at rack rates. By way of contrast, the central reservations office tends to be up to date on supply and demand trends and will adjust the price accordingly. The same survey also highlighted inconsistencies in availability given by both types of reservation systems. Of the central reservation offices contacted, 23 per cent said that there was no availability on the nominated night, even though the company's website had processed the booking (*Financial Times*, 1999b).

Current thinking on the use of e-commerce for business travel, at least in Europe, would appear to be characterized by a combination of resignation and cautious optimism that this will be a major element of distribution in the near future. Nevertheless, the path is far from smooth, and there are a number of challenges still to be met. There are still greater hurdles to be overcome in the business travel environment, like interchangeability of tickets on multi-sector itineraries and compliance with corporate travel policies. Well-paid executives spending company time arranging their own travel may also be considered as a waste of resources.

However, even taking these concerns into account, there does appear to be a degree of unanimity that there is a role for the use of the Internet in the purchase of business travel. Most commentators agree that the Internet is suitable for the booking of simple journeys, such as a single destination return flights, e.g. London to Paris and back, may be straightforward enough to be booked in this way. Moreover, the airlines have everything to gain from using the Internet to sell this simple type of product directly to the client, since the profit margin tends to be quite low, and the further deduction of a commission makes it even lower. Arguably too, business travel agents may not miss this type of business, given how little they earn on low-cost travel. It would, of course, be a mistake to regard e-commerce and business travel agencies as two separate and incompatible intermediaries in the business travel distribution chain. The larger agencies, in particular, have embraced the technology, and put it to use to enhance the service they provide to clients. American Express, for example, has instituted its own online reservation system, AXI, which allows corporate travellers to make policy-compliant trip arrangements from their laptops (*Time*, 1999). The agency's decision to develop AXI for its corporate customers is also important in ensuring that American Express retains its market presence as a progressive travel management company. O'Brien (1998a) believes that 'the

development of agency Internet booking capabilities, and the provision of company Intranets featuring travel itineraries and other relevant data will enable corporate travel agents to position themselves as technically advanced providers of travel services to their corporate clients'.

However, business travel agencies are not alone in the development of such products, as Global Distribution Systems (GDS) companies are also developing integrated business solutions for the corporate market. For example, Amadeus' suite of products, Corporate World, has been developed in order to answer what the company describes as the growing demand from companies for integrated business solutions offering self-booking, travel information management and decision support. Using Corporate World, travellers can book online following company policy and with the company's preferred suppliers. The business travel agency issues the tickets and bills the company directly. The travel manager is happy that no-one is going outside policy and the agent is happy because the easy point-to-point bookings are taking care of themselves, allowing them time to look after the management of accounts and effectively deal with complicated itineraries.

CONCLUSION

Whatever the threats posed to business travel agencies by e-commerce, it would appear that it has the potential to bring substantial benefits to clients: In the short term, it seems that the customer can't lose; but what of the long term? The danger is that the travel agencies, faced with such stiff competition, will join forces themselves, through mergers and takeovers, leaving travellers with even less choice. Consolidation in the travel agency sector has already been taking place across Europe, mainly through strategic acquisitions, and is fully expected to continue. Further consolidation is expected in this sector, and the industry would probably see between ten and fifteen large independents emerging behind the big three (American Express, BTI Hogg Robinson and Carlson Wagonlit). But smaller companies, who may well struggle to get the most attractive rates, will have difficulty surviving commission cuts. Although for large corporations management fees are easy, this is not often the case for smaller companies (Padley, 1998). It looks increasingly likely that in the context of upheavals and innovations in the business travel distribution sector, it is the smaller, independent agencies who will be the victims. The strategy they have adopted in order to defend themselves has included joining agency franchises and marketing alliances to protect their market share. Time will tell if this is effective enough to ensure their long-term survival.

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CONTINUUM

TOURISM DISTRIBUTION CHANNELS

PRACTICES, ISSUES AND TRANSFORMATIONS

Increasingly, distribution is regarded as one of the most critical managerial decisions, which can actually determine the competitiveness and profitability of organizations. However, there is very limited information available to provide guidance for tourism and hospitality managers.

As the first book to cover this key tourism subject, *Tourism Distribution Channels* brings together a range of contemporary case-study material, providing the underlying theory as well as practical aspects from a range of sectors and regions around the world. The material is considered from multiple theoretical perspectives, including: industry network theory, relationship marketing, industry structure, value chains, coaches and systems theory.

Contributors from Europe, America and Australia provide an international perspective, making the book a global analysis of a global subject. It looks at all of the issues involved in the distribution of the tourism product and provides a foundation for further investigation, discussion and debate.

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The Use of Information and Communications Technology by the European Meetings, Incentives, Conferences, and Exhibitions (MICE) Sectors

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ABSTRACT. In their quest to operate ever more effectively, efficiently, and rapidly, those active in the meetings, incentives, conferences, and exhibitions (MICE) sectors have readily welcomed advances in information and communications technology (ICT) and used them to the fullest. This article begins with an overview of the main uses to which the meetings, exhibitions, and incentive sectors have put ICT products and services. It then examines the evidence which gives some indication of the limits to growth regarding the rate at which MICE sectors may continue to adopt these products and services. Subsequently, the potential of ICT to actually displace and replace travel for business-related purposes will be considered. Finally, this paper provides a discussion of the results of a quantitative survey undertaken by the authors, demonstrating the extent of current and future use of ICT in the European MICE sectors. *[Article copies available for a fee from The Haworth Document Delivery Service:*

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INTRODUCTION

In the 21st century, progress in information and communications technology (ICT) continues to evolve at a breathtaking pace, offering considerable potential and actual benefits to suppliers, buyers, and intermediaries in each of the meetings, incentives, conferences, and exhibitions (MICE) sectors. Nevertheless, much recent debate has revolved around the issue of the extent to which advances of this type are an opportunity for the MICE sectors of business tourism and to what extent they present a threat.

In particular, the potential of ICT to make personal attendance at business-related events no longer necessary has been widely discussed. The cost in time and money of attending meetings and exhibitions can be considerable. To this must now be added the perceived risks of traveling, particularly by air, in these times of constant threat of terrorist attacks. When "being there," in person, was the only way of gaining access to the information which meetings and exhibitions offer, delegates and/or their employers were generally prepared to put up with the expense, inconvenience, risk, and time commitment in order to attend.

For over a decade, however, advances in ICT have made it possible for people to benefit from conferences and exhibitions without, in many cases, leaving their own offices. Before considering how serious a threat this poses to those whose business it is to provide travel and hospitality facilities and services, the principal applications of ICT to MICE will be reviewed, sector by sector.

ICT APPLICATIONS

Meetings and Conferences

With the use of e-mail and the Internet being so widespread at work and at home, they have become useful tools for meetings and confer-

ence organizers. By using the Internet to market such events, organizers can directly target potential delegates using their e-mail addresses. It is now common practice for organizers of large events to set up a dedicated Web site for each conference, with details of the venue and the program, together with links to sources of information on, for example, leisure and recreational facilities at the destination.

However, the level of use of the Internet for the marketing of meetings varies considerably between the corporate and association sectors. For the United Kingdom, this difference was emphasized in the Meetings Industry Association's (MIA) study, the *UK Conference Market Survey 2001*, which recorded that use of the Internet to market corporate events remained low, with only 19% of corporate planners marketing their events through the Internet. In the association market, however, the Internet is much more widely used. With their members spread across the country and further infield, associations' use of the Internet for marketing their events appears to be growing rapidly in popularity—up to nearly 60% in 2001 from 50% in 2000 (Greenhill, 2001). Another probable explanation for this difference is that since corporate attendees have a vested interest in attending their events—and are often required to do so—corporate organizers do not need to market their events as strongly as their association counterparts, whose target audience have the choice whether to attend or not.

Actual registration for many events is also now possible via the Internet, streamlining planners' organization and enabling them to keep delegates up-to-date with e-mailed messages about the forthcoming meeting. Specifically for this purpose, software designers have created a number of Internet-based registration systems for use by meetings organizers. For example, the www.myregtool.com, www.event411.com, and www.seeuthere.com services enable organizers to manage delegate registration proceedings from any PC connected to the Internet. Most of these software packages allow the organizer to draft a registration spreadsheet, to administer participation fees, to monitor actual registration, and, in some cases, even to initiate "e-badging" of delegates, enabling delegates to print out their name tag in advance on their own PC.

In a further application of the Internet to meetings planning, a number of Web sites now offer powerful search engines with extensive venue and other supplier listings, which claim to enable planners to carry out their research and book venues online. Typical of such services is BusinessMeetings.com, which is partnered by the business travel agency Rosenbluth International. According to the site's home page, www.businessmeetings.com, it offers: "A free service to

search for any type of venue in any country in the world, view detailed information about the properties and then send a Request for Proposal direct to the venue to check availability and rates. You can make use of the extensive information we provide to help the meetings planner, including access to independent destination reports and links to information on a variety of topics, from local weather to visas and embassies."

Further facilitating the task of those planners wishing to deal directly with suppliers, a number of hotel chains have created their own Web sites which enable clients to make meeting room bookings with them. *The Conference & Incentive Travel 2001 Hotel Survey* (as cited in Creevy, 2001) showed that there had been a steady increase in the percentage of hotel Web sites offering this facility, from 48% in 1999 to 69% in 2001.

Research suggests that surfing for venues has become established practice among many in the meetings planners' profession. In the *UK Conference Market Survey 2001*, 25% of corporate meetings organizers and 37% of association meetings organizers reported using this tool for identifying suitable venues (Greenhill, 2001). Research conducted in the United States has linked this practice to the shrinking lead times being encountered throughout the meetings industry. The Menlo Consulting Group notes that

the most noticeable trend in the corporate meetings segment is a shift towards meetings with planning lead times of 3 months or less. Technology is helping to shift the market in this direction. It is now possible for a corporate planner to search for a site [venue], select one, contact the hotel's sales force, and sign a contract in the span of a single day. This trend shows no sign of slowing; 50% of corporate planners expect an increase in short-term meetings in the next 12 months. (Menlo Consulting Group (MCG), 1999, p. 8)

Despite so many ICT-related services receiving an enthusiastic reception by meetings planners, not all advances have been so openly welcomed by the industry. One application of the Internet capable of causing obvious concern to suppliers of meetings venues, travel, and accommodation facilities is "Webcast" conferencing, also known as "virtual conferencing" or "electronic conferencing."

Shallcross (1998) describes how the virtual conference functions:

Essentially, the virtual conference removes the role of geography and physical space from the conference experience. Delegates

send and receive information, meet other delegates, interact, even buy and sell in a digital environment fashioned for the purpose. In other words, conventional conference centres become redundant. (p. B-52)

He gives the early example of the Environment '97 virtual conference organized by the Engineering Council. Attendance, he admits, was difficult to measure, but more than 8,500 people registered online, and the site was visited by considerably more people than actually registered. The organizers regarded the event as a success, and the idea was extended to a safety conference in 1998 and another environment conference in 1999. The potential advantages of such a system, for the initiator of the meeting, include the potential for much wider participation than could be created for a traditional conference.

Video conferencing offers similar advantages—and challenges—to the meetings industry. Originally developed in the 1960s, video conferencing was slow to achieve widespread acceptance due mainly to issues of cost and limitations of the technology. But developments such as the extensive use of video conferencing during the Gulf War and in the wake of the recent terrorist attacks in the United States have meant that the performance levels of such systems have been improved and costs have been diminishing significantly. The equipment needed to hold two-way on-screen discussions is no longer affordable only by heads of state and heads of major corporations.

Hotels, sensing the potential of video conferencing to enhance their overall product, have led the way by installing the necessary technology on their premises. But video conferencing rooms are now also to be found in many residential management training centers, large companies, and even educational establishments. In venues such as these, the use of video conferencing tends to be limited to fairly small groups. However, a number of conference centers have also installed satellite-linked video conferencing equipment, most often to enable keynote speakers who are unable to attend in person to address the delegates.

Exhibitions

In the same way that many meetings planners have seized the opportunities offered by the Internet, exhibition organizers have been quick to understand the advantages of this form of marketing to advertise their events.

Beckett (2000) describes the use of Web sites to market exhibitions to potential exhibitors and visitors:

Most of the organizers are now setting up their own Web sites, which means that a four-day exhibition becomes a four-month promotional event. It actually involves a far greater range of participation and selling. Exhibition organizers can put on the Internet a lay-out of the hall showing how the exhibition is being planned and sell stand space. They can also organize sponsorship deals and sell advertising via the Web. (p. 28)

As in the case of meetings and conferences, the online registration of exhibition visitors is another technique which is growing in use, offering the advantage of being both faster and more convenient than postal registration. The commercial director of the QEII Conference and Exhibition Centre in London explains another advantage:

We saw this trend starting to take off about 18 months ago. The major benefit of online registration to (exhibition) organisers is that they can keep updating their information. They can . . . keep people informed constantly. It makes the event much more lively and interesting. (Beckett, 2000, p. 28)

When future visitors have registered online, Web site hyperlinks can be used to lead them to other relevant information. For large events, visitors can access a map of the show, highlighting routes, locations, and specific areas of interest. Smith (1999) quotes a representative of exhibition organizers, Brintex, who believes that the benefit for visitors is the simplicity of the registration procedure, while the advantage to the exhibition organizer is a higher number of actual visitor conversions. "It is one thing getting delegates to sign up but another to actually visit the show. With online registration, once we have captured their e-mail details, we can keep in touch with them far more closely." (p. 44)

Further tools may be added to the show's Web site, of which an online diary that allows visitors to make advance appointments with the exhibitors they wish to see is one of the most useful. Such a system—Appointment Scheduler, an online appointment system that booked meetings with exhibitors for visitors—was extensively used in connection with the Meetings & Incentive Travel Show at ExC² in 2001.

A further application of ICT to the exhibitions sector is the use of the Internet to generate online sales of exhibitors' products. An example of this is described by Smith, who explains how Web service provider Just Results have introduced e-commerce to exhibitions by creating a "digital supermarket" where exhibitors are able to sell their services and products over the Web all year round:

The first customers for this service are the organizers of the trade show, Mail Order Live, held at the NEC. This show, according to Just Results, marked the first time that an exhibition organizer set up free online shops for its clients, the exhibitors. Each exhibitor received free Web space within Mail Order Live's "shopping mall" Web pages during the show, with the option of paying £5 per month to stay online afterwards. Just Results claimed that the scheme not only created an opportunity for exhibition organizers to generate extra revenue, but also provides closer contact with exhibitors throughout the year. (Smith, 1999, p. 44)

But while the above example involves using the Internet to enhance an actual "live" exhibition and extend its useful trading lifespan, there is a growing number of exhibitions which exist nowhere else than in cyberspace. "Virtual" exhibitions of a wide range of products and services are proliferating online. Typical of these, for example, is the European Virtual Careers Fair (www.hobsons.com/vcf) which enables "visitors" to meet recruiters online and provides access to a chatroom (virtual bar), bookshop, a panel of experts, and CV surgery.

But if services and products can be viewed, described, and sold via the Internet, why should potential buyers go through the trouble of traveling to these events at all? And why should exhibitors go through the considerable expense of sending staff and merchandise to an event half-way across the world when a "virtual" online trade show offers the following advantages?

- It is open to a global audience
- It is open 24 hours a day, 7 days a week
- It can last all year, not only for a few days

This question will be revisited in the section of this paper examining the issues of enhancement and substitution.

Incentive Travel

Advances in ICT have provided considerable opportunities for improving the way incentive travel is planned and organized. The work of incentive travel agencies has already been particularly affected. Although they rarely use the Internet for booking transport and accommodation—preferring to negotiate directly, in person, with suppliers—many agencies have found it to be a useful tool for venue research. By visiting the Web sites of some hotels, for example, they can check rates, room capacities, location, and availability in advance of their negotiations with suppliers.

But the potential for ICT to also have a significant impact in the areas of incentive participation and program management is considerable. Program management costs can be reduced, for example, when agencies post information for participants on a dedicated Web site rather than producing a printed brochure. A number of agencies have also introduced online participation for the incentives they organize. The incentive agency World Event Management, for example, has a dedicated incentive registration site within its own Web site. Participants log on to the site with a password and access the particular incentive program in which they are competing, in order to check on the latest details:

Monthly performance results are posted on the Web page, and as the date of the trip itself draws closer, the site can be used to keep motivation levels high by providing updates on the programme, including pictures of the destination and hotel, weather reports, and the itinerary. . . . Nearer the date of the incentive, winners can access flight and hotel information and input their dietary and medical requirements. (Greaves, 2000, p. 26)

LIMITS TO GROWTH?

Regarding the use of ICT related services in all MICE sectors, one major factor determining—and ultimately limiting—the rate of adoption is the extent to which the targeted participants have the skills and the equipment required to give them access to the new technology.

Despite the apparent advantages of online marketing and registration for conferences, exhibitions, and incentive programs, it is generally accepted in these sectors that, before opting for these tools, it is important to examine the profile of the potential participants and consider whether

they are sufficiently ICT oriented to be able to benefit from such methods. A key question must be, do they have access to the Internet and the skills to make use of it?

Accordingly, organizers' enthusiasm for online marketing and registration will vary according to the nature of the event. For example, in the exhibition sector, trade show organizer Venture Marketing's Insurance & Financial Services Technology event witnessed a sevenfold increase in visitors registering online, from just 7% to 49% in one year; however, its safety and security event, the U.K. Security Show, registered only 4% take-up of online registration in 1999 (Smith, 1999). Similarly, in the incentives sector it has been widely acknowledged that there are limits to the use of new technology for the purposes of registration and program management. Again, much hinges on who the participants are and how confident they are with technology. Greaves quotes one incentive travel organizer as saying,

Companies in the IT, telecommunications, and finance sectors will turn to the Internet because they feel comfortable with it and use it for online financial transactions. But others are holding back—45% of our clients are from the automotive sector, and they are still behind in technological developments. (Greaves, 2000, p. 28)

The varying level of ICT literacy means that most organizers will not consider converting totally to online registration and stand-booking. They understand that ICT can extend the reach of their shows and make things happen more efficiently, but until the day when the use of e-mail and the Internet becomes practically universal, none of them will use it exclusively for marketing and registration purposes. The risk of excluding potential customers remains too high.

ENHANCEMENT OR SUBSTITUTION?

Given the availability and the potential of virtual conferencing, video conferencing, and virtual trade shows, two key questions arise: To what extent is this technology being used and how much is it being used as a replacement for traveling, in person, to meetings and exhibitions?

Regarding the meetings sector, MIA's *UK Conference Market Survey 2000* provides some insight into this issue, at least for the United Kingdom, in reporting its findings that video conferencing was being used by over 40% of corporate respondents in addition to meetings, but by just 10% instead of meetings (Greenhill, 2001). If, however, destina-

tions and suppliers can take encouragement from these figures, they may feel more ambivalent about the same report's findings that nearly 66% of associations believe that "other" forms of communication will not reduce the number of face-to-face meetings, and 40% of corporate agreed (although 37% were not sure). Fourteen percent of corporate specifically mentioned that video conferencing was likely to reduce the need for face-to-face meetings in the future.

The situation in the U.S. corporate meetings market echoes many of the MIA findings. Many companies have been experimenting with video conferencing as a way to limit costs and eliminate hotel availability concerns. However, in one survey, only 32% of corporate meetings planners said their company used video conferencing—and even then it was only for short meetings with few participants. As one planner explained, "Video conferencing replaces some small conferences of five people in the short-term, but it doesn't replace any longer-term meetings" (MCG, 1999, p. 8).

Similarly, the Professional Convention Management Association's research concludes that although the Internet is increasingly used as a meetings planning and registration tool, the use of new technology as a replacement for business travel events is still minimal: "Although well over half of the convention industry now uses online registration, the proportions of respondents reporting using more sophisticated electronic technologies, such as virtual trade shows and video conferencing, have remained distinct minorities—so far" (Professional Convention Management Association, 2000, p. 1).

Paralleling the concern of those in the meetings industry who worry that advances in ICT might obviate the need for delegates to travel, anxiety has been experienced by some in the exhibitions industry over the possibility of the "virtual trade fair" taking away their business. Will exhibition visitors continue to attend or will they prefer to e-ttend virtual exhibitions, perusing a range of products on-screen and getting e-mail answers to their questions about these without actually leaving their homes or offices?

The conclusion of many in the industry is that the most prevalent role of virtual trade fairs will continue to be a complement to a live show, rather than a direct competitor. Friedmann (2000) describes how organizers can use virtual trade shows to enhance the live event and extend its life:

An online show can begin operation several months before the actual show. Research shows that 90% of show attendees have purchasing power, but fewer than 10% have made contacts with

exhibitors prior to a show. Visitors to the virtual show can make contact with companies ahead of time, which will greatly increase trade show effectiveness for both buyers and sellers. [Virtual] booths can include interactive demos, live online seminars, downloadable brochures, and e-commerce capabilities. [By] using Webcasting for broadcasting audio-visual transmissions across the Internet, virtual shows are able to feature convention seminars and keynote speeches from the actual trade show. (p. 25)

Friedmann (2000) quotes the results of a *Tradeshow Week* survey which revealed that in the United States, 25% of exhibitions also offered online versions of themselves.

In the attend versus e-ttend debate in the meetings and exhibition sectors, the human contact element of "live" events is claimed by many to be a decisive factor in favor of "being there."

It is clear that those who strongly advocate the use of ICT as a substitution for traveling to meetings and trade fairs—telecommunications companies, for example—do not always realize or acknowledge that the value of such events extends beyond the simple transfer or sharing of information. And this is increasingly the case, according to Rogers (1998), who writes that

conferences in the late 1990s are now much more active and participatory in style than was the case just a few years ago. The emphasis is on dialogue rather than declamation, networking and sharing rather than on passive listening, getting hands-on experience and forming workgroups so that conference themes can be understood and digested. (p. 185)

But perhaps the strongest argument against conferences and trade fairs being in danger of being replaced by Internet or video conferencing or virtual trade fair technology is the very simple one suggested by Munro (1994): Delegates enjoy them—not only for the opportunities they provide to update knowledge and network with like-minded people, but also due to the fact that they are often located in cities of tourist interest and offer other peripheral pleasures such as the social program, the partners' program, and the opportunity to go on pre- and post-conference tours, for example.

Indeed, many believe that the very advances in ICT which appear to be creating a threat to the MICE sectors may actually be stimulating the demand for "live" meetings and exhibitions due to some of the impacts

which technology has had on work patterns. Technological progress has made it possible for growing numbers of people to work productively at home, connected to their colleagues and clients only by a telephone line and a computer link. Employees may enjoy the freedom from commuting that remote working brings them, but as Rogers (1998) has speculated,

if the "office-in-the-home" should become a more common feature of everyday life in the future, its end result may well be an increased demand for conferences as people respond to their gregarious instincts by coming together in regular meetings. (p. 78)

For the exhibitions sector, Klein (1999) comes to a similar conclusion: "While the exhibition industry prematurely predicted its own demise earlier this decade because of the Web, something curious happened: the rise of the virtual office served only to re-affirm the importance of the human touch in doing business" (p. 15). Klein's belief, shared by many commentators, is that because ICT is having the effect of increasingly isolating people from each other in other domains of their work and leisure lives, those people are now even more motivated to attend trade fairs and consumer shows for, among the other advantages, the human contact they bring.

SURVEY OF MICE EVENT ORGANIZERS IN EUROPE

The main aim of the survey was to examine Europe-wide MICE trends relating to the volume and value of events in 2001 and projections for 2002. In a number of questions, respondents were asked whether they were intending to make more or less use of varying forms of ICT in their businesses. The results based on their responses to these questions are given below, following a brief description of the methodology employed.

Methodology

An e-mail was sent to the European membership lists of Meeting Professionals International (MPI) and the Society for Incentive and Travel Executives (SITE) requesting that members complete an online survey. The survey was available in five European languages. There were 80 responses in total, representing a return rate of around 10%. Of the 80 responses, 64 were from agents, 10 from companies, and 6 who

did not indicate their affiliation. The survey achieved a good geographic spread of responses, with the majority from the northern European countries and the highest response from the United Kingdom and Benelux countries (see Table 1).

The meetings industry in Europe is a mature one with over half of respondents operating in this field for more than 10 years (see Figure 1).

Survey respondents were asked to what extent they would be using different forms of technology to assist in the planning and organization of events.

Use of Technology in the Incentive Travel Sector

Of the 46 respondents actively involved in the incentive travel sector, 80% are planning to use e-mail more in 2002, with only 2% expecting to use it less (see Figure 2).

However, the figures are not so convincing when it comes to using the Internet to provide information about the event and to gather feedback after the event. Around two thirds are planning to use the Web more for these purposes, but 15% say their use will remain unchanged (although the survey did not record the extent of existing use). A fairly significant 17% do not use the Internet for these purposes at all.

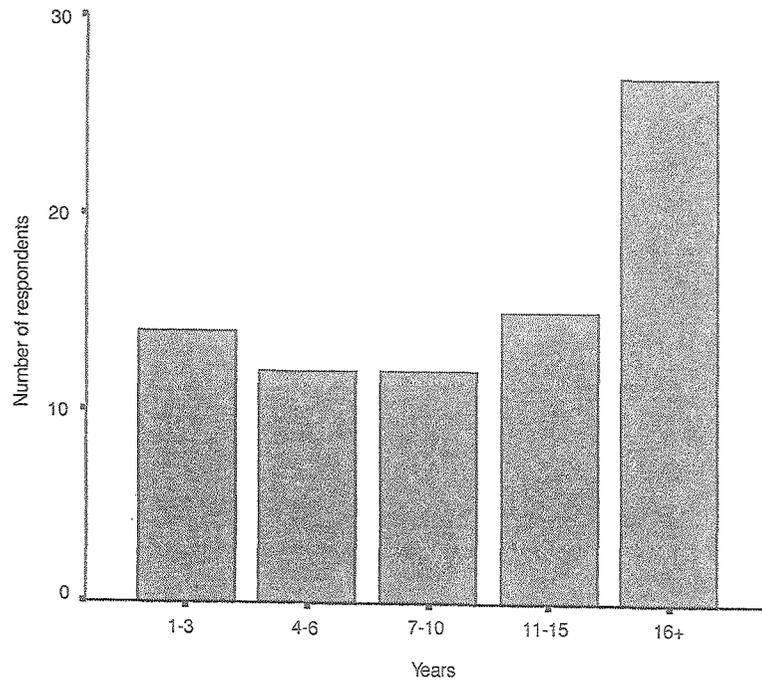
Use of Technology in the Meetings Sector

This sector is relatively active in using technology, especially for communication purposes. Over 70 of the 80 respondents are active in the meetings sector. And of this figure, almost 85% are planning to use e-mail more, while three quarters will use the Internet more to provide information about the event (see Figure 3).

TABLE 1. Number of MPI/SITE Survey Responses by Country

UK	Netherlands	Germany	Sweden	Belgium	Denmark	N/A
15	10	9	6	6	5	5
	Italy	Finland	France	Turkey	Switzerland	Norway
	4	4	3	2	2	2
		Spain	Portugal	Malta	Ireland	Iceland
		1	1	1	1	1
			Greece	Czech Republic		
			1	1		
					Total	80

FIGURE 1. Length of time that survey respondents have worked in the meetings industry (years).



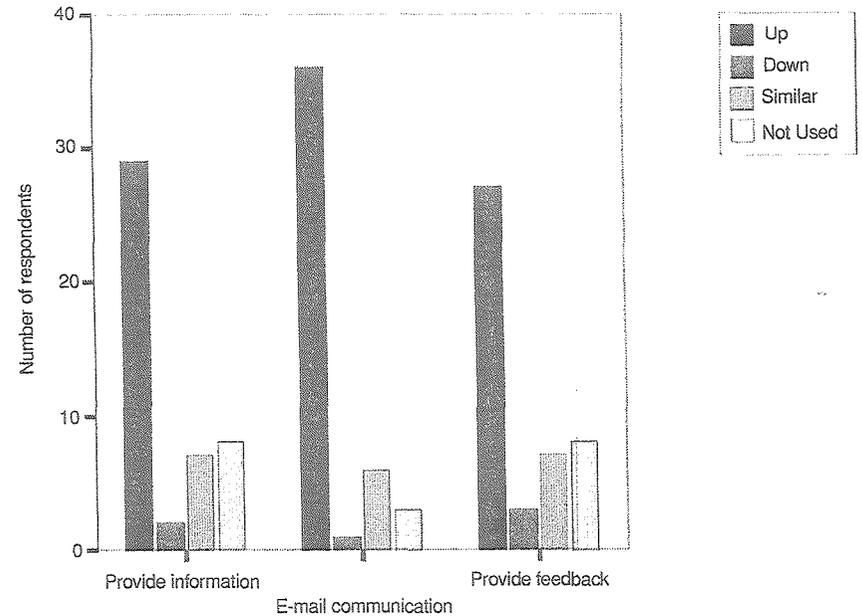
However, although the technology has been available for some time, the picture is less conclusive when using the Internet for other purposes. Two thirds plan to use it more for registering participants and for gathering feedback from them after the meeting. Around 15% do not use the Internet for these purposes at all, and approximately one fifth plan to use it to the same extent as the last 12 months. Using the Internet for housing purposes is a more recent phenomenon, and just under half plan to use it more for this purpose, with one fifth not using it at all.

Use of Technology in the Exhibitions Sector

The striking difference in the use of technology in this sector is that 80% are using the Internet to provide information on their event, 20% more than in other sectors (see Figure 4).

However, it is being used less for registration and feedback purposes. When it comes to using the Internet for slightly more sophisticated pur-

FIGURE 2. The role of the Internet in incentive travel, 2002.



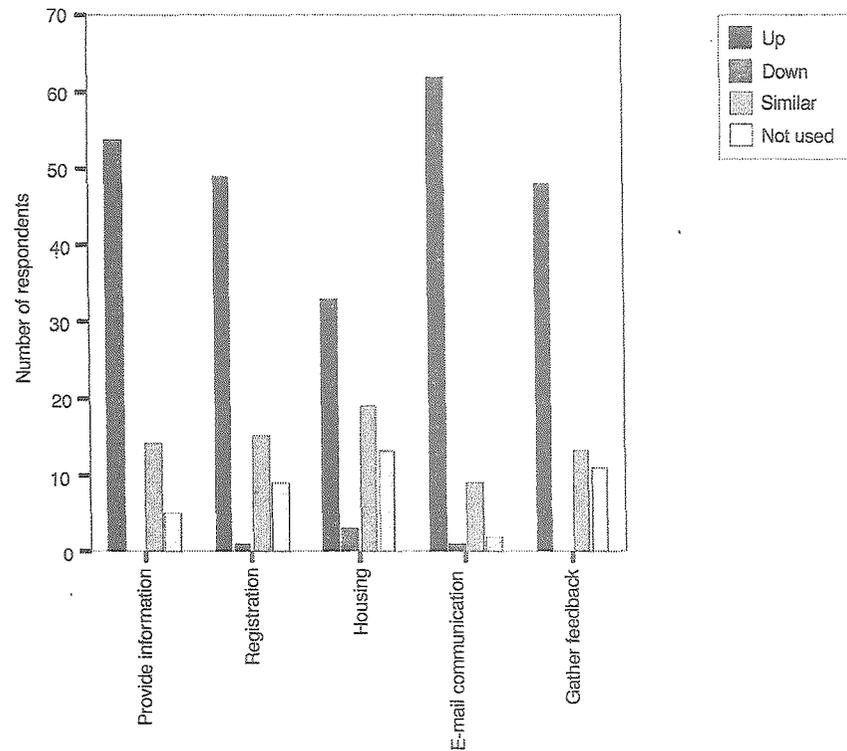
poses, there is still a relatively slow take up. For example, only half expect to use the Internet more for allowing exhibitors to book floor space, with one quarter not using it for this purpose at all.

Video Conferencing/Teleconferencing

Confirming the conclusion of the earlier discussion of ICT's potential to act as a substitute for actually traveling to meetings, the evidence from the survey does not support the contention that the growth of virtual meetings will be enough to replace physical ones significantly (Figure 5).

However, there is some indication that respondents are beginning to exploit the advances in Web based video, with one third planning to use this more in 2002. Companies are more active users of this technology, with 4 out of 10 planning to use it more, as opposed to under one third of agencies. With half of all agencies not using it at all, there would appear to be an opportunity here either for existing agencies to offer it as part of their portfolio of services or for new agencies to specialize in this area.

FIGURE 3. Use of the Internet in the meetings sector, 2002.



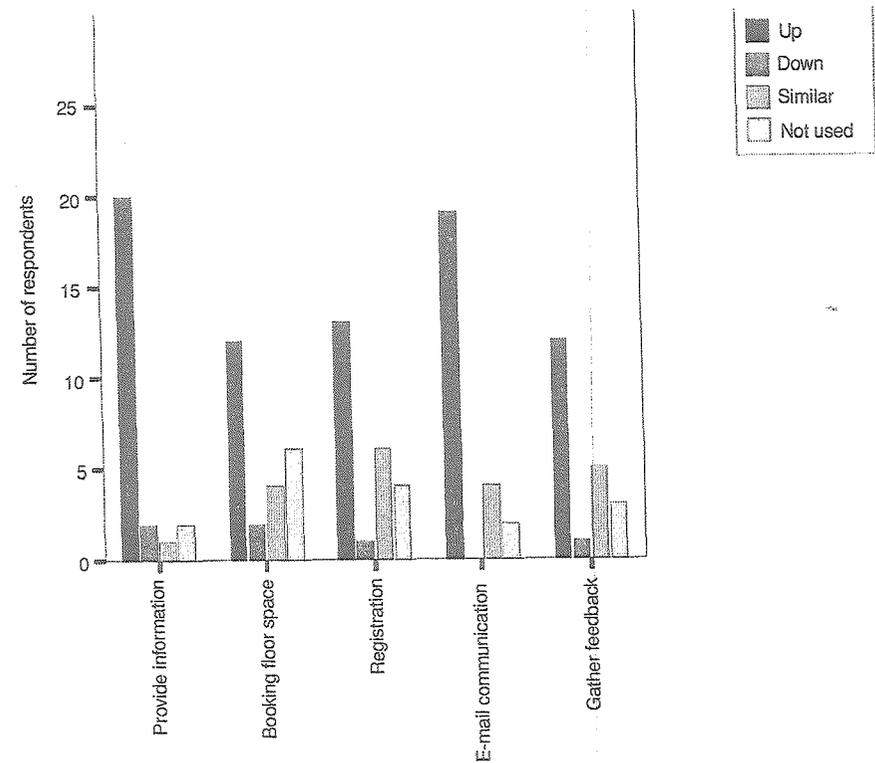
The usage figures are predictably much higher for teleconferencing given the length of time this technology has been available.

ICT Tools for Planning and Booking Events

There is an increasing range of online options open to the event planner for obtaining further information about a potential destination and its services. Web sites belonging to the hotel and venue for the event and general Internet search engines are the most frequently visited sources (see Figure 6).

Around half of respondents intend to use tourist board sites as a source of information. Surprisingly, given the nature of the clientele, only one third frequently access an airline's site for information. It would appear that online travel agents have made relatively few inroads

FIGURE 4. Use of the Internet in the exhibition sector, 2002.

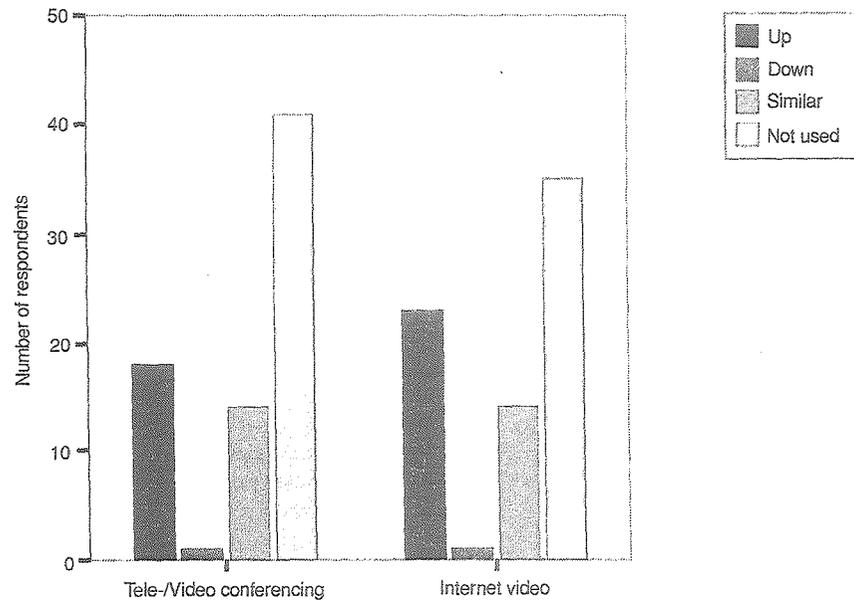


into the business travel market, with only one fifth intending to use these sites on a regular basis. The relatively specialist service offered by Web venue search agencies will be used frequently by 18% of respondents. Car rental sites are the least used, with 60% of respondents never intending to use them.

OUTLOOK

The results of the preceding survey provide, in statistical terms, a snapshot of the developing use of ICT by MICE events organizers in Europe and confirm the trends identified in the earlier sections of this article. There is clearly a growing ICT enabled dialogue being established between those who organize MICE events and those attending

FIGURE 5. The role of communication technology in the meetings sector, 2002.

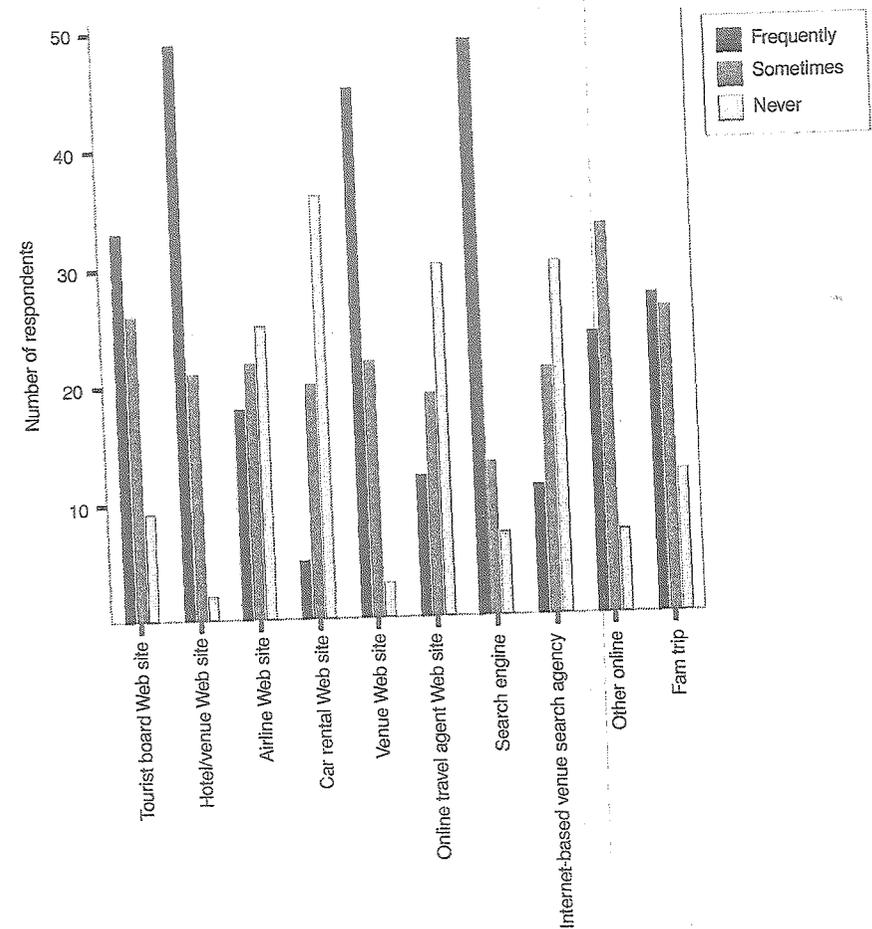


them. The new opportunities created by advances in ICT are being primarily used by organizers as a means of marketing and disseminating information on MICE events more widely and more effectively to participants and potential participants. In turn, a growing number of participants are using the Internet to register for such events and to provide direct feedback on them.

There are also signs that the use of ICT in the MICE sectors is considerably enhancing and extending the “lifespan” of many events, through the development of a continuing online pre- and post-event dialogue between organizers and participants. This occurs when events’ Web sites, for example, offer a range of lively additional services, such as pre-views, news updates, downloadable seminar speeches recorded at the event itself, and feedback results. Continuing growth in ICT literacy will ensure that growing numbers of participants avail themselves of the opportunity to take part in such discourses.

What is also clear, however, is that the use of ICT as a substitute for attending MICE events is still very much a minority activity. E-tending appears most likely to be used as an alternative to traveling to short, corporate meetings involving few participants, and least likely to act as a

FIGURE 6. Use of event planning and booking tools, 2002.



substitute for attending larger conferences and exhibitions. Incentive travel, by its very nature, is not a candidate for replacement by ICT-driven services.

Plainly, however, a major factor contributing to the future use of ICT products as substitutes for MICE related trips is how the perception of the risk factor inherent in traveling will evolve in the future. Our presumption that the volume of all travel would necessarily continue to expand ever upwards has been badly shaken by the recent terrorist attacks.

All things being equal, it looks most likely that the human characteristics will ensure that people in the world will always prefer to meet face-to-face, whenever possible, rather than push keyboard buttons and look at images on a screen.

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Virtual MICE Promotion: A Comparison of the Official Web Sites in Hong Kong and Singapore

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ABSTRACT. Hong Kong and Singapore have been the leading cities for hosting MICE in Asia. Every year, thousands of events are held, both by local and international organizers, in Singapore and Hong Kong. Despite the significant economic contributions of MICE to a local economy, hospitality and tourism literature seldom analyzes Hong Kong and Singapore in terms of MICE promotion. The absence of published articles is particularly true in the context of virtual promotion. This paper reports on a study examining events promotion in the Web sites of the Hong Kong Tourism Board and the Singapore Tourism Board. The paper also analyzes the performance of the official Web sites in providing useful site selection information to event organizers and meeting planners. Empirical results of a content-based analysis indicate that the information provided by the Singaporean Web site is more comprehensive than its Hong Kong counterpart. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address:

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Summary

Business tourism, as well as being an important direct source of revenue in its own right, also has the potential to stimulate a vast amount of supplementary spending on leisure and recreational activities in destinations. One of the main ways in which this happens is through business visitors adding a number of days to their trip, before or after the business event, in order to enjoy the cultural, shopping and sightseeing resources of the destination.

Such activities represent important secondary impacts of business tourism on the destinations where conferences and exhibitions are held, bringing extra spending and leading to higher rates of tourism employment and profitability for enterprises such as hotels, restaurants, shops and tourist attractions. Yet although many stakeholders in the travel, tourism and hospitality sectors stand to benefit from leisure extensions to business trips, it is most often the Visitor and Convention Bureaux (VCBs) who take the lead in promoting this form of tourist activity.

This article considers the type of business visitor most likely to extend a business trip for leisure purposes and suggests that there are specific types of business events and types of destinations that are most likely to generate leisure extensions. It reviews the challenges faced by VCBs in stimulating the leisure extension market, highlighting good practice from a wide range of destinations. The findings laid out in this article have important consequences for tourism planning and marketing programmes carried out by destination marketing organisations, and indicate the need for greater collaboration between business tourism stakeholders and those in the holiday/leisure tourism sector.

Introduction – Business Tourism Versus Leisure Tourism

In segmenting their visitor markets by ‘purpose of trip’, most destinations make the distinction between leisure tourists and business tourists – essentially those visiting the destination to attend meetings, incentive trips and trade shows. Traditionally, leisure tourists and business tourists have been considered as two distinct and discreet market segments, each with its own separate, and often contrasting, patterns of consumption in terms of seasonality, levels of spending, destination choice and decision-making processes.

Most destinations now acknowledge that business tourism is by far the most lucrative, highest-spend, highest-yield segment of the market. For example, in the UK, on a spend-per-day basis, business visitors spend almost three times as much as the average for all visitors. The considerable significance of the business tourism sector for a range of destinations clearly emerges from the following facts and figures:

- An estimated 1.4 million conferences and meetings (involving eight or more delegates) took place at UK venues during 2001. Around one in five of meetings and conferences involved delegates having an overnight stay at the venue. The overall value of the UK conference market is estimated at around £7.3 billion.
- Germany is the world leader in terms of the number of exhibitions and trade fairs held there each year. Five of the world’s top ten trade fair companies (in terms of turnover) are located in Germany. In 2001, trade fair operators located in Germany increased their turnover from €2.4 billion to €2.5 billion.
- In terms of the number of international association meetings held, the US is consistently in first place, well ahead of all other countries. The Meetings & Conventions 2000 Meetings Market Report showed that total spending on conferences in the USA the previous year was \$ 40.2 billion.
- It is predicted that by 2003, Australia will occupy the third position in the global rankings for the number of international meetings held in any country. The total number of participants attending international meetings in Australia in 2001 was almost 100,000 according to the ICCA.

One consequence of the tendency to compartmentalise the two types of tourism into the leisure/business dichotomy is that, in many cases, separate destination management organisations have assumed responsibility for attracting leisure visitors and for attracting business visitors.

At the national level, while tourist boards and organisations run marketing campaigns to promote their destinations to holidaymakers, day-trippers and those on short breaks, visitor and convention bureaux (VCBs) market the same countries to those organising and attending business-related events. A similar duality of purpose may be found at the local level, with staff of individual cities’ and resorts’ visitor and convention bureaux or ‘conference desks’ often working in parallel with their colleagues who are responsible for marketing the city or resort to potential leisure visitors.

The Business Tourism/Leisure Tourism Interface

Increasingly, however, rather than emphasising the contrasts between business tourism and leisure tourism, the important linkages between the two are being emphasised. It has long been recognised, for example, that destinations' popularity as attractive holiday destinations can have a positive effect on their appeal both in winning conference bids and in attracting delegates. Yet, more recently, the ways in which business tourism can boost spending on leisure and recreational activities at the destination have begun to be much more widely acknowledged. This happens in four main ways, triggered by four sub-segments of the business tourist market:

FIGURE 1: SUB-SEGMENTS OF THE BUSINESS TOURIST MARKET

Sub-segment	Activity
Extenders	Business visitors who <u>extend</u> their visit to the destination – adding a number of days before or after – in order to enjoy the cultural/shopping/sightseeing resources of the destination. This may be as part of an official, organised pre-/post-conference programme, or independently.
Business guests	Guests (usually spouses/families) who accompany delegates, but not to attend the business event. They engage in leisure tourism activities while at the destination, either through an official, organised guest programme, or independently
Returners/ambassadors	Business visitors who have been impressed by the destination and who subsequently return with their spouses/families for holidays/short breaks, and/or encourage others to do so.
Socialisers	Business visitors themselves engaging in leisure or recreational activities as an essential part of the social/networking/relaxation element of the event attended: excursions, gala dinners, receptions, etc

Source: Author/TTI-Mintel

It is clear that the activities shown in Figure 1 represent important secondary impacts of business tourism on the destinations where conferences and exhibitions are held. Such 'add-ons' offer destinations the prospect of extra spending by business visitors and their guests, leading to higher rates of tourism employment and greater profitability for local enterprises such as hotels, restaurants, shops and tourist attractions. The importance of the ancillary activities of business visitors in a selection of destinations may be deduced from the figures given below:

- Some 42% of delegates attending conferences in Sydney are accompanied by one or more guests
- Foreign business visitors to Paris spend on average £170 per trip on shopping for clothes and gifts
- Some 20% of foreign conference visitors to Germany combine the visit to the event with a holiday, meaning that half a million international visitors to conferences in Germany also become holidaymakers in that country
- Some 39% of delegates attending conferences in the UK have indicated that they would be likely to return to the conference destination for a holiday or short break.

Given the considerable potential benefits of business tourists adding leisure and recreational activities to their trips, the question arises: what can be done in order to fully exploit business tourism's potential for boosting leisure tourism activities in destinations? In particular, how can those attending conferences and exhibitions be persuaded to extend their trips for leisure-related purposes?

Demand for Leisure Extensions To Business Trips

There is growing understanding of the principal factors that determine whether or not conference and exhibition visitors generate business trip extensions. These are:

- the characteristics of those business tourists most likely and least likely to take advantage of the opportunity to extend their business trip, for leisure purposes
- the characteristics of the business events most and least likely to attract attendees who extend their stay
- the characteristics of those types of destinations most and least likely to attract extenders and their guests.

Research suggests that in each of these three fields, there are a number of inhibitors and motivators.

FIGURE 2: BUSINESS TOURISTS' CHARACTERISTICS

Inhibitors	Motivators
Domestic	Foreign
Self-funding	Sponsored by an employer
In a relationship and unaccompanied by their partner	In a relationship and accompanied by their partner
Inexperienced traveller lacking in confidence	Confident as an independent traveller

Source: Author/TTI-Mintel

The evidence suggests that business visitors from overseas, and long-haul visitors in particular, are the tourists who are most easily persuaded to extend their trip, particularly if they are unfamiliar with the destination. For many such visitors, the trip to the conference or exhibition may be a 'once-in-a-lifetime' trip to the destination. An example can be seen in the case of Germany: while 6% of Germans attending conferences in their own country combine the visit to the event with a holiday, this figure rises to 20% when delegates travelling to Germany from abroad are under consideration.

Similarly, if the trip has been funded by the delegate's employer, for example, the delegate may be more likely to spend his or her own money on an extension to the visit. Regarding the delegate's relationship status, it is reasonable to expect that someone travelling alone may feel under pressure to return to his or her partner more or less immediately after the business event itself, if they have not brought that person as their guest.

FIGURE 3: BUSINESS EVENTS CHARACTERISTICS

Inhibitors	Motivators
Corporate events	Association/academic events
Mid-week	Ending just before or beginning just after a weekend
Many excursions included in the event itself	Ending just before or beginning just after a major sporting/cultural event at the destination
	Guest programme included in the event itself

Source: Author/TTI-Mintel

The most important of these determining characteristics is almost certainly the first, with delegates' propensity to extend (and bring guests) being generally greater in the more 'relaxed' association and academic meetings market. Nevertheless, the other factors must also play a part in the decision-making process, in particular the timing of the conference. Mid-week events may discourage delegates from extending when this means taking a day or two's annual leave from work. On the other hand, the temptation to extend and/or bring a guest will be considerably increased when a pre- or post-conference extension offers the delegates the possibility of attending a well-known cultural or sporting event at the destination. Finally, conferences offering a number of excursions and tours built into the official programme may leave delegates with the impression that they have sufficiently experienced the destination and that little extra would be gained by extending.

FIGURE 4: DESTINATIONS' CHARACTERISTICS

Inhibitors	Motivators
Negative image (expensive, unsafe) or no image for leisure tourism	Positive image for leisure tourism
	Well-established infrastructure of leisure tourism services and facilities
	Providing good quality tourist information

Source: Author/TTI-Mintel

The image which the destination holds for the business visitor clearly plays a determining role in his or her decision to extend the trip or not. It follows that, in cases where the destination either has no particular image, or a negative one, the destination marketing organisation must take steps to correct this situation.

A practical illustration of some of these demand-side factors is given in the following case-study: an association event with a high proportion of overseas participants.

Case Study: The 35th World Vegetarian Congress, Edinburgh 8-14 July 2002

When the 35th World Vegetarian Congress was held at Heriot Watt University, Edinburgh, in July 2002, it was the first time that the annual congress of the International Vegetarian Union had been hosted in Scotland, returning to the UK for the first time since 1979. The UK's Vegetarian Society took responsibility for organising the event.

From the earliest stages of publicising the event, the conference's main organiser, the Chief Executive of the UK's Vegetarian Society, laid great emphasis on showcasing the attractions of the destination and the opportunities for leisure and cultural visits, stating that 'one of the reason for choosing Edinburgh as the venue was the its strong, positive profile and the wealth of attractions in and around the city'.

With over 350 delegates from 20 different countries congregating in Edinburgh – many visiting Scotland for the first time – optional excursions and a 5-day post-conference tour of the Scottish highlands and islands, taking in both Skye and Findhorn, were an integral part of the programme. The attractions chosen for the half-day and 1 day excursions included the New Lanark experience, Traquair House, the oldest inhabited house in Scotland, the Wallace memorial and Stirling castle. Several months before the conference, the 5-day tour was already sold out.

Details of the excursion programme and the post-conference tour were posted prominently on the conference website which also provided a link to *visitscotland.com*, the official website of the Scottish Tourist Board, for those delegates planning to travel around the destination independently, before or after the conference. In addition, the quarterly magazine of the Vegetarian Society gave full details of the excursions and post-conference tour.

The conference organiser, commented that the excursions and post-conference tour were vital elements of the event: 'The delegates were paying for their own attendance, so they needed to be sold the event as a whole. Social and leisure-related elements gave the delegates additional reasons to attend and also added to the networking opportunities open to them. The Edinburgh Convention Bureau were very helpful, particularly in supplying us with good-quality photographs and tourism material'.

Delegates' pre- and post-conference activities:

The profile of the delegates in terms of their places of permanent residence was as follows:

From Scotland:	8%
From elsewhere in the UK:	33%
From another European country:	21%
From outside Europe:	38%

The delegates' prior familiarity with Edinburgh, Scotland and the UK, and the extent to which they added leisure extensions to their conference trip is shown in Figure 5.

FIGURE 5: INCIDENCE OF LEISURE EXTENTIONS

Delegates place of permanent residence	1 st trip to Edinb. & Scotland	1 st trip to UK	% of delegates taking Lext before/after conference	% of which spent in Edinb.	% of which spent elsewhere in Scotland	% of which spent elsewhere in the UK	% of which spent elsewhere in Europe
	%	%	%	%	%	%	%
Scotland	-	-	5	50	50	0	0
UK-other	25	-	37	43	57	0	0
Europe-other	40	0	80	33	33	33	0
Rest of the world	56	32	89	44	22	28	6

Source: Author/TTI-Mintel

As might be expected, the level of incidence of leisure extensions increases in direct proportion to the distance between the delegate's home and the conference destination – this phenomenon also being directly linked to the degree to which delegates were first-time visitors. What also emerges from the figures above is the geographical 'ripple effect' of those leisure extensions, with the rest of Scotland and the rest of the UK (and, in the case of 6% of the extensions taken by long-haul delegates, other European countries) benefiting from the ancillary leisure activities of delegates.

Edinburgh was the first, or first-equal, focus of delegates' pre-/post-conference activities for all delegates with the exception of those from other parts of the UK, whose existing familiarity with the capital may have been the reason behind their preference for exploring other parts of Scotland.

The Role of Suppliers and Intermediaries in Stimulating Leisure Extensions to Business Trips

The benefits of leisure extensions to destinations and to those running travel, tourism and hospitality businesses in them are evident. Yet what can be done – and by whom – to persuade business visitors to add one or more days to their trips?

One set of key players in the business tourism market are those intermediaries who are responsible for organising major conferences. A survey of the Association of British Professional Conference Organisers (ABPCO), carried out in 2002 highlighted the importance of leisure extensions to their members, with 73% agreeing that ‘adding leisure extensions to conference trips can increase delegate numbers’. For the association market in particular, achieving high delegate numbers can be an important indicator of success for any conference. It adds to the inclusive nature of the event and brings with it extra revenue for the association.

When asked about their own practices regarding the inclusion of extension opportunities in conference packages, the responses given revealed a variety of approaches to this issue:

FIGURE 6: WHAT IS YOUR OWN APPROACH TO INCLUDING LEISURE EXTENSION OPPORTUNITIES IN THE CONFERENCE PACKAGES YOU PRODUCE?

	%
I provide add-on leisure <u>packages</u> as a matter of routine	8
I suggest <u>ideas</u> for add-on leisure packages as a matter of routine	42
I only provide add-on leisure extension ideas/packages when the client requests these	25
I respond to requests from individual delegates who indicate an interest in extending their trip	8
I avoid providing add-on extensions wherever possible	17

Source: ABPCO survey

With the respondents split 50/50 between those who have a proactive approach to this aspect of conference organising and those preferring only to respond to client/delegate demand, it is clear that leisure extensions have a low priority for many PCOs. Those admitting to avoiding add-on extensions whenever possible emphasised the extra effort – and risk – entailed in organising them, especially when actual take-up by delegates was low.

This raises the question of where the main responsibility for persuading business visitors to extend their trips actually lies. The ABPCO survey investigated this key aspect.

FIGURE 7: IN YOUR OPINION, WHO SHOULD TAKE THE LEAD IN PERSUADING DELEGATES TO EXTEND THEIR TRIPS FOR LEISURE PURPOSES?

	1 st choice %	2 nd choice %	Total %
NTOs	5	5	10
Local VCBs	15	15	30
Hotels	15	5	20
Attractions	5	0	5
PCOs	25	5	30
DMCs	0	10	10
The conference hosts	5	0	5

Source: ABPCO survey

While acknowledging the importance of their own role, the PCOs' responses also highlight the important position of local Visitor and Convention Bureaux. As key intermediaries in the business travel and tourism market, many VCBs are already taking steps to maximise the indirect benefits of business visitors by persuading them to extend their trips for leisure purposes.

Some of the main challenges for VCBs in this market – and some imaginative solutions to those challenges – will now be reviewed.

Challenges and Solutions for Intermediaries in the Extenders Market

The Challenge: Getting PCOs and their clients to regard the leisure attractions of the destination as an asset for their events

Even without having to consider the pre-/post-conference activities of delegates, the role of the PCO is an extremely complex and at times arduous one, given the myriad of responsibilities involved in organising a meetings event. Persuading them, and the clients they work for, that the leisure attractions of the destination can enhance their event and boost attendance calls for persistence and imagination on the part of the VCB from the earliest stages of the event's conception.

Good practice: Manchester

In conference bid documents, Marketing Manchester places considerable emphasis on the options for pre- and post-conference tours. Such programmes can include activities range from walking tours of Manchester and playing golf at stately homes to day trips to nearby Liverpool for the Beatles tour and to visit the Albert Dock. Positioning Manchester as a 'gateway' to nearby places of interest, such as the Lake District, the Cotswolds and Stratford-Upon-Avon, has been found to be the most effective way of encouraging take-up of pre- and post-conference tours. They also include a section on such tours in any presentations they make to organising committees.

Familiarisation trips and site inspections provide VCBs and suppliers further opportunities to impress key decision-makers. Again, Marketing Manchester makes full use of these occasions to demonstrate how Manchester's location makes it very easy to reach some of the UK's most beautiful countryside and heritage. A degree of lateral thinking is required: the most famous attractions may not be on the doorstep of the conference destination or even in the VCB's own 'territory'. Cooperation and collaboration between destination marketing organisations is clearly vital.

The Challenge: Getting information to business visitors early

It can be very difficult for business visitors to change their return travel dates or organise extra time off work at the last minute, so leisure extensions to business trips need to be planned well in advance. Providing tourist information to the delegate in the conference pack only is leaving it far too late. Getting tourism information and leisure extension ideas ('collateral material') to business visitors well in advance of them making their travel arrangements is absolutely vital.

Good practice: Philadelphia

The Philadelphia Convention Bureau – with the motto: ‘Come early, stay late’ – arranges for an individually-produced brochure promoting the leisure, cultural and gastronomic attractions of their city to be sent out to all potential convention delegates with the initial invitation to attend the event. The information in the brochure carries the name and logo of the association, in the form: ‘Philadelphia welcomes....(for example) the American Society of Nephrology’. The contents of the brochure are also tailored to the specific leisure interests of the delegates. For example, those attending conferences with a medical theme are informed that Philadelphia is ‘the birthplace of American medicine’ and invited to visit the College of Physicians of Philadelphia, which is the oldest honorary medical academy in the US, and the Mütter Museum’s gallery of medical exhibits. A reply-paid card in the brochure, which asks if delegates are bringing guests and/or extending their trips, enables delegates to request further tourist information from the Philadelphia Convention Bureau.

Good practice: Glasgow

The year before any association’s conference is due to be hosted in Glasgow, the Greater Glasgow and Clyde Valley Convention Bureau (GGCVCB) sends a member of staff to wherever the association is holding its conference that year, to set up a mini Tourist Information Centre promoting Scotland’s attractions and pre-/post-conference tours. This works extremely well as a method of getting Glasgow’s tourism promotional material into delegates’ hands well in advance of the event itself.

When the event comes to Glasgow, the GGCVCB also provides a dedicated tourist information centre for all conferences with over 1,000 delegates held at the Scottish Exhibition and Conference Centre. In this way, the delegates have ready access to ideas for independent excursions and post-conference tours, as well as an accommodation booking service.

Good practice – Germany

The German Convention Bureau prepared its 2003 marketing campaign – ‘Germany: Europe’s focal point for trade fair, congress and convention business travel’ – in collaboration with the German National Tourist Board (DZT). The joint objective of the campaign was to improve Germany’s market position as an international destination for conferences and trade shows while also encouraging business visitors to add some holiday time on to their stay. This was achieved by explicitly linking the selective, themed promotion of Germany’s tourist attractions, cultural events, cuisine, and spa facilities to the marketing of specific business events. For example, visitors registering in advance for INTERBAD, the Dusseldorf trade fair for swimming pools, pool and bath technology, saunas, and physiotherapy received details of German spa holidays; and visitors to ISPO, the ski, snowboard, surf and skating trade fair were sent information, in advance, on active, sport-related holidays in Germany.

The Challenge: Packaging attractive offers

Financial considerations clearly play a part in delegates’ decision whether or not to extend their trip. Association delegates in particular may have already incurred considerable personal expense in attending the event itself, when they are paying out of their own pockets; and in the corporate market, leisure extensions are rarely funded by the delegate’s employer. Promotional offers and attractive pricing can play a key role in persuading business visitors to extend their trip and/or bring a guest.

Good practice: New York

The New York City Convention and Visitors Bureau operates a 'Convention Delegates Pass Program' in association with American Express, offering discounts and promotional offers at local restaurants, attractions theatres and shops, to delegates who present their conference name badge and redeemable coupon and pay with an American Express card. Details of the scheme and lists of participating businesses can be sent to delegates in advance, posted on the conference website, or included in registration packs.

The Challenge: Measuring the benefits

It is vital that all stakeholders are made aware of the full value of this type of incremental spending by business visitors. That means taking care to measure the benefits of business visitors who extend their trip, return or bring guests, or any combination of these. Only when these indirect benefits are demonstrated will business tourism's full contribution to the economy of any destination be recognised.

Good practice – Sydney

As well as measuring the volume of extra time spent by delegates at the destination and the proportion of them bringing guests, the Sydney Convention Delegate Study asks business visitors about their plans to return, for leisure purposes. A recent example of this study demonstrated, for example, that while only 36% of international delegates attending conferences in Australia had considered visiting that country prior to their visit, after attending the conference, 76% of delegates said they would return to that country in the next five years.

Good practice – Detroit

The Detroit Convention and Visitors Bureau's 'Let Us Entertain You' scheme provides conference delegates in that city with a book of coupons offering discounts at local shops, attractions, on car hire and on entrance to special events, if used at weekends. By tracking the number of coupons used in this way, Detroit is able to estimate the volume of business visitors extending their trips over the weekend.

Conclusion

Many VCBs are already highly active in taking steps to stimulate and facilitate the market for leisure extensions to business trips. They are assisted in this task by those in the transport, tourism and hospitality sectors who have also recognised the potential in this market. For example, hotels offering discounted rates on weekend breaks to the employees of their corporate clients are acknowledging the link between business tourism and leisure tourism, in using their corporate base to driving their leisure business at quieter times of the week.

Transporters also have a role to play in facilitating leisure extensions. An interesting example is Alitalia's 'Air Pass', launched in 2002 and specifically designed to 'encourage business travellers to hop between Italian cities when they visit the country'. The pass, which can be bought in the passenger's country of departure in conjunction with a ticket for an international flight, allows between three and five stop-offs to any one of 22 destinations in Italy. Passengers flying out of Heathrow or Gatwick, for example, to business destinations such as Milan or Rome can use the pass to add visits to a range of traditional leisure destinations including Florence, Genoa, Naples, Pisa, Rimini, Venice and Verona.

Finally, the growth of leisure extensions has also been fuelled, in part, by the widespread trend towards the taking of short breaks in urban locations. Weekend extensions to business trips, where the fare may already have been paid by the visitor's own employer, are entirely in line with the growing popularity of visiting cities at home and abroad, to enjoy the opportunities they offer for shopping, sightseeing and culture.

The above examples of good practice indicate that there is no shortage of ideas for maximising the take-up of leisure extensions. VCBs' efforts in this field deserve to be more widely recognised – and rewarded – as the incremental income from the extenders' market is of direct benefit to the destination. VCBs actively stimulating leisure extensions to business trips can make a compelling case for more resources being allocated to them, given the increased value-added they produce through their efforts. Using data collected from regular surveys of business visitors, it should be possible to produce a 'business extenders multiplier' for these destinations fortunate enough to have a VCB alert to the full potential of this market.

It is clear that there is no shortage of ideas for turning business visitors into leisure visitors. Many VCBs and other professionals are already doing something. What if everyone did everything?

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PUBLICATION 9

HOW DESTINATIONS CAN ENCOURAGE BUSINESS VISITORS TO BECOME LEISURE VISITORS

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ABSTRACT

Traditionally, the holiday/leisure tourism market and the business tourism market (travel to conferences and exhibitions) have been considered separately by destinations. Often, separate departments of tourism organisations have responsibility for leisure tourism and business tourism, and separate promotional campaigns are mounted by each one. However, it is clear that *business tourism* as well as being an important direct source of revenue in its own right, also has the potential to stimulate a vast amount of spending on *leisure and recreational activities* in destinations. When this occurs, it brings the prospect of extra spending, leading to higher rates of tourism employment and profitability for enterprises such as hotels, restaurants, shops and tourist attractions. This paper examines the various techniques employed by destinations and tourism enterprises in their efforts to persuade those attending conferences and exhibitions to extend their trips, for leisure-related purposes.

INTRODUCTION

Although tourism and work are usually perceived as two contradicting fields of human activity, academics' and tourism professionals' attention is increasingly being focused on those situations in which work-related and leisure-oriented activities are combined. It is now widely recognised that there are important linkages between the two notably through business travel generating additional leisure activities at the destination.

Almost all business travel includes elements which are practically indistinguishable from the activities of leisure visitors to the destination: enjoying a restaurant meal, visiting local attractions, relaxing in the hotel sauna, shopping for gifts – these are all examples of pursuits in which both types of visitor may engage. The difference is, of course, that in the case of the leisure visitor, such activities are central to the motivation behind making the trip, while for most business travellers, they are incidental and peripheral to the main reason for visiting the destination.

Nevertheless, incidental and peripheral though they may be, leisure elements do play an important role in motivating the business traveller. In the case of discretionary business travel, they provide an extra reason for attending the conference or trade fair, for example; and, for all types of business travel, leisure activities at the destination compensate in part for the visitor spending time away from home. Indeed, for some forms of business travel, the leisure and pleasure element is absolutely central to the reason for making the trip in the first place: incentive travel and corporate hospitality, almost entirely composed of leisure, recreational and cultural pursuits, only achieve their objectives if participants thoroughly enjoy themselves.

It is possible, therefore, to classify the various examples of business travel according to their 'pleasure quotient', the extent to which the elements of leisure and enjoyment are generally a feature of the particular type of event or trip. Figure 1 demonstrates this.

FIGURE 1
Business tourism: pleasure quotient

HIGH		LOW		
Corporate hospitality	Motivational conferences	Consumer shows	Trade fairs	Short individual business trips
Incentive trips	Association conferences	Corporate seminars		
Product launches				

COMBINING BUSINESS WITH PLEASURE

Travel for business-related purposes can increase the level of leisure and recreational activity at the destination in four main ways:

- Through business travellers extending their visit to the destination - adding a number of days before or after - in order to enjoy the cultural/shopping/sightseeing resources of the destination
- Through business travellers being accompanied by guests (usually spouses/families) who engage in leisure tourism activities while at the destination. This may be through an official, organised 'guest programme', or independently
- Through business travellers themselves engaging in leisure or recreational activities as part of the social/networking/relaxation element of the event attended
- Through business travellers who have been impressed by the destination returning with their spouses/families for holidays/short breaks, or encouraging others to do so.

Extenders

It is not difficult to understand why business travellers should choose to extend their visits by a few days, or more, before or after the business event, in order to enjoy the destination's attractions. They are often professional people with high levels of disposable income and interest in experiencing new places. Those whose employers have paid for them to attend, may

consider that since they have not personally paid for the business aspect of the trip, it is reasonable for them (the business travellers) to fund a leisure tourism extension out of their own pockets. For long-haul visitors in particular, visiting a particular city on business may be a once-in-a-lifetime opportunity to enjoy the destination's attractions, before or after the actual event.

There is also evidence that business trips are being extended in order that the travellers' can participate in cultural or sports activities. Collis quotes the managing director of Unmissable.com, an internet-based supplier of 'ready-to-go experiences and activities': 'People going away on business trips to, say, Italy or Spain, contact us to see if we can get them tickets for football or the theatre. We're seeing a lot of people going on cookery courses, bungee jumping or white-water rafting' (Collis, 2001).

The practice of extending business trips in this way is highlighted by the research undertaken by Doyle and Nathan (2001), which suggests that frequent travellers view short extension breaks as a trade-off for intensive travel and working long hours. Their conclusion is that seasoned travellers often try to direct their work travel to either places they already like or to places they would like to explore, and that they regard these breaks as a chance to see a place, to experience a different way of life. In other words, there is a breed of business traveller who habitually regards business trips as potential triggers for a short leisure break, part of which – the actual travel element – is financed by his or her employer.

For the self-employed, Rutherford and Kreck (1994) indicated an additional motivating factor for combining business and pleasure travel: the tax deductibility of the business and professional portion of the trip. The 'Saturday night rule' almost certainly encourages extensions of this type. Anecdotal evidence suggests that companies may be persuaded to pay for the extra hotel accommodation of those employees who agree to spend the weekend before or after the date of their meeting, when they realise the savings to be achieved by paying for air fares for trips including a Saturday night.

Opinions differ over which type of individual business traveller is the more likely to extend business trips: the more experienced and more senior business traveller or their less senior and less seasoned travelling colleagues? On the one hand, as suggested above, more seasoned

travellers may be more adept at directing their business travel plans to take in places they wish to visit for personal reasons. But, many believe that it is those who are less used to work-related travel who are more likely to take advantage of business trips, by extending them for pleasure. One such commentator is the managing director of Worldwide Escapes, a travel company which organises customised weekend breaks for business travellers in Asia and South America. She is quoted by Collis as saying: 'It's not so much frequent business travellers but people who may not travel a great deal who want to take advantage of weekends away. My guess is that high-level people are more dedicated to work and don't necessarily take a weekend off' (Collis, 2001).

Guests

Although the classic image of the business traveller is the solitary 'road warrior' venturing alone into the world on their particular mission, many choose to go accompanied, by a partner, spouse and/or other members of their family. As well as the obvious advantage of familiar company that this arrangement offers, there is also the widely-held belief that an overseas business trip with a spouse is an added bonus that can sometimes help justify the long hours put in on the company's behalf.

Drache (2000) indicates a further benefit of business travellers taking guests with them, pointing out that sharing the hotel room, rented car etc, and using air miles to book the second seat, for example, means that for the business traveller, being escorted by a spouse or some other person far from doubles the outlay.

Measuring exactly what proportion of individual business travellers visit their destination accompanied by a guest would be a problematic (and indiscreet) undertaking. However, there have been efforts made to measure the proportion of conference delegates who take a guest with them for the duration of the event. Estimates vary, but not too wildly. For the UK, the BTF & BTAC (1999) report claims that national and local surveys suggest 20%-30% of delegates may bring accompanying persons; while, for the US market, Opperman (1997) has estimated that approximately one third of association attendees in North America are accompanied by spouses.

Clearly, for conferences, a determining factor in the question of whether delegates are accompanied or not will be the inclusion, or not, of an organised, parallel programme of activities to entertain their guests while the delegates participate in conference sessions. Guest programmes - of activities ranging from sightseeing and shopping to cultural visits and guest celebrity speakers - are an established staple of many association gatherings, in particular. The change in their nomenclature reflects the evolution in social mores of the past 50 or so years, as they have changed from 'wives' or 'ladies' programmes through 'spouse programmes', to the current 'partner', 'accompanying persons' or simply 'guest' programmes.

Social programmes

It is frequently stressed that one aspect of conferences which is lost when videoconferencing is used to replace live events is the social aspect. Smith quotes Alvin Toffler in this respect: 'people go to conventions for three reasons - to get information from the platform; to meet colleagues and exchange views - networking; and for recreation, the change in routine, the social programme' (Smith, 1990: 70).

Although much of the social aspect of conferences and trade fairs is incidental – meeting colleagues, making contacts, finding leads, for example, over coffee or in the conference centre or exhibition hall bar – it is nevertheless commonly regarded as a vitally important aspect of such events.

For that reason, efforts are often made by conference organisers in particular to add social programme elements to events, especially when they extend over three or four days. Excursions and gala evenings are typical of the type of social events which can be included in conference programmes, to help delegates – and their guests, if included – relax together.

Returners

Many business travellers complain that often they see very little of the destinations they visit. For the corporate business traveller visiting a city overnight, his or her experience of it may be limited to a few glimpses through the taxi window on the way from the airport to the hotel, and back again the next day. However, longer business trips, particularly those including excursions and guest programmes of the kind described above may succeed in tempting the business visitor to return to the destination for leisure purposes. This will be conditional on:

- the experience having been a positive one
- the visitors not being already over-familiar with the destination (though frequent business or leisure visits)
- business visitors not leaving believing that they have 'done it all' already, during their business visit.

Accessibility and degree of familiarity are clearly important factors. Well-visited destinations such as the UK may have to try harder to tempt frequent business visitors back as holidaymakers or short-break tourists. Even so, the Conference Delegate Expenditure Survey undertaken by Systems Three (1998) found that 39% of overseas delegates attending UK conferences indicated that they would return to the destination for leisure purposes.

But this might be compared with Rogers' (1998) reporting of the findings of the Sydney Convention and Visitors Bureau's 'Convention Delegate Study', which found that in one year, 72% of overseas delegates attending conferences in Australia were visiting that country for the first time. Prior to the conferences, only one in three had considered visiting the country, whereas afterwards, two-thirds wanted to return on holiday within the following five years. Clearly, the intentions expressed in such surveys are not always carried through into action; but the surveys undertaken on this issue demonstrate with clarity the potential of business trips to generate subsequent leisure visits.

THE BENEFITS OF COMBINING BUSINESS WITH PLEASURE

The benefits, to business travellers, of, for example, extending their trips or taking a partner with them, have already been mentioned. But adding pleasure to business-related activities also has potential advantages for other stakeholders.

Destinations and suppliers

It is clear that spending on business-related events such as conferences and trade fairs, as well as the spending of business visitors themselves represents a significant source of revenue for suppliers and destinations. But, one of the induced impacts of business tourism on the destination arises when business visitors add leisure travel and recreation activities to their visits, before, during or after the actual event attended, providing *extra* income to cities and businesses operating in them.

Additional hotel room-nights and additional food and beverage consumption, even during slack seasons, are only part of the potential increase in profitability to be reaped from business visitors adding tourism and recreational activities to their primary travel purpose. Extra spending in shops and on visiting tourist attractions also arises from business visitors' activities in the destination as well as the activities of those accompanying them. For the community as a whole, this means the prospect of an enhanced tax base and extra employment, on top of that created by the strictly business element of the trip.

There is a general awareness of this type of incremental spending. For example, for the UK, it has been noted that, in addition to the spending of conference delegates themselves, 'as a significant proportion of overseas conference delegates bring partners and, in some cases, families with them, the total value of conference visitors is in reality substantially higher' (BTF & BTAC, 1999). But how often is this incremental spending adequately measured and demonstrated? And yet, it is clear that whenever it is, it can effectively be used to add weight to arguments seeking to justify, for example, further investment in conference facilities, and CVB marketing activities.

Moreover, the extenders segment also offers cities the chance considerably to increase their reputation as tourist destinations, since business visitors extending their trips, if satisfied with their experience, are more likely to become valuable ambassadors, as they encourage others to visit the destination or to return themselves for a longer holiday.

Initiators and planners

For those who initiate and plan discretionary business travel events, the advantages are clear. Particularly when they organise events where attendance is optional and/or at the attendees' own expense, the opportunity to extend the trip and/or bring a guest may boost attendance. This will particularly be the case where potential attendees (and their guests) have been made well aware of the destination's tourism and recreational attractions at the time when the decision whether to book or not is being made.

Partners and spouses may play a role here, as anecdotal evidence suggests that they may actually encourage potential delegates to attend – accompanied - if the destination appeals to them.

However, guests are not universally welcomed by those who initiate and plan business travel events. Companies, in particular, are increasingly looking at guest attendance at residential corporate events as a distraction, especially if teamwork or team-building elements are included in the event's programme. In particular when the event brings together staff spread over several strategic business units, it can serve a valuable social function by introducing geographically-dispersed colleagues, who until the event in question were no more than distant voices on the telephone. In the context of such events, guests can detract from the reinforcement of the company's own *esprit de corps*.

THE DECISION-MAKING PROCESS

While the linkages between business travel and leisure tourism have long been acknowledged, very little research has attempted to demonstrate this important connection empirically. A rare and notable contribution to this topic is the research undertaken in the State of Washington by Rutherford and Kreck (1994).

However, while Rutherford and Kreck focused on the quantitative issues of calculating the proportion of delegates adding leisure tourism and recreational activities to their conference trips and estimating the actual amounts they spent on these activities, a complementary *qualitative* approach to the subject has been adopted by the author of this paper. His research agenda is aimed at reaching an understanding of the decision-making process which determines whether or not conference attendance generates business trip extensions. This involves firstly a consideration of the characteristics of those delegates most likely and least likely to take advantage of the leisure and recreational opportunities offered by conference attendance; secondly, the types of conference most and least likely to attract delegates who extend their stay are considered; finally, the characteristics of those types of destinations most likely to attract extenders and their guests are discussed.

Delegate characteristics

The likelihood of delegates deciding to extend their visit and/or bring a guest or guests is most probably determined by a combination of characteristics, the most important of which will include whether he or she is:

- Foreign/native to the destination
- Self-funding/sponsored
- Familiar/unfamiliar with the destination

- With/without friends and/or family members at the destination
- Single/in a relationship
- Accompanied/unaccompanied on the trip

It is possible to speculate that attending an overseas conference in particular adds an incentive to extending, particularly if the delegate is unfamiliar with the destination. Similarly, if the trip has been funded by the delegate's employer, for example, the delegate may be more likely to spend his or her own money on an extension to the visit. Regarding the delegate's relationship status, it is reasonable to expect that someone travelling alone may feel under pressure to return to his or her partner more or less immediately after the convention itself, if they have not brought that person as their guest.

Conference characteristics

In conjunction with the delegate's own characteristics, the features of the conference itself must be taken into account. These will include:

- The type of meeting: association/corporate
- Length of conference
- Timing: day(s) of the week – e.g. proximity to a weekend
- Timing: month of the year – e.g. during school holidays
- Timing: proximity to sporting/cultural event
- Degree to which excursions are already included in the official conference programme
- Inclusion of a guest programme in the conference

The most important of these determining characteristics is almost certainly the first, with delegates' propensity to extend and bring guests being generally greater in the more 'relaxed' association market. Indeed, as Oppermann (1996) has stated, the association meeting sector resembles to a large extent the leisure travel sector, since potential conference delegates are like

tourists with a wide choice of different events at different locations, at varying costs and at different times.

Nevertheless, the other factors must also play a part in the decision-making process, in particular the timing of the conference. Mid-week conventions may discourage delegates from extending when this means taking a day or two's leave from work. On the other hand, the temptation to extend and/or bring a guest will be increased when a pre- or post-conference extension offers the delegates the possibility of attending a famous cultural or sporting event at the destination. Finally, conferences offering a number of excursions and tours built into the official programme may leave delegates with the impression that they have sufficiently experienced the destination and that little extra would be gained by extending.

Destination characteristics

- Image, including perceived level of expensiveness and security
- Distance from delegates' places of residence: long-haul ?
- Ease and cost of transportation in and around the destination
- Amount of tourism information provided by VCB/hotel/conference organisers

Ryan (1999) argues convincingly that distance from the delegates' places of residence might be an attracting rather than an inhibiting factor to travel and extend, particularly if not previously visited. It is certainly the case that the opportunity to accompany their partner on a business trip to Australia might excite more interest on the part of a UK resident than a trip to Frankfurt or even Paris, which might be already familiar to them.

But although all of the above factors may be taken into account by delegates considering extending their visit, image almost certainly plays the determining role. Although conference destination images and their relevance to destination selection have occasionally been analysed from the point of view of meeting planners, it is clear that much more research is required which focuses on the image which the actual delegates, the ultimate customers of both association

events and conference destinations, have of the destination itself. Since the attractiveness of the destination as perceived by potential business visitors will play a role in determining whether the association delegate will actually attend the event in the first place, and in the second, whether they will be accompanied by guests and/or extend their visits, both meeting planners and destination marketing organisations need to understand how the destination is perceived. It follows that, in cases where the destination either has no particular image, or a negative one, the destination marketing organisation must take steps to correct this situation.

THE ROLES OF KEY PLAYERS

It is apparent that there are considerable benefits to be gleaned from business travellers extending their trips and/or bringing guests with them. However, it is also clear that the process of bringing this about creates a number of challenges for those operating in the various sectors of the tourism industry. Some of those challenges – and some solutions – are presented below.

The Challenge

- It can be very difficult for business visitors to change their return travel dates or organise extra time off work at the last minute, so leisure extensions to business trips need to be planned well in advance. This means that getting tourism information and leisure extension ideas to business visitors well in advance of them making their travel arrangements is absolutely vital.

Solutions

- The year before any association's conference is due to be hosted in Glasgow, the Glasgow Convention Bureau sends a member of staff to wherever the association is holding its conference that year, to set up a mini TIC promoting Scotland's attractions and pre-/post-conference tours
- Philadelphia Convention Bureau – motto: 'Come early, stay late' – arranges for a brochure promoting the leisure, cultural and gastronomic attractions of their city to be

sent out to every convention delegate with the initial invitation to attend the event. The information in the brochure is tailored to the specific leisure interests of the delegates and carries the name and logo of the association. A reply-paid card in the brochure, which asks if delegates are bringing guests and/or extending their trips, may be used to request further tourist information

- The Vegetarian Society, organisers of the World Vegetarian Congress (Edinburgh, July 2002) used a number of methods to showcase Scotland's tourist attractions and persuade their delegates to spend extra time there: placing a link on the home page of the conference website to: www.visitscotland.com ; publishing details of the 5-day post-conference tour and other excursions in the society's magazine.

The Challenge

- Understandably, the priority for conference organisers and hosts is for the event itself to be successful, so their main concern is with the logistics of the conference itself. But most organisers understand that 'selling' the attractions of the destination can be an effective way of boosting attendance figures, particularly in the association conference market. Making conference organisers fully aware of the destination's attractions and leisure opportunities is therefore essential.

Solutions

- In bid documents, Marketing Manchester places considerable emphasis on the options for pre- and post-conference tours, selling the destination as a gateway to nearby more classic tourist destinations such as the Lake District, the Cotswolds and Stratford-Upon-Avon. They also include a section on such tours in any presentations they make to organising committees.
- Familiarisation trips and site inspections provide Convention Bureaux and suppliers further opportunities to impress key decision-makers. Again, Marketing Manchester makes full use of these occasions to demonstrate how Manchester's location makes it very easy to reach some of the UK's most beautiful countryside and heritage.

- In collaboration with the German National Tourist Board, the focus of the German Convention Bureau's 2003 marketing plan is to link the themed promotion of tourist attractions, cultural events, cuisine, and spa facilities to the marketing of business events: for example, visitors registering for INTERBAD, the Dusseldorf trade fair for swimming pools, pool and bath technology, saunas, and physiotherapy will receive details of German spa holidays; and visitors to ISPO, the ski, snowboard, surf and skating trade fair will be sent information, in advance, on active holidays in Germany

The Challenge

- The price must be right. Association delegates in particular may have already incurred considerable personal expense in attending the event itself, when they are paying out of their own pockets; and in the corporate market, leisure extensions are rarely funded by the delegate's employer. Promotional offers and attractive pricing can play a key role in persuading business visitors to extend their trip and/or bring a guest.

Solutions

- The New York City Convention and Visitors Bureau operates a 'Convention Delegates Pass Program' in association with American Express, offering discounts and promotional offers at local restaurants, attractions theatres and shops, to delegates who present their conference name badge and redeemable coupon and pay with an American Express card. Details of the scheme and participating businesses can be sent to delegates in advance, posted on the conference website, or included in registration packs
- Hilton Hotels operate a Leisure Connections scheme to encourage delegates to return to or remain in their UK hotels for leisure packages. Discounted rates are offered to the employees of Hilton's key corporate clients.

The Challenge

- It is vital that all stakeholders are made aware of the full value of this type of incremental spending by business visitors. That means taking care to measure the benefits of business visitors who extend their trip, return or bring guests, or any combination of these. Only when these indirect benefits are demonstrated will the business tourism's full contribution to the UK economy be recognised.

Solutions

- As well as measuring the volume of extra time spent by delegates at the destination and the proportion of them bringing guests, the Sydney Convention Delegate Study, mentioned above, also asks business visitors about their plans to return, for leisure purposes.
- The Detroit Convention and Visitors Bureau's 'Let Us Entertain You' scheme provides conference delegates in that city with a book of coupons offering discounts at local shops, attractions, on car hire and on entrance to special events, if used at weekends. By tracking the number of coupons used in this way, Detroit is able to estimate the volume of business visitors extending their trips over the weekend.

Clearly, Visitor & Convention Bureaux and other destination marketing organisations have a key role to play in maximising the potential incremental spending by business visitors. To summarise the techniques currently in use, these are:

- Including information on local tours, attractions and events in familiarisation trips, bid documents, and presentations to organising committees.

- Attending association conferences the year before they come to the destination, to showcase the leisure opportunities offered by the city and the surrounding area.

- Providing a Tourism Information desk at larger conferences and trade shows, during the event.

- Encouraging DMCs to tailor tours, guest programmes and excursions to the interests of the particular delegate group.

- Suggesting that planners time their events to begin just after, or end just before, key cultural/sports events at the destination.

- Setting up a discount scheme for business visitors, by involving local suppliers such as restaurants, shops, car hire companies and attractions

- Offering conference and trade show organisers photographic material and tourism information to be included in their print publicity material and on their websites.

But there is much that other stakeholders can also do to make the most of the opportunities for incremental spending by business tourists:

HOTELIERS	HOSTS AND EVENTS ORGANISERS	TRANSPORT OPERATORS
<p>can drive leisure business through their corporate client base and increase their weekend occupancy rates, by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Offering business visitors weekend extensions at a special discount. <input type="checkbox"/> Offering business extenders complimentary 'add-ons' such as dinner. <input type="checkbox"/> As an incentive to key corporate customers 	<p>can boost attendance at events and provide a fuller service to business visitors, by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Using every opportunity to make full use of the destination's tourist attractions to boost attendance figures for the event: in the initial publicity for the event, on websites, newsletters, etc. <input type="checkbox"/> Offering a guest programme of visits, 	<p>can increase passenger loads and encourage repeat business, by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Offering conference fares to delegates' guests <input type="checkbox"/> Demonstrating more flexibility concerning business passengers' return trips <input type="checkbox"/> At the time of booking, reminding passengers of
<p>booking meetings in the hotel, offering them special discount on leisure breaks for employees.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Collaborating with local attractions to offer business guests special themed packages, based on, for example, spa sessions or attendance at sports/cultural events. 	<p>specially customised to suit the interests of delegates' guests.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Including ample opportunity – in the form of organised pre-/post-conference tours, excursions and gala dinners, for example – for delegates to socialise with each other. 	<p>opportunities to use their air miles on paying for extra hotel nights at their destination.</p>

CONCLUSION

The relationship between leisure tourism and business travel is a wholly symbiotic one. Success in one segment may not guarantee success in the other, but destinations and suppliers are increasingly coming to understand the importance of endeavouring to make the most of both leisure and business visitors. There are many examples of good practice, from destinations the world over, regarding techniques for encouraging business visitors to become leisure visitors. But until these are systematically applied by all destinations everywhere, opportunities for improving the profitability of tourism businesses in all sectors will be lost.

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Adding Pleasure to Business: Conventions and Tourism

Rob Davidson

ABSTRACT. This article identifies the benefits to be gained when convention delegates engage in tourism and recreational activities at destinations by extending their trips and/or bringing guests. The key factors contributing to the decision of whether or not to extend the trip and bring a guest are reviewed, and a number of research questions are identified. Finally, a number of suggestions are made to illustrate how convention and tourism professionals can help stimulate the extenders and delegates' guests markets. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpress.com> Website: <<http://www.HaworthPress.com>> © 2003 by The Haworth Press, Inc. All rights reserved.]

KEYWORDS. Extenders, pre- and post-convention travel, guest programs

INTRODUCTION

It is widely accepted that convention attendees are among the highest-spending visitors to our cities. This paper explores the extent to which convention attendees can provide *extra* income to cities by adding tourism and recreation activities to their visits before, during, or after the actual event attended. While the linkage between this form of

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tourism spending and the activities of convention attendees has long been acknowledged and accepted anecdotally, very little research has attempted to demonstrate this important link empirically. A rare and notable contribution to this topic is the research undertaken in the state of Washington by Rutherford and Kreck (1994).

However, while Rutherford and Kreck focused on the quantitative issues of calculating the proportion of attendees adding tourism and recreational activities to their convention trips and estimating the actual amounts they spent on these activities, this paper suggests a complementary quantitative approach to the subject. It first considers the characteristics of those attendees most likely and least likely to take advantage of the tourism and recreational facilities of the convention destination. It then discusses other important factors which attendees take into account in reaching the decision of whether or not to extend their trips and/or bring a guest or guests. Finally, the roles of convention, hospitality, and tourism professionals are considered.

CONVENTION-RELATED TOURISM ACTIVITIES

Convention travel can increase the level of tourism and recreational activity at the destination in four main ways:

- Through attendees extending their visit to the destination—adding a number of days before or after the convention—in order to enjoy the cultural/shopping/sightseeing resources of the destination
- Through attendees being accompanied by guests (usually spouses/families) who engage in tourism activities while at the destination. This may be through an official, organized “guest program” or independently
- Through attendees themselves engaging in tourism or recreational activities as part of the social/networking/relaxation element of the convention
- Through attendees who have been impressed by the destination returning with their spouses/families for vacations or encouraging others to do so

Although all four of these activities can, and often do, boost spending on tourism and recreation at or around the destination, this paper will concentrate on the first two of these aspects of the business/tourism interface: extenders and attendees' guests. These would appear to offer

the greatest potential for stimulating incremental tourism and recreational activity in many of our convention cities.

THE BENEFITS OF ADDING PLEASURE TO BUSINESS

It is clear that success in persuading convention attendees to enjoy the non-work-related aspects of their visits to convention destinations has the potential to create great benefits for a wide range of businesses operating in those cities. Additional hotel room-nights and additional food and beverage consumption, even during slack seasons, are only part of the potential increase in profitability to be reaped from encouraging convention attendees to add tourism and recreational activities to their primary travel purpose. Extra spending in shops and on visiting tourist attractions also arises from attendees' own activities in the convention destination as well as the activities of those accompanying them. For the community as a whole, this means the prospect of an enhanced tax base and extra employment.

Moreover, the extenders segment also offers cities the chance to considerably increase their reputation as tourist destinations, since delegates extending their trips, if satisfied with their experience, are more likely to become valuable ambassadors as they encourage others to visit the destination or to return themselves for a longer holiday.

There are obvious benefits, too, for the attendees themselves. Sometimes, conventions become an excuse for attendees to take a vacation, with some using the occasion to bring their spouses or their families (Wiswell, 1986; Davidson, 1994; Crocker, 1999). It has been estimated that in as many as 70% of cases, other family members travel to the convention city and make purchases in the vicinity (Braun, 1992). Moreover, sharing the hotel room and rental car, and using air miles to book the second seat, for example, means that for the attendee, being escorted by a spouse or some other person far from doubles the outlay (Drache, 2000).

For the attendee, a further benefit of combining business and pleasure travel is the tax deductibility of the business and professional portion of the travel, lodging, food, and entertainment expenses, which, despite threats to introduce curbs, is allowed by most administrations on condition that it is not abused (Rutherford & Kreck, 1994).

Convention cities themselves also stand to benefit from attendees choosing to take advantage of the tourism and recreational opportunities. The incremental spending described above, if adequately measured

and demonstrated, can effectively be used to add weight to arguments seeking to justify further community investment in convention facilities and CVB marketing activities.

Finally, for meeting planners, the advantages are clear. When they are organizing conventions where attendance is optional and at delegates' own expense, the opportunity to extend the trip and/or bring a guest may boost attendance. Therefore, it is important to be certain that potential attendees (and their guests) have been made well aware of the destination's tourism and recreational attractions before the decision of whether to book or not has been made.

ATTENDEES' MOTIVATION

It is not difficult to understand why convention attendees should choose to extend their visits. They are often professional people with high levels of disposable income and interest in experiencing new places. Those who have been sponsored by their employers to attend may consider that since they have not personally paid for the "business" aspect of the trip, it is reasonable to fund a tourism extension out of their own pockets. For long-haul visitors in particular, attending a convention may be a once-in-a-lifetime trip which provides an opportunity to enjoy the destination's attractions before or after the actual event.

The motivation behind bringing a guest generally varies—and may even be at the guest's own insistence. Anecdotal evidence suggests that spouses, for example, may actually encourage potential delegates to attend—accompanied—if the destination appeals to the spouses. Another common motivation is the wish to further involve the guest in the attendee's professional life.

UNDERSTANDING THE MARKET

To reap maximum benefits from the extenders and convention attendees' guests markets, there is an urgent need for a better understanding of

- The factors that determine which types of delegates are most likely to extend their visit
- What types of conventions are most likely to attract extenders and delegates' guests

- What types of destinations most easily attract extenders and delegates' guests
- What planners, visitor and convention bureaus (VCBs), hotels, and other tourism and recreation professionals can do to maximize attendees' take-up of opportunities to extend and/or bring guests with them

The rest of this paper considers these points and makes some tentative suggestions as to what the key research issues are for this topic.

Attendee Characteristics

The likelihood of attendees deciding to extend their visit and/or bring a guest or guests is most likely determined by a combination of characteristics, the most important of which will include whether he or she is

- Foreign/native
- Self-funding/sponsored
- Familiar/unfamiliar with the destination
- Single/in a relationship
- Accompanied/unaccompanied on the trip

It is possible to speculate that attending a convention in another country adds an incentive to extending, particularly if the attendee is unfamiliar with the destination. Similarly, if the trip has been funded—by the attendee's employer, for example—the delegate may be more likely to spend his or her own money on an extension to the visit. Regarding the attendee's relationship status, it is reasonable to expect that someone traveling alone may feel under pressure to return to his or her spouse more or less immediately after the convention itself if they have not brought that person as their guest.

But are delegates who are accompanied by guests always more likely to extend as a result? If so, it would certainly be in the interest of tourism professionals to encourage attendees to bring guests. However, even if this is proven to be true, there will always be some resistance to guests being included—from some meeting planners as well as the delegates themselves.

The (unscientifically selected) sample of comments shown in Table 1 demonstrates that guests may not always be welcome on business trips.

Clearly, a determining factor in the question of whether delegates bring a guest or attend alone might be the inclusion or exclusion of an

TABLE 1. Pros and Cons of Including Guests on Business Trips

Why do companies feel they have to include the spouse? It's humiliating; you're never treated like a human being in your own right. (Journalist)	Accompanying my husband to conferences is one of life's pleasures. (Corporate wife)
I would never dream of taking my husband on a business trip. I mean, what would he do? (Consultant)	You don't have to rush back home. (Publisher)
I'd rather enjoy myself with the man in my life when I'm relaxed—at home. (Travel writer)	It makes the executive's life a bit easier at home and is relatively inexpensive. (Corporate travel administrator)

From Collis, 2000

organized guest program. This point will be considered in more detail in the following section.

Convention Characteristics

In conjunction with the attendee's own characteristics, the features of the convention itself must be taken into account. These will include

- The type of meeting: association/corporate
- Length of convention
- Timing: day(s) of the week (e.g., proximity to a weekend)
- Timing: month of the year (e.g., during school vacation)
- Timing: proximity to sporting/cultural event
- Degree to which excursions are already included in the official convention program
- Inclusion of a guest program in the convention

The most important of these determining characteristics is almost certainly the first, with attendees' propensity to extend or bring guests being generally greater in the more "relaxed" association market. Indeed, Oppermann (1996) has pointed out that the association meeting sector resembles, to a large extent, the pleasure tourism sector, especially with regard to the participation and destination selection aspects:

While corporate meetings are usually a must for all selected participants, association members attend at their own leisure and frequently own expense while corporate meeting expenses are paid by the employer. Thus, association conference organizers may be

viewed as tour operators who select destinations and are trying to sell them to their customers, with the difference that association members tend to have a higher degree of involvement with the association. Potential convention participants are like tourists because they have a wide choice of different conferences at different locations, at varying costs and at different times. (p. 176)

Nevertheless, the other factors must also play a part, in particular the timing of the convention. Mid-week conventions may discourage delegates from extending when this means taking a day or two's leave from work. On the other hand, the temptation to extend and/or bring a guest will be increased when a pre- or post-convention extension offers the delegates the possibility of attending a famous cultural or sporting event at the destination. Finally, conventions offering a number of excursions and tours built into the official program may leave delegates with the impression that they have sufficiently experienced the destination and that little would be gained by extending.

Guest programs generate tourism and recreational activities at the destination during the actual convention. But, although they are a long-time staple of association gatherings, guest programs are a rarity in the corporate world, except in conjunction with incentive programs. Corporations tend to look at spouse attendance as a distraction, especially if they include teamwork or other internal programs during their conventions.

Meeting planners agree that guest programs are no longer the exclusive domain of wives or even women, as evidenced by the change in nomenclature, from "wives programs" or "ladies' programs" to "spouse programs," then to the current "guest programs." Indeed, the following extract may provide a salutary lesson to planners:

Mark, who is in his late forties and works in the media, is the boyfriend of Roland, a successful City financier. A couple of years ago, when Roland was working for Merrill Lynch, he won a performance-related bonus: a first-class trip to a company symposium outside New York. "Bring your partner," said Merrill. So he did.

"They were very sweet about it, really," recalls Mark. "While Roland spent the mornings in meetings, I was included in the spouses' programme. There I was, stuck with all these power wives, learning how to bake chocolate cakes and become a proper Merrill Lynch spouse. . . . At night they left gifts on everyone's

beds," says Mark. "They gave me a Louis Vuitton scarf and a handbag." (Letts, 2000, p. 27)

But for guest program planners, factors other than gender come into play, as well. Many say that guests' expectations are higher and the pressure is on to organize increasingly innovative programs. Participants now demand programs of substance that will enrich their lives, contribute to professional development, help them cope with modern stresses, give them an insider's look at a destination, and provide a bit of pampering.

What can meetings professionals do to create programs that satisfy guests and boost participation? Crocker (1999) encourages them to adhere to two fundamental principles of meeting planning: know your group and study its track record. Planners charged with designing a guest program need to know the ages, sophistication, and socioeconomic levels of the participants. It also is essential to take into account where groups have visited previously and what they liked and did not like about earlier programs. What else?

- Appeal to the group's interests (antiques, churches, etc.)
- Make it educational (local culture/cuisine, investments, retirement planning)
- Make it relevant (for example, dovetail it with the topic of the actual convention)
- Spotlight the destination (the things the city is famous for)
- Enrich the basics (do something for the group that they could not do on their own)
- Be gender-inclusive (choose topics of mutual interest, like financial planning) (Crocker, 1999)

Destination Characteristics

- Image, including perceived level of expensiveness and security
- Distance from attendees' places of residence
- Ease and cost of transportation in and around the destination
- Level of tourism information provided by visitor and convention bureaus/hotel/convention organizers

All of these factors will be taken into account by the attendee considering extending, but image may play the determining role.

However, while convention destination images and their relevance to destination selection have been analyzed from the point of view of meeting planners (Oppermann, 1996), Oppermann himself believes that more interest should focus on the actual conference participants (and non-participants) since they are the ultimate customer both associations and conference destinations are competing for. Of all the research needs identified in this paper, the one that may be most useful to tourism and convention professionals is the urgent need to investigate how delegates perceive convention destinations in terms of places to enjoy tourism and recreational resources.

The Roles of Tourism and Convention Professionals

Clearly, it is in the interest of all to maximize the benefits to be gleaned from convention delegates extending their trips and bringing guests with them. In this section, some suggestions are made as to how two key professionals, visitor and convention bureaus and hotels, can contribute to expanding this market.

Visitor and Convention Bureaus

Visitor and convention bureaus (VCBs) need to consider the extenders and guests markets at all stages of their involvement with a meetings event, from familiarization visits onwards. This includes providing information on possible ideas for extensions, as the Hawaii VCB (HVCB) does, for example. The HVCB adapts the information to suit the potential tourist. Foster (1998) quotes a representative of the HVCB:

Meeting planners booking dates at Hawaii's new convention center are keeping to the national average of about 4 days. What sets Hawaii bookings apart is the average time delegates are planning to stay in Hawaii: almost 9 days. Almost everybody is doing pre- or post-convention travel, largely on the Neighbor Islands.

Many planners are including information about such travel in the information packets they prepare for delegates. The HVCB has been supplying information and photos of the various islands for planners to use.

Clients who are making their first visit to Hawaii may want to stay on Oahu and experience its many sights and attractions. Agents can catch the interest of Hawaii-savvy delegates with up-scale Neighbor Island resorts or niche packages. (p. 32)

Part of VCBs' strategy in this field must also be to create a greater general awareness of the potential and actual added-value to be gained from delegates' incremental spending on tourism and recreation. Crucially, this must be included in any survey of convention attendees' spending, as demonstrated by the example of the Sydney Convention and Visitors Bureau. The 1999 Convention Delegate Study seeks to illustrate the "cascading" effect of conference business, with other regions of the country benefiting as delegates extend their stay (or arrive several days before the convention) in order to travel and see some of the sights and attractions of other cities. The Sydney research found that international delegates were spending an average of 10.3 nights in total in Australia, almost three nights of which were devoted to pre- or post-convention touring. Seventy-nine per cent of delegates were found to be visiting Australia for the first time. Prior to the convention, only 36% had considered visiting the country, whereas after the convention, 76% wanted to return on holiday within the next 5 years (Sydney Convention and Visitors Bureau, 1999).

Such facts provide valuable support when a case is to be made for additional funding from the community or to alert other professionals to the potential value of the extenders market.

Hotels

Key among those professionals who should note the value of this market are those managing the hotels at the convention destination. Cross-selling of pre- and post-convention tours, for example, will be made easier if hotels have managed to forge links with other professionals—such as theme parks, theaters, or specialty shops—to create attractive packages for convention delegates and their guests.

Finally, hotels can also help by offering additional room nights at convention rates. This will surely benefit the hotel if it persuades attendees to stay over into weekend periods.

CONCLUSION

The benefits to be gained from the market composed of extenders and convention delegates' guests are not in doubt. There are already many professionals in the convention and tourism industries who are not only fully alerted to these benefits, but are also working successfully to maximize them.

However, more research is required before we can truly claim to understand the factors that commonly determine how delegates decide whether or not to extend their convention trip and bring guests. This article has identified a number of characteristics which must form part of that decision-making process. The important work in this field undertaken by Rutherford and Kreck (1994) needs to be continued if we are to arrive at a full understanding of this key market.

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Corporate Hospitality and Corporate Travel

Rob Davidson and Beulah Cope

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Preface

Cinderella finally gets to the ball.

Despite its huge economic importance and its very considerable contribution to the development of world trade and commerce, business travel in its many forms has remained, until recently, the Cinderella sector of the travel and tourism industry – at least in academia.

While courses in leisure travel have proliferated in universities the world over, it is only relatively lately, in higher education in the UK and continental Europe, that the various sectors of business travel have received the recognition they deserve. Previously, we have seriously lagged behind the level of provision offered in this discipline by universities in North America and Australasia, where institutions such as George Washington University and the University of Nevada, Las Vegas, have led the way in establishing business travel firmly in higher education curricula.

Now, thankfully, travel and tourism undergraduate and postgraduate courses that completely ignore business travel are increasingly rare, as academics – and the students they teach – have gradually come to appreciate the importance of understanding a market that in most countries accounts for between one-quarter and one-third of all travel-related spending.

In the past few years in the UK and Europe a great number of imaginative initiatives have been taken in response to the growing demand for courses in business travel-related subjects. These include the HNC in Business in Conference and Event Management, offered by the City of Westminster College in partnership with the University of Westminster; Colchester Institute's BA in Hospitality Studies with Conference Management; Buckinghamshire Chilterns University's BA in Conference, Events and Facilities Management; Cheltenham and Gloucester College of Higher Education's HND in Sports and Corporate Hospitality Management; and the European Masters in Congress Management offered by Sheffield Hallam University, Universidad de Deusto, Berufsakademie Ravensburg and Università degli Studi di Bologna. In addition, universities such as Leeds Metropolitan have included the study of exhibitions and trade shows in their events management courses at undergraduate and postgraduate levels.

While the teaching of business travel-related subjects expands in the higher education sector, a number of professional qualifications are offered by the various associations that are active in improving the knowledge and skills of their members. Organisations such as the Association for Conferences and Events (ACE), the International Association of Professional Congress Organisers (IAPCO), Meetings Professionals International (MPI) and the Society of Incentive Travel Executives

(SITE) provide a wide range of vocational education and training opportunities for those already employed in the industry or seeking to prepare themselves for careers in business travel.

Until recently, academic interest in business travel education had been frustrated by the absence of an introductory textbook on this subject, written with the higher education student in mind. To date, lecturers, researchers and students have had to rely for their information on a variety of trade journals and more technical works dealing with only one sector of the business travel industry. A textbook dealing with all sectors of business-related travel in an analytical manner, and providing a sound practical and theoretical context for the study of this subject, has been significant by its absence.

This book has been written to fill that gap.

Business Travel is an updated version of my 1994 book of the same name. However, whereas the first edition was aimed at students of this subject in further education (in which, at the time, the study of this subject was much more widespread than in our universities), this new edition has been written specifically for use in the higher education sector. The change in readership is reflected throughout the book, not only in the level of analysis but also in the more wide-ranging breadth and depth of approach to the subject and the presentation of those complex issues that the student of business travel at the higher education level must consider.

This book follows a sectoral structure, with a chapter devoted to each of the main segments of the business travel industry: individual business travel, meetings, incentive travel, exhibitions and corporate hospitality. Preceding and following these chapters are two others, the first providing a general introduction to the topic and the final chapter exploring the interface between travel for leisure and travel for business-related purposes. Chapters 1–6 begin with a list of learning objectives and end with case studies followed by questions. There is a glossary of technical terms used in the text at the end of the book.

The sectoral chapters present the particular market segment in detail, examining supply, demand and intermediaries. The main players are presented, and each chapter also explores the principal issues and trends affecting the segment under discussion. With the comparative wealth of research that has been carried out into the meetings industry, Chapter 3 is substantially longer than the chapters dealing with the other sectors of business travel. All chapters, however, cover the relevant sector in detail, reviewing much of the research that has been undertaken into the relevant constituent.

Geographically speaking, this book deliberately takes a 'fish-eye lens' approach, with the UK market given most prominence but set firmly in its European context. However, examples are also drawn from world regions beyond the European continent, with a number of comparisons being made, in particular with the North American market for business travel.

It is my avowed intention that *Business Travel* should not only inform students of this important and fascinating subject but also inspire them. Behind all of its technical and commercial aspects, business travel, in all of its forms, is quite simply

about direct communication between people: a handshake with a colleague or client and face-to-face interaction at the end of a journey. In addition, the innumerable range of topics discussed at meetings and conferences, together with the multifarious nature of the products and services presented at exhibitions, testify to mankind's diversity, creativity and ingenuity. This book has been written as a celebration of those most human of qualities.

Rob Davidson

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Chapter 1

Introduction to business travel

Objectives

On completion of this chapter, you should be able to:

- *understand the principal definitions in business travel;*
- *appreciate the differences between business travel and leisure travel;*
- *understand the structure of the business travel market;*
- *recognise the links between business travel and the economy;*
- *discuss the main impacts of business travel, as well as the major opportunities, challenges and threats affecting this industry.*

● ● ● Business travel in the twenty-first century

- 800 delegates attended the three-day International Conference on Health Research for Development at Bangkok's Shangri-La Hotel, organised by the Council for Health Research and Development. Among the topics discussed was an agreement on a framework for improved international cooperation in health research.
- 1500 publishers from 76 countries exhibited their books and multimedia products at the Bologna Children's Book Fair, held at the Fiere Internazionali di Bologna. Over four days, they introduced their latest products to over 4000 literary agents, librarians, printers and booksellers in a 22 000-m² exhibition hall.
- As a reward for outstanding sales figures, Novell, a UK-based provider of Internet services software, sent 130 of their top sales executives and their partners on a two-day incentive trip to Madeira. On the first day, participants chose either to play golf on the Palheiro championship course or go on a luxury coach tour to explore the island's natural beauty and heritage. A jeep safari on the second day drove through the Laurisilva Forests and the Rieviro Frio nature park.
- The UK's Industrial Society published figures showing that in one year, the British spent almost 46 million nights away from home travelling on business.
- Kempton Park, Sandown Park and Epsom Downs racecourses in south-east England hosted corporate hospitality events for companies using their private entertaining facilities. Guests were able to watch the racing live from their tables while enjoying à la carte dining in the racecourses' restaurants.

● ● ● Introduction

When, in the 1990 film *Pretty Woman*, the streetwalker character played by Julia Roberts attempts to solicit the Richard Gere character with the question, 'So, what brings you to Los Angeles – business or pleasure?', she was concisely identifying the two main motivations underlying travel today.

Many centuries before the practice of taking holidays and participating in other forms of travel for pleasure became as widespread as it is now, travel for the purposes of trading in distant markets and attending meetings to discuss issues of common concern was widespread. These historical antecedents of modern business travel indicate that our forebears recognised long ago that economic prosperity depends upon entrepreneurs and businesspeople travelling in order to conquer new markets, and that understanding and harmony between nations require the representatives to travel regularly in order to meet and discuss diplomatic and strategic issues.

It is clear, therefore, that the need to meet and negotiate face to face with others constituted one of the earliest motivations behind our apparently irresistible urge towards mobility, which, by the twenty-first century, had created the world's largest industry: travel and tourism.

● ● ● Definitions

Although for the layperson the terms 'travel' and 'tourism' may be synonymous with leisure and pleasure, the importance of business travel is widely acknowledged in official and technical definitions. The World Tourism Organisation's (WTO) official definition of tourism, for example, suggests that people travelling for business or professional purposes can also be considered as tourists (WTO, 1993).

In broad terms, business travel comprises all trips whose purpose is linked with the traveller's employment or business interests. These trips may be necessary in order to enable the actual work to be carried out; or they may enable the employee to learn how to do their job more effectively; or they may be given by the employer as a reward for a job well done. Most of the forms of travel covered in this book are, therefore, work-related. They are as follows:

- *Individual business travel*: comprises the trips made by those whose employment requires them to travel in order to carry out their work. From journalists and politicians to talent-spotters and accident investigators, there is a wide range of jobs that can be done effectively only when those who do them are prepared to accept being away from home and their workplace base regularly as a normal feature of their work.
- *Meetings*: includes the vast range of events, such as conferences, training seminars, product launches and annual general meetings, that are held by companies and associations in order to facilitate communication with and between the employees, customers, shareholders and members.
- *Exhibitions*: also known as trade fairs, trade shows and consumer shows. Exhibitions of this type are events to which businesses send sales staff in order to display their products – from farm machinery to wedding dresses – to potential customers, who attend in order to buy and/or receive expert information about the goods being exhibited, usually straight from the manufacturers.
- *Incentive trips*: comprises those trips – usually luxurious and often to attractive destinations – that employees receive from their employer as a prize for winning a competition related to their job, e.g. selling more life insurance policies than anyone else on the staff, or being part of the sales team that increases its sale of photocopiers by a higher percentage than all other teams.
- *Corporate hospitality*: consists of the often lavish entertainment that companies extend to their most valuable clients or potential clients at prestigious sporting and cultural events, such as the Rugby League World Cup or the Glyndebourne opera festival. Companies mainly use this form of entertainment as a way of creating goodwill and building rapport with VIP customers and potential customers.

In many cases, the terms 'business tourism' and 'business travel' are used interchangeably as generic terms to describe these different sectors. But for those, including most Americans, who regard tourism and business as diametrically opposed activities, the term 'business tourism' is somewhat perplexing and even something of a contradiction in terms. For reasons of logic and clarity, the term 'business travel'

will be used here to represent the full range of activities that this book encompasses in its scope. Each of those activities will be considered in turn as a discrete sector within the business travel industry. These sectors will be subdivided into 'individual business travel' and 'business tourism', the latter including the meetings, exhibitions, incentive travel and corporate hospitality sectors. This subdivision is not arbitrary: it highlights two separate types of activity sharing quite distinct characteristics.

Individual business travel is composed of trips made to carry out duties that are a regular and necessary part of the traveller's employment. Such trips are most often made by the individual travelling alone, and the destination is usually predetermined by the demands of the job to be done: the traveller must go to wherever the client to be visited is based, or to where the problem is to be solved, or to where the contract is to be signed, i.e. the destination is fixed. This is the only nondiscretionary sector of business travel: the destination is not chosen, but is determined by the object of the work that has to be carried out.

The other sectors, which may be grouped together as business tourism, are discretionary. The destinations for most meeting events, exhibitions, incentive trips and corporate hospitality events are 'floating', i.e. there is a degree of flexibility in the decision as to where they may be held. For this reason, these sectors are 'the prime focus of marketing activities by venues and destinations, because decisions about where the events take place are open to influence' (Rogers, 1998; p.19). Attendance at such events, which constitute a more occasional aspect of working life, often takes the form of group travel, with colleagues travelling together or meeting there.

An alternative term being used increasingly to describe some of these business tourism sectors is the MICE industry, an acronym for 'meetings, incentives, conferences and exhibitions'. But quaint and eye-catching though the term may be, many of those working in these sectors are uncomfortable with the MICE designation, as they are of the belief that it is not helpful in earning business travel the respect and recognition it deserves from politicians and other opinion-formers. The use of the term MICE in this book will therefore be kept to a minimum.

Figure 1.1 shows the structure of the business travel industry.

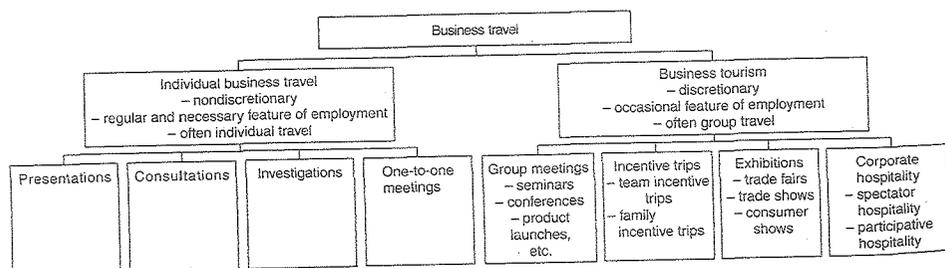


Figure 1.1 Business travel sectors

Before moving on from the issue of the categorisation of business travel products, there are two paradoxical factors relating to this umbrella term that must be acknowledged. Referring back to the wide range of activities and events included here under the term 'business travel', it is clear that:

- there are forms of business travel that are not business related;
- there are forms of business travel that involve very little travel.

An example of the former case would be any conference where the motivation to meet is not to discuss issues related to the delegates' jobs or profession. For instance, many associations meet regularly because their members share an interest in voluntary or charity work (Rotary International), the same faith (the Association of Independent Methodists) or the same hobby (Harley Davidson Riders' Club of Great Britain).

Business travel sectors that involve very little actual travel would be, for example, one-day meetings held in the seminar room of a local hotel, or a group of London-based clients spending an afternoon drinking Pimms, eating strawberries and watching tennis at a corporate entertainment event at Wimbledon.

However, despite their apparent status as exceptions to the rule, all of the above events and activities will be considered as lying firmly within the scope of this book's subject matter. They would certainly all be regarded by suppliers such as conference centres, hotels and catering companies as being in the same general market as the other types of business travel already discussed. And while transport operators such as airlines and high-speed train companies may call into question the use of the term 'business travel' to describe events attended by people who live or work locally, it is unlikely that taxi companies and operators of public transport, for example, would share their concern.

A final point to be emphasised regarding the classification of business travel activities as shown in Figure 1.1 is that, very often, elements of two or more categories are combined in the same event. For example, a motivational conference held for a dozen company executives in Monte Carlo clearly contains aspects of a classic incentive trip in addition to the meeting element. Indeed, in the company's desire to use the event as a reward for its executives, the 'conference' element may simply be a short pep talk from the managing director flown in on the final day for the occasion.

The same type of hybrid events is found in the growing number of conferences that are accompanied by an exhibition on the same theme and usually in the same venue. For example, organisers of a conference on the theme of an aspect of medical research may invite representatives of pharmaceutical companies to buy exhibition space for their stands in a hall adjacent to the conference room. There are three potential advantages of combining events in this way:

- The exhibition earns revenue, which offsets the cost of the conference for organisers and delegates.
- It gives the exhibiting companies the opportunity to present their products to an interested market.
- It provides the delegates with an additional reason for attending the event.

Smith (1990; p.73) notes the trend towards adding exhibitions to conferences: 'There have been changes in the relation of conferences with exhibitions; nowadays they are increasingly found together ... The significant element is that while exhibitions are profitable, conferences usually are not, so an associated exhibition can often subsidise the meeting.'

In the same way, many exhibitions have a related conference or a series of seminars on topics related to the theme of the exhibition. Such elements can add value to exhibitions by, for example, featuring industry experts who present their views to the trade show visitors and exhibitors gathered for the event.

● ● ● Business travel and leisure travel

While most people reading this book will be familiar with the various forms of leisure travel through their experiences of holidays, short breaks and daytrips, many will be far less acquainted with the general characteristics of travel for business. A convenient starting point, therefore, is a comparison of the two. Table 1.1 summarises the contrasts between them.

What soon becomes apparent is how difficult it is to generalise about business travel when the many different types of event and activity that compose it mean that there are often exceptions to the rule. Nevertheless, Table 1.1 highlights a sufficient number of differences between leisure and business travel to indicate that the two are dissimilar in many ways. The significance of some of these differences will be considered in greater detail in the course of this chapter.

However, the emphasis on the contrasts between the two types of travel ought not to be allowed to obscure two important issues that serve as a reminder that, despite the differences between them, the strict segmentation of the market into leisure travel and business travel may not always be meaningful and clear-cut.

Those travelling on business often make use of the same services and facilities as leisure travellers. For example, with the exception of charter flights, most airlines carry a combination of leisure and business passengers on most routes, and most hotels accommodate a combination of business and leisure guests; the building that serves as a concert hall one day can be used the next day as a venue for an international conference; and who can tell which of the diners in a hotel restaurant are visiting the city on business and which are there simply for their own pleasure? In particular, those on incentive trips may on occasion appear almost indistinguishable from leisure visitors in terms of the services and facilities they use.

Moreover, all visitors may have need of the destination's information and advisory services, telecommunications networks and medical services. And all appreciate an attractive and safe environment.

The 'all work and no play' dictum applies absolutely to those travelling on business-related matters. Leaving aside the hours spent conferencing, negotiating and generally getting the job done, most business travellers, delegates and visitors to trade shows find themselves with time to spare in the places they are visiting. Very

Table 1.1 Comparison of leisure and business travel

	Leisure travel	Business travel	But ...
Who pays for the trip?	The traveller	The employer	Self-employed people and those attending association events pay for themselves
Who or what determines the destination?	The traveller	The organiser of the event, or the location of the work to be done	Organisers take participants' wishes into account for discretionary forms of business travel
When do trips take place?	In leisure time Classic holiday periods and at weekends Relatively infrequently, but (holidays) last longer	In working time Mainly outside holiday periods, Monday–Friday Relatively frequently, but for short periods	Many business trips extend into the travellers' evenings and weekends
Planned how far in advance (lead times)?	Holidays booked a few months in advance; short breaks booked a few days in advance	Large events organised years in advance	Individual business travel can happen at very short notice
Who travels?	Anyone with the money and time to travel	Adults; largely managerial level, or those with technical/specialist skills not available locally	Associations draw their memberships from a wider range of people of different ages and backgrounds
What type of destination?	Mainly coastal, mountain, urban and rural	Largely centred on cities in stable, industrialised destinations	Incentive travel destinations are similar to leisure destinations
What type of travelling companions?	Friends and family	Usually unaccompanied in the case of individual business travel; or with colleagues in the case of business tourism	Family members may be included in incentive trips or in conference attendance

often, social and cultural elements are programmed into conferences, for example, to give delegates the opportunity to relax and network together. Thus, business visitors engaging in activities such as sightseeing excursions, shopping, and cultural pursuits add to the level of leisure consumed at the destination.

In addition, many of those travelling on business choose to extend their trip by, for example, spending a few extra days at the destination for leisure purposes before or after the event they are there to attend. Similarly, many of those attending a business tourism event decide to take along a friend or partner with them on the trip. That friend or partner will normally be free during the event to enjoy the attractions that the destination has to offer, thus adding to the number of those who visit for leisure-related reasons. The question of how business travel can generate additional leisure tourism is the theme of Chapter 7.

Structure of the business travel market

Although, as has been stated, business travel and leisure travel share many facilities and services, the business travel sectors depend, for their effective functioning, on a considerable number of stakeholders whose role is concerned largely or exclusively with providing the facilities and services for this market.

Throughout this book, the main buyers, intermediaries and suppliers for each of the business travel sectors will be identified, and their roles examined in detail. Table 1.2 shows the structure of this market.

Private companies, large and small, are clearly the main consumers and providers of business travel services, although they are by no means the only types of organisation active in this market. For example, representatives and employees of government bodies and agencies also need to travel and meet regularly in order to function effectively; members of associations of all types are important consumers in the conferences sector; and organisations such as universities attend specialist consumer shows to present the courses they teach, with the aim of recruiting students.

The public sector is also present in this market as both supplier and intermediary. For example, many conference centres are owned by local authorities, and destination marketing organisations are almost always funded through a combination of public and private sector support. The need for public and private sector players to work together effectively in partnership in order to ensure the success of the business travel industry in any destination is paramount, a point underlined by Dwyer and Mistilis (1997; p.230): 'Strategies and solutions for developing the [business travel] industry will be generated in some combination of both the public and private arenas; an overarching constraint could be the nature of the interplay between these sectors, including their ability to work together in a proactive way for shared goals.'

Regarding the suppliers and intermediaries in the business travel and tourism market, Table 1.2 shows that many are common to almost all sectors: destination marketing organisations, transport providers, accommodation and catering operators, and suppliers of leisure and recreation facilities. In addition to these, however, each sector has its own specialist suppliers of the products and services it requires in order to function effectively, as well as its own specialist intermediaries. The role of these suppliers and intermediaries will be explored in the sectoral chapters that follow this one. In the meantime, it is worth noting that the great number and variety of these suppliers and intermediaries provides some indication of the extent of the challenges that must be met in coordinating their activities in order to provide buyers with a quality service.

The end consumers of business travel

Not included in the range of players shown in Table 1.2 are those who constitute another key category of stakeholders in the business travel market, the *end consumers* of business travel – those who make the trips and attend the seminars and trade fairs, for example, that their employers pay for. While in the leisure travel

Table 1.2 Players in the business travel market

Business travel sector	Buyers	Intermediaries	Suppliers
Individual business travel	Corporate sector and other types of organisation (voluntary sector, government bodies, etc.) Possibly through their own: <ul style="list-style-type: none"> • in-house travel managers/travel coordinators • secretaries/PAs 	Business/corporate travel agencies Travel management companies Possibly through: <ul style="list-style-type: none"> • implants • dedicated online booking services 	Transport providers Accommodation and catering operators Leisure and recreation suppliers
Meetings	Corporate sector Governmental sector <ul style="list-style-type: none"> • local • regional • national • intergovernmental Associations <ul style="list-style-type: none"> • professional • trade • fraternal • religious, etc. Possibly through their own: <ul style="list-style-type: none"> • in-house travel managers • in-house conference organisers • secretaries/PAs 	Professional conference organisers/meeting planners Venue-finding agencies Production companies Destination management companies/ground handlers Specialist marketing consortia Destination marketing organisations	Transport providers Accommodation and catering operators Leisure and recreation suppliers Conference centres Management training centres Hotels' meetings facilities Universities Unusual venues Audiovisual contractors Telecommunications companies (video/satellite conferencing facilities) Interpreters
Incentive travel	Corporate sector, possibly through: <ul style="list-style-type: none"> • in-house travel managers • in-house conference organisers 	Incentive travel houses Business travel agencies Destination management companies/ground handlers Destination marketing organisations	Transport providers Accommodation and catering operators Leisure and recreation suppliers
Exhibitions	Manufacturers and service providers	Exhibition organisers Exhibition contractors Destination marketing organisations	Transport providers Accommodation and catering operators Leisure and recreation suppliers Exhibition centres Stand contractors
Corporate hospitality	Corporate sector	Corporate hospitality agents PR companies Event management companies	Marquee contractors Caterers Historic and unusual venues Sporting/cultural events promoters Activity operators

Source: Based on Davidson, R. (2001), 'Distribution channels for business travel', in Laws, E. and Buhalis, D., *Tourism Distribution Channels: practices, issues and transformations*, London, Continuum.

market the purchaser is usually also the end consumer, in the business tourism market this is not necessarily the case. Apart from self-employed people and those paying to attend certain types of association meeting, the person who travels is rarely the person who is financing the trip.

As continuing success in this market clearly depends upon satisfying not only the buyers but also the end consumers of the services, the vital question arises: who are the business travellers upon whose activities this industry depends?

As always, generalisations are difficult in a market as diverse as this one. But, contrary perhaps to much public opinion, business travellers are not always white-collar workers employed in the upper echelons of their organisations. As shown in Table 1.2, those in possession of technical or specialist skills are often called upon to travel in order to carry out tasks away from their normal places of employment. For example, the contributions of the photographers who travel to a major sports event to capture it on film are just as important to their employers as the written text of the accompanying article produced by their journalist colleagues.

Almost by definition, however, a large percentage of those travelling on business are managerial and sales staff, who have the power either to make decisions or to influence the decisions of others. They have the authority to negotiate on behalf of their companies, governments or professional bodies, for example, and the work they are employed to do is of such a complex or sensitive nature that it can only be carried out face to face with others.

Contributing further to the question of who actually travels on business, Middleton (1994; p.B-10) asks: does the business travel market comprise a relatively small number of individuals who make a large number of business trips, or a relatively large number of individuals making fewer visits? His answer, admittedly based on partial evidence, suggests that the former possibility is the case, and that there is a vital core of frequent repeat visitors: 'At the top end of the business market, individuals are making over 20 business trips per annum. It seems probable that less than 5% of adults are responsible for the great bulk of business travel.'

Business travel destinations

It has already been indicated that most business travel is to urban destinations. Cities are where head offices, factories, and conference and exhibition centres are located; they are also where the majority of the facilities that support the business travel market are to be found, e.g. hotels, transport termini and cultural/entertainment resources used by business visitors.

However, there are a number of differences between the use of cities by business visitors and their use by leisure tourists. While leisure visitors are principally attracted to a select group of cities offering a wealth of heritage/shopping/entertainment attractions, business travellers' trips require them to visit a wider range, including towns and cities of a largely commercial or industrial character. It may, therefore, be argued that business tourism brings economic benefits to places untouched by leisure visitors.

Within cities, leisure visitors in their choice of accommodation and activities tend to remain in close proximity to the city centre, whereas business visitors may be much more dispersed in respect of where they stay and where they go to carry out their business. Depending on their mode of transport, for example, they may use airport hotels or motels close to major roads. Their business may also take them far from the city centre to industrial estates or to exhibition centres, which are often situated between the city itself and its airport, where land is cheaper.

Just as the vast majority of business travel is undertaken by a small percentage of the general population, the destinations in which the lion's share of the world's total business travel takes place are concentrated in a small number of countries. While developing countries are enjoying growing rates of success in attracting holiday-makers to their beaches and for cultural diversion, industrialised nations continue to dominate the business tourism market in terms of both demand and supply. The immense volume of commerce carried out between and within the world's main trading blocs provides the motivation for much of the world's business travel. The industrialised countries are often those that are best placed to provide the services and security upon which business tourism depends.

Even within the countries of the industrialised world, the amount of business travel is distributed unequally. Figure 1.2 shows how, for example, the principal destinations for Europe's meetings and exhibitions industry are concentrated into a few zones within the continent.

It is interesting to note that many of Europe's principal leisure tourism regions find themselves outside the zones indicated in Figure 1.2 as the continent's major business travel destinations.

● ● ● Business travel and the economy

In common with most industries, business travel is affected directly and indirectly by the state of the economy in which those who buy it and sell it operate. At the same time, business travel has a considerable impact upon the economy of the destinations to which its consumers make their trips.

Before we consider the impact that this industry has on destinations, however, we will discuss the ways in which features of the general economic environment can affect demand for business travel.

Demand for business travel

There is a general consensus of opinion among commentators that, as for most industries, the level of demand for business travel is determined in part by the buoyancy of the national and, increasingly, global economy. Bull (1995; p.20) emphasises that 'economic cycles in generating areas ... may influence patterns of business demand for tourism, through both the ability of businesses to meet travel costs and businesses' desire to maintain or restrict travel elements of their promotional or training budgets'.



Figure 1.2 The meeting and exhibition industry in the European Economic Area

Source: *Business & Conference Tourism in the EEA*, Office for official publications of the European Communities, 1996.

As an unambiguous illustration of this, the drastically shrinking budgets for business travel witnessed on a global level during the economic downturn at the beginning of the 1990s are still a vivid memory for many of those employed in this industry.

However, many would also agree with Middleton (1994; p.B-13) that 'although business travel volume ebbs and flows with the growth and decline of the ... economy, it is inherently more stable than holiday travel and less influenced by fashions'. Rogers (1998; p.77) elaborates further on this point, with an illustration from the meetings sector:

One of the positive characteristics of the conference industry is its resilience, even in times of economic downturn. While there may be a trading down, many events still go ahead: public companies are required to hold an Annual General Meeting for their shareholders, senior managers need to engage in management retreats to explore ways of reviving their business, new products are launched, staff still have to be trained and motivated, sales forces need to be brought together for briefings, and many other types of conference take place, albeit with reduced budgets.

Some industry analysts have gone further, maintaining that in some cases spending on business travel can actually rise when the economy is slowing down. Bull (1995; p.116), for example, writes: 'With business tourism, demand may be generated when other sectors are *in depression*, as producers decide they need to send sales forces out to generate demand for their products ... When most sectors are booming, there may be less of a desperate need to put sales people on the road'.

Part of the explanation for the apparent resilience of the spending that fuels this industry is the nature of the demand for business travel in its various forms. While leisure travel is what economists call a *final demand* – travel that is an end in itself, undertaken for its own ends – most business travel activities fall into the class of those commodities whose production is driven by *derived demand*. These are goods and services that are purchased only because they are inputs that are necessary elements in the course of producing other goods or services. Other classic examples of derived demand are machine tools, catering equipment and insurance policies.

Therefore, although business tourism is driven by derived demand and is not usually something purchased to be enjoyed as an end in itself, it is regarded by those who pay for it as vital to, for example, the training or motivating of staff to improve their efficiency, or the provision of networking opportunities to create goodwill and new sales opportunities for the company.

This indispensable quality of much business travel means that in general it displays a different level of *elasticity of demand* to that which characterises leisure travel, such as the annual family holiday. Since business travel is usually considered as something that is undertaken because it is necessary to the effective functioning of the company that purchases it, it is generally acknowledged to be relatively income-inelastic: moderate increases in air fares, for example, will not generally dissuade business travellers from making their journey (and, conversely, no fare reductions will tempt them to travel unless their business interests demand it). It is this income-inelasticity that means that, on the whole, business travel volume is fairly stable. By way of contrast, demand for holidays, short breaks and daytrips tends to display a much greater degree of elasticity, often fluctuating considerably according to the buyer's level of disposable income.

This is not to say, of course, that levels of spending on business travel do not vary. Clearly, as mentioned previously, these are linked to, on the one hand, the assets and incomes of the companies (and, in the case of some conferences, the individuals) who purchase business travel products, and on the other hand, the prices of business travel services. One theme of this book is how buyers of business travel

products are modifying how they purchase and what they purchase in this market, in order to obtain value for money in the face of rising prices in many sectors of this industry.

Another demand determinant for business travel, to which Bull (1995) draws attention, is the level of government taxation of business expenses. Companies usually meet the cost of at least some of their spending on business tourism by claiming it as an expense against corporate income for tax purposes. Therefore, government policy on the extent to which these expenses may be allowed against tax may, in theory at least, alter the effective prices of tourism products and hence demand. In other words, despite the relatively inelastic nature of demand for business travel products, any change to the level of tax-deductibility for business travel expenses allowed by governments will have an impact on demand: the greater the level of deductibility, the greater the potential increase in the level of demand for business travel.

However, as Bull (1995; p.42) writes:

In practice, governments use tax deductibility much more selectively. The United States government for example varies the dollar limit of tax-deductible travel expenses per person per day, and can allow greater deductibility for, say, domestic tourism than international tourism spending (and the daily allowances vary considerably between overseas countries visited). This changes relative effective prices, and can be used as a balance of payments policy weapon.

Economic impacts of business travel

There is no doubt that just as destinations the world over have invested in infrastructure and marketing as a way of attracting leisure visitors and the economic benefits their presence brings, the principal motivation underlying investment in facilities and services for the business travel market is a financial one.

The potential earnings from the various forms of business travel can be considerable, both for the individual companies who supply this market and for the towns and cities to which people travel on business. For this is the high-quality, high-yield end of the tourism spectrum, often characterised by lavish spending, and often bringing large numbers of high-spending visitors who, by the time the event is over, have left many of the destination's cash registers full to the brim. Smith (1990; p.68) expresses this effect vividly when he quotes the US city mayor who once said: 'When we have a convention in town, it is as if an airplane flew overhead dropping dollar bills on everyone.'

It has long been recognised that due to the higher spending levels associated with business travel, it has a greater per capita value than leisure travel in securing employment and other economic benefits.

As a rule of thumb, the ratio of daily expenditure by business travellers to that of leisure visitors is generally situated somewhere between 2:1 and 3:1. It has been estimated, for example, that business visitors to the UK spend three times more per day on average than leisure visitors. Figures from the International Passenger Survey show that in 2000 an estimated 851 000 conference visitors from abroad

brought £591 million to the UK, on a spend-per-day basis spending £177 – almost three times as much as the average for all visitors. In the same year, overseas attendees at UK trade fairs delivered an average daily yield of £151–£89 more than the average for all visitors to the UK (ONS, 2001).

Table 1.1 provides some indication of why these higher spending levels should be so. Most of those people travelling on business are high-spending as they themselves generally bear only a fraction of the costs. Those who are travelling in the knowledge that their expenses will be refunded usually tend to be as generous to themselves as company policy will allow.

In addition to the volume of direct turnover, business tourism in the European Economic Area (EEA) has considerable induced effects, generated, for example, by the large number of ancillary activities linked to conferences and exhibitions: space hire, stand construction, security staff and so on. In total, this induced activity is estimated to be 1.5–2 times the direct turnover of the sector (European Commission, 1996).

From the point of view of the destination and the suppliers operating there, a further advantage of business travel is that as it is less susceptible to peaks and troughs of demand than is leisure tourism: the spending is spread more evenly throughout the year, with only a slight dropping-off in demand during the peak holiday periods. This complementary pattern of demand between leisure and business travel makes the possibility of serving both markets an enticing prospect for many destinations, and a considerable number have leapt at the opportunity to move into the business tourism market. Many UK seaside resorts, for instance, have used business travel as a way of extending their season. Grant et al. (1997) give the classic examples of Brighton and Bournemouth, which have been particularly successful in developing conference tourism that is not dependent on weather and main holiday period factors.

A further advantage offered by business travel is that as it tends to occur mid-week, between Monday and Thursday, its pattern of demand is also complementary to that of the short-break and daytrip markets, which tend to be concentrated at weekends. As Middleton (1994; p.B-13) remarks:

The obvious focus of business on weekday rather than weekend travel provides a sound economic base from which leisure products can be developed and marketed. An important synergy exists between business markets and the growing short break leisure market, especially over Friday, Saturday and Sunday nights when business travel demand is lowest. A growing business travel market typically generates and sustains leisure markets in the same facilities for reasons of operating economics.

Other impacts of business travel

Although the direct economic impacts of business travel on destinations are the most prominent consequence of any city's success in attracting meetings, trade

shows, incentive trips and corporate hospitality events, as well as individual business travellers, there are several other positive effects that may also motivate local and national politicians to target this market.

Image

It is clear that important events of the type discussed in this book can be an effective way of putting the destinations where they take place firmly on the political map. For example, Rogers (1998) points out that the prestige that can result from the hosting of a high-profile event such as a summit conference of heads of state or business leaders can earn the destination a considerable amount of credibility and acceptance on the international political stage.

But, pleasant though it may be for politicians to bathe in the reflected glory of having their city visited by the distinguished and the influential, destinations often have a more matter-of-fact reason for seeking to attract the business tourism market. Blank (1996; p.224) notes:

Cities seek conventions not only for the direct income but because, in this way, they can focus the attention of key groups of decision-makers upon the city's potential for professional and business location and development. These are prominent among the reasons why nearly all large cities have located convention centres downtown in close juxtaposition to a high-amenity offering of activities to help make a good impression upon these visitors.

Thus, many destinations have recognised that business tourism can stimulate future inward investment if businesspeople see the attractions of a destination while travelling on business and then return to establish business operations there. They can also become unpaid 'ambassadors' for a destination by communicating to colleagues and others their positive impressions and favourable experiences (BTF & BTAC, 1999).

But ambassadors can also serve to establish or reinforce the image of the destination as a place to visit for leisure purposes. As Abbey and Link (1996; p.175) point out, for example, 'Through conventions, a large number of potential repeat visitors become acquainted with a tourism area. If they are treated well and pleased, they will not only advertise with word of mouth, but will also likely visit the area on other occasions.'

Environmental and social impacts

At a time when consumer concern over the potential and actual negative impacts of mass leisure tourism upon the natural, built and human environments of destinations is gaining prominence, and interest groups are putting growing pressure upon the holiday industry to display more environmental awareness, attention must also be paid to how business travel affects those towns and cities where it takes place.

Much comment on this issue is upbeat, favourably comparing the impacts of business travel with those of leisure visitors. In favour of the former, it has been argued that as business tourism tends to have a good geographical spread, it does not create the detrimental impact on the environment sometimes brought by mass leisure tourism to the holiday or daytrip 'honeypots'. Middleton (1994; p.B-13) elaborates upon this point:

Much of business travel is accommodated in towns and cities ... where it makes minimal impact on fragile natural environments. Business visitors are typically indistinguishable from residents in dress, behaviour and use of facilities. Much of business travel is fundamentally more sustainable than many sectors of the leisure travel market.

An argument sometimes advanced in support of the more sustainable nature of business travel over its leisure equivalent is that since many business visitors use public transport, such as trains, to reach their destinations, they are supporting less polluting forms of transport than the family car, which is used so extensively for leisure travel.

But while this argument may hold some weight for much domestic business travel, it is clear that most international business-related trips are made by air, the most highly polluting mode of transport. Aviation is known to be the fastest-growing source of greenhouse gas emissions and a major contributor to climate change. A report published for the Green Party of England and Wales (Whitelegg and Fitz-Gibbon, 2001) indicates how, since the fuel that aircraft burn is not taxed, aviation's polluting impact translates into hidden economic costs that are paid not by the industry itself but by society as a whole.

The report argues that since, unlike most goods, aircraft and aviation fuel and airline tickets are zero-rated for value-added tax (VAT), this means that society as a whole is subsidising air transport. It has been estimated that if aviation's VAT zero-rating were removed, this would raise a further £1.8 billion a year (HMC&E, 2001), and that if aviation fuel were taxed at the same rate as unleaded petrol, then this would raise about £5 billion a year (Sewill, 2000). In the absence of such fiscal measures, air transport – for all purposes – continues to be subsidised by the public, regardless of whether they ever use it.

The hidden subsidies to the aviation sector are also said to include:

- health costs associated with noise and air pollution;
- costs of building and maintaining the transport infrastructure that serves airports;
- direct and indirect subsidies to the industries that supply the air transport sector, including oil and aircraft manufacturing.

Putting VAT on air travel, fuel and aircraft purchases would inevitably lead to a significant increase in airfares for business and leisure travellers alike. As the real cost of flying became more apparent, it is reasonable to expect that demand would be affected. However, as discussed earlier in this chapter, the price-elasticity of business travel means that any cutback in demand would be much more likely to come from the leisure sector – representing roughly two-thirds of all passengers using UK airports – rather than business travel.

But with one-third of air passengers travelling on business, many believe that businesses should bear some of the responsibility for aviation's negative externalities. Many businesses derive a direct economic advantage from flying their employees to meetings and missions. The net effect of the current taxation system is that those who do not fly, either for business or leisure, are subsidising those who do, and those who fly occasionally are subsidising those who fly a lot. Society's effective subsidising of those businesses that generate air travel is hardly compatible with any government's belief in both economic level playing fields and social justice.

The costs of being a business destination

It is often remarked that the costs incurred by destinations in their efforts to attract business visitors are mainly incidental, as many already have an existing leisure tourism infrastructure of hotels, airports, tourist boards, etc. that can also serve as suppliers or intermediaries for business travel.

While this may be the case for certain sectors, such as individual business travel, incentive trips and corporate hospitality, other sectors, including conferences and trade fairs, require substantial investment in specialist facilities in which such events may be held. In the case of conference centres, in particular, the investment may be subsidised wholly or partly from public funds, creating what are, in effect, often substantial opportunity costs for the host community.

To the direct costs of investing to attract business visitors must be added the cost to destinations of the various externalities which can arise as a result of hosting certain types of event. The most extreme example of this may be the cost of preparing cities for large government-related meetings. For instance, stringent security measures meant that the Italian port of Genoa was practically turned into a war-zone for the G8 Summit of July 2001. Surface-to-air missiles were deployed at the airport, with sharpshooters standing by near strategic targets, and 18 000 police were posted throughout the city, which was ringed with reinforced concrete barricades and wire fences. As a result, Genoa's residents lived under siege conditions during the summit, and many left town.

The cost of these preparations, and that of putting right the damage caused by protesters during the summit, must be weighed against the financial gains that accrued to the city as a result of hosting this event. In this case, the impact on Genoa's reputation and image must also be entered on the negative side of the balance sheet.

While the Genoa example is an extreme one, it is by no means an isolated case. In the UK, the annual political party conferences, often hosted by resorts such as Blackpool, Torquay and Brighton, are accompanied by substantial security operations and disruption to the lives of local residents. Brighton police have estimated that the cost of their security measures for a single political party conference ranges between £1.5 million and £2 million (Ward, 2001).

The subject of business travel's impacts on the host community is a severely under-researched issue. While Middleton's assertion that the sociocultural impact of business tourism is minimal – since business visitors and residents

closely resemble each other in appearance, behaviour, etc. – might be true for most major cities in the industrialised world, it seems highly probable that there are many examples of destinations where very visible business tourism activities and events impact directly on various personal aspects of the lives of residents. The apparently ubiquitous association of business travel with prostitution is perhaps the most obvious example. On a more subtle issue, more needs to be known about the impacts on the self-image of more disadvantaged residents seeing groups of high-spending, incentive award winners descend on their town for a few days of extravagant indulgence. In this context, it would be interesting to test whether Fredline and Faulkner's (2000) study of residents' reactions to large sporting events might be used to determine host reactions to major business travel events.

● ● ● Challenges facing the business travel market

In the mid-1990s, Horwath Axe Consultants were commissioned by DG XXIII of the European Commission to measure the scope of business travel in 150 venues across 17 European countries and to identify major challenges affecting those sectors. The results, published in 1996, highlighted a number of factors that needed to be addressed if business travel in Europe was to reach its full potential. The issue of skills training for business travel was highlighted as a challenge, and this has already been discussed in the preface to this book. Some of the other major challenges identified will now be considered, and progress towards meeting those challenges will be reviewed.

Political challenges

It is generally accepted that there needs to be a greater recognition by government of the contribution that business tourism plays in the economic prosperity of communities, at national and local level. The Horwath Axe report confirmed that despite many efforts to raise the industry's profile, business tourism still suffered from a lack of identity within the wider context of European tourism (European Communities, 1996).

Rogers (1998; p.190) is among those commentators who believe that the situation, in the UK at least, has improved at the level of local government: 'Generally speaking, local government has woken up to the potential which this young industry offers, but central government is still not fully committed.' The progress made at the local authority level is acknowledged by Smith (1990; p.68), who believes that the UK can learn from the example of France on this issue:

A promotional gathering in France may find the chief promoter is the Mayor, who behaves as if he is used to going on the promotional trail to win meetings. It is a concept that has not sufficiently taken root in British town halls. But there are exceptions. Belatedly, city halls across the nation are beginning to see the benefit of meetings and

are unrolling the red carpet, offering a civic reception and unlocking the drinks cupboard when a meeting comes to town.

For Smith (1990; p.66), a local authority that effectively encourages the meetings market is one that 'sees itself as a meeting place, promotes its facilities for conferences and seminars, pays at least a little attention to the search for friends among meetings planners, welcomes their delegates, and provides overt and covert inducements which can range from a free deckchair to a no-charge convention centre for 1000 people for a week'.

At the national level, much remains to be done before most European countries can be seen to be fully supportive of their business travel sectors. However, recently a number of initiatives have been taken to raise the profile of the various sectors of business travel. For example, in the attempt to highlight the value to the UK economy of the meetings industry and its contribution to the balance of payments, the major trade bodies, venues, conference organisers and suppliers launched the first National Meetings Week (www.meetpic.com/nmw) in June 2001. Another of the week's objectives was to encourage the government to recognise the importance of the meetings industry when considering future infra-structural developments. The organisers enlisted the participation of politicians and celebrities who often play a role in the meetings sector as after-dinner speakers. Much of the activity during National Meetings Week centred around the Meetings & Incentive Travel Show, a trade show held at ExCeL in London's Docklands.

Market intelligence

Linked to the issue of business travel's lack of recognition by governments are two other issues identified by Horwath Axe: the lack of standardised and properly defined terminology for the various business travel sectors, and the need for reliable statistics and regular research. Without these, it is argued, it is impossible to obtain the rigorous market intelligence required to lend credibility to this industry and to demonstrate its size and value with any degree of accuracy.

Middleton (1994; p.B-2) describes the problem:

All interested in business travel will be fully aware of the difficulties with interpreting published data. It is a fact of life that there is no consensus on the size and value of the overall market, and no agreement even in the relatively well-defined areas of conferences, exhibitions and incentive travel. Different surveys adopt different definitions and strict comparability is impossible.

It would seem that little progress appears to have been made since Smith (1990; p.70) described how business travel terminology often confuses rather than illuminates, using the meetings sector as an illustration: 'People speak of conventions, congresses, conferences, meetings, seminars, and symposia. Efforts to clarify these terms never seem to bring lasting results and the words are fairly interchangeable.'

The challenge of terminology is linked directly to the wider issue of market research. As Rogers (1998; p.15) indicates, the shortage of statistics based on standardised terminology:

... has meant that governments have not taken the industry seriously as a major benefactor to national economies because it has been impossible to demonstrate clearly the economic impact that conferences can have ... What is important is the need to ensure that statistics are being collected and interpreted in a standardised way on a worldwide level, as befits a truly global industry ... This is crucial to the national and international recognition and support which the industry now deserves and demands.

The need for agreement on common definitions in the business travel sectors has become even more pressing as the first step in providing the foundation for effective research into business travel, measured from both the demand side and the supply side.

An initiative of the European Masters in Conference Management group, led by the Berufsakademie Ravensburg (www.ba-ravensburg.de), was launched in 2001, proposing to make a contribution to defining the terminology of at least one aspect of business travel, the meetings sector. Using a three-stage Delphi research method, the aim of the project was to pool the opinions of industry specialists in order to arrive at a consensus as to terminology for the meetings sector.

Technology

From the Internet to global distribution systems, unprecedented advances in information and communications technology (ICT) are having a profound impact on every aspect of how business is conducted, including business travel in all of its forms. The widespread use of technology in the business travel industry has enabled companies to increase their efficiency and profitability by being more responsive to their clients' needs and better equipped to serve them. ICT support services are playing a major role in improving back-office efficiency and the service standards extended to business travellers.

But, for an industry whose whole *raison d'être* is based on individuals' and groups' needs to communicate with each other, the question arises as to whether ICT has the potential to present itself as an actual substitution for business travel. The challenge posed by ICT is a major one indeed. With every advance in the speed and image and sound quality of satellite link-ups, and as fibre-optic cables extend their reach into more homes and offices, the potential for communication via on-screen images may gain in appeal when compared with the inconvenience, expense, consumption of time and, particularly since the events of 11 September 2001, the potential danger that business travel can involve.

Already, at the click of a mouse it is possible to download a recorded presentation in words and images from a conference in another continent, view goods being presented at a distant trade fair, or have a videoconference discussion with a client on their desktop computer.

For a number of years, the question has been asked: to what extent will ICT actually obviate the need for physical travel by replacing it? Seaton and Bennet (1996) stress that even a 15% reduction in business travel would have an immense impact on hotels, airlines, travel agents and all the other services involved in business travel on a worldwide basis. They point out that some business travel agencies are already adapting to the potential change by offering videoconferencing as an alternative to travel, and that some hotel chains are offering the same facility to their business guests.

Throughout this book, for each sector of business travel examined, we shall return to this issue of the extent to which ICT represents a friend or foe for the business travel industry.

● ● ● Opportunities for the business travel industry

While the business travel industry grapples with the challenges facing it, it is important not to lose sight of the fact that there are a number of elements in the market and the market environment that provide grounds for optimism.

Supply side

Several factors are acknowledged to constitute assets for Europe as a supplier of facilities and services for the various business travel sectors. These have been identified as (European Communities, 1996):

- its attractive diversity in terms of destinations and cultures;
- its level of market maturity due to its historical position;
- the expertise and professionalism of its specialists, and the quality of its products;
- the presence of many company head offices, institutions and associations, which generates an important need for meetings and exchanges of information.

In addition, an important supply-side asset for intra-European business travel is the rapidly expanding transport infrastructure within Europe, whose high-speed trains and budget airlines continue to expand their networks, making travel for all purposes, including business, more convenient and rapid, and, in many cases, increasingly affordable. As long as the problem of major European gateways approaching their air traffic control capacities can be overcome, the continent's transport infrastructure should continue to ease the business traveller's path.

The Howarth Axe report sets all of these assets in the context of an upbeat outlook for the business tourism industry, which it has predicted will grow globally at a rate superior to that of the tourism market in general.

However, a recurrent theme of the sectoral chapters of this book is that of the growing competition that European suppliers face from other world regions for the discretionary business travel market. Just as growing numbers of leisure tourists are being tempted to visit new destinations in world regions where enthusiasm levels and promotional budgets for tourism are high, so business tourism buyers and

intermediaries are increasingly being targeted by destinations eager to capture a share of this lucrative market.

Asia and Australasia in particular continue to equip themselves with the facilities and services they need in order to establish firmly their hold on the international business tourism market. And the business tourism suppliers in those world regions appear to have considerable support at the national government level. Dwyer and Mistilis (1997; p.219), for example, write:

A former Australian government placed so much emphasis on this market that it developed a National Strategy to ensure the long term growth of the sector and to maximise the economic and social benefits to the country. Japan and Singapore have government plans to increase the number of international conventions hosted.

It is clear that in the face of such competition, which has novelty value and the falling real costs of long-haul airfares to its advantage, European cities will need to make increasing efforts to maintain their share of the global business tourism market.

Demand side

The increasing volume of world trade since the end of the Second World War has ensured the growth of business travel in line with it. Within Europe, the level of demand for business travel has also been encouraged by a relaxation of border controls and, more recently, by a harmonisation of most European Union (EU) member states' currencies.

More widely, there has been a process of internationalisation of not only businesses but also associations. Schlenrich (in Seaton and Bennett, 1996) claimed that the elimination of international trade barriers had resulted in a global marketplace, making business travel one of the most important profit and growth sectors of the tourism industry. The conclusions of the General Agreement on Free Trade (GATT) and the North American Free Trade Agreement (NAFTA) have resulted in the further breaking down of trade restrictions and have set the stage for over 120 nations to compete freely and internationally. The trend towards free market economies in the former Eastern bloc countries and moves by China towards a liberalised market economy should further encourage favourable international business travel.

As long as the trend towards growth in world trade and the internationalisation of businesses and associations continues, there will be a role for a travel industry that responds effectively to the near-universal need to meet with others face to face in order to do business.

● ● ● Business travel in times of turmoil

On 11 September 2001, the global business travel industry was presented with the greatest challenge it has had to face in its entire history. Already facing the almost certain prospect of a worldwide recession, suppliers from airlines to hotels, from conference centres to car-hire companies, were preparing with all their ingenuity to

weather the economic storm ahead. But nothing – not the recession of the 1990s, nor the Gulf War, nor the antiglobalisation demonstrations that turned conference cities into bloody battlefields – had had an impact on business travel comparable to that resulting from the terror attacks on New York and Washington DC that day.

Having witnessed on their computer monitors and TV screens the very symbol of business travel – jet aircraft – being turned into weapons of mass destruction, vast numbers of travellers the world over reacted in a wholly understandable manner: by cancelling their trips and finding other ways of carrying out their business. In the immediate aftermath of the events of 11 September, many companies ordered their staff to stay grounded, as they did when, a decade earlier, war broke out in the Gulf. There were widespread reports of companies seeking technological alternatives to travel, such as videoconferencing and Web-conferencing. The value of shares in such companies soared immediately.

Airlines were the first suppliers to feel the effects of reduced business traveller numbers, with one carrier, Swissair, going out of business within three weeks of the terror attacks. But city hotels in countries around the world also suffered, with some closing down entire floors as business travellers stayed away.

Despite the superficial similarities between the Gulf War and the war against international terrorism, it was not a sense of déjà vu that characterised the mood of the days immediately following the attacks. With the world in a ferment of speculation as to how events would develop, there was a near-universal feeling that the world had changed irrevocably, and that some things – yet to be defined – would never be the same again. Uncertainties multiplied and forecasts of all types become little more than a best guess.

This book has been written in the belief that the desire to travel in order to meet distant colleagues, clients and collaborators face to face and to shake the hand of friendship with them is so deep-rooted in mankind that it will inevitably triumph over the anxiety and distrustful fear of others that the forces of terror attempt to propagate. The freedom to travel on business, to meet and communicate with others, which enriches so powerfully the working lives of so many people, all over the world, is too precious a gift to be surrendered.

This book does more than describe and analyse business travel: it positively celebrates it in the names of those business travellers whose flights ended in tragedy that fateful Tuesday morning.

Case study

EIBTM: a new look for the twenty-first century

Since 1987, the European Incentive and Business Travel and Meetings (EIBTM) exhibition (Figure 1.3) has been one of the major global events for this industry. The exhibition's organisers are Reed Travel Exhibitions

(RTE), which took over the event in 2000 from EIBTM Holdings Ltd, the company that ran the event for its first 13 years. RTE also organises EIBTM's sister event, Asia-Pacific Incentives & Meetings Expo (AIME) in Melbourne,

Case study continued

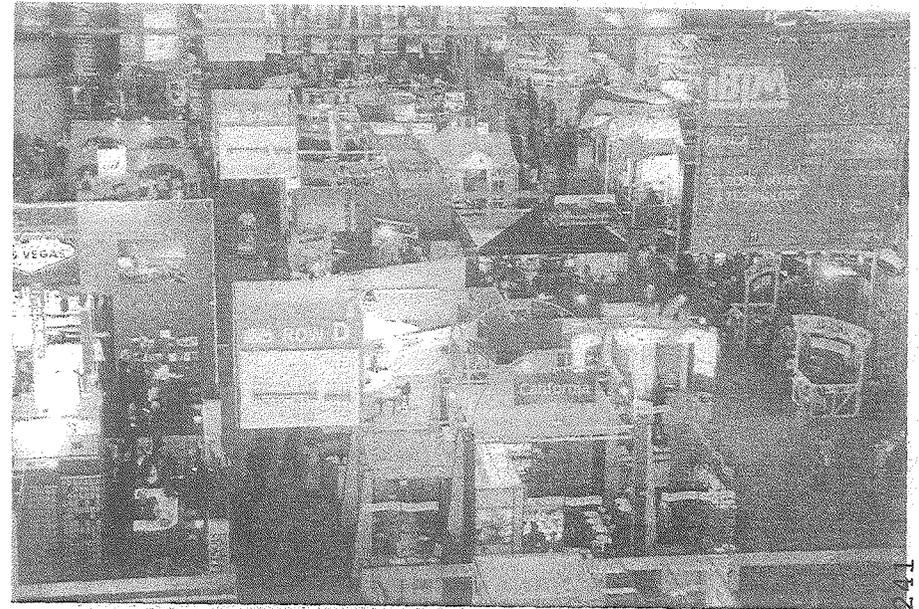


Figure 1.3 EIBTM exhibition

Source: Reed Travel Exhibitions.

Table 1.3 Attendance at EIBTM

	1988	2001
Number of countries exhibiting	54	110
Number of visitors	2850	5950

Source: Reed Travel Exhibitions.

Australia. Table 1.3 shows how the EIBTM has grown since its first year.

The three-day event held at the Palexpo Exhibition Centre in Geneva in May each year is a vital business-to-business forum that plays a key role in bringing together those who buy in the business travel, meetings and incentive markets with those who supply or promote facilities and services in these sectors: the exhibitors. Like all trade fairs, EIBTM creates an event where buyers and suppliers can meet each other, exchange information and do business together.

In general, those attending EIBTM fall into one of two main categories: exhibitors (those who are selling) and visitors (those who are buying) (Table 1.4).

In 2001, there were 3250 exhibitors present at EIBTM, from 110 countries, booking 12 220 m² of exhibition space – 14% more than in 2000.

But exhibitions only function well if the right buyers are there to meet and do business with the exhibitors. A major advantage for the exhibitors at this event is that EIBTM guarantees the attendance of key buyers from all over the world. So how are these vital participants encouraged to attend?

The Hosted Buyers' Programme

The answer lies in a unique feature of the EIBTM exhibition: its Hosted Buyers' Programme. This is a highly effective method used by EIBTM to ensure that the right buyers attend each year – and it is planned meticulously.

Case study continued

Table 1.4 Exhibitors and visitors at EIBTM

Exhibitors	Visitors
Airlines	Visitors are responsible for organising, influencing or making budgetary decisions for:
Conference venues	<ul style="list-style-type: none"> • annual conventions • conferences and seminars
Convention and visitor bureaux	<ul style="list-style-type: none"> • corporate meetings and hospitality • corporate travel • incentive travel campaigns
Cruise lines/luxury train companies	<ul style="list-style-type: none"> • international congresses
Destination management companies	<ul style="list-style-type: none"> • product launches • special events • staff motivation • training programmes
Ground transportation	
Health resorts/spas	
Hotels/hotel groups	
Incentive destinations	
Incentive houses/specialists	
Meeting and conference planners	
National tourist organisations	
Publications	
Technology providers	
Trade associations	

First, the organisers liaise with industry experts to identify exactly the leading buyers in the fields of business travel, meetings and incentives – those decision makers who have the level of authority to choose, for example, venues for their organisations' meetings, or agencies to arrange business travel arrangements or incentive trips for their staff.

Once identified, these key buyers are invited to attend EIBTM at no charge to themselves, with the exhibition organisers funding their flights to Geneva (from European cities) and their hotel accommodation there for the duration of the event.

In return, Hosted Buyers agree to attend a number of 25-minute prescheduled appointments that EIBTM organises for them with exhibitors, who use their time allocated with the buyers in order to present their destination or the facilities and services they offer. Each buyer is committed to attending a set number of such appointments – three for those attending for only one day, six for

two days' attendance, and seven for those staying longer than two days. In order to maximise the appointments' usefulness, buyers and exhibitors are matched according to the interests that each party has specified.

The EIBTM team endeavours to match the interests and needs of both Hosted Buyers and exhibitors to ensure that their mutual business interests are maximised and long-term business relationships are forged. In 2001, of a total 5950 visitors to the exhibition, 3286 were Hosted Buyers, a 5.69% increase over 2000.

However, it is the interaction and discussions between all buyers and exhibitors that create the thousands of business leads and new contacts, which in turn generate sales for the suppliers and agencies who exhibit at EIBTM.

A predominantly European event

The event is first and foremost European in character. In 2001, 64% of the exhibitors and 88.52% of the visitors were from Europe. North America was the next best represented region, with 10% and 3.56%, respectively. Table 1.5 provides further details of the origins of EIBTM's visitors.

Twenty-first-century innovations

RTE's strategy for EIBTM was to make no changes to the event during its first year as its organisers, but simply to observe closely how it operated, before making any radical modifications. After the 2000 event, RTE decided that a major market research initiative was required to determine what the exhibitors and visitors thought of

Table 1.5 Geographical breakdown: visitors

Area	Attendance (%)
Europe (EU)	67.71
Europe (non-EU)	20.81
Asia	0.81
Middle East and North Africa	2.33
North America	3.56
South/Central America	0.87
South/Central Africa	0.99
South-East Asia	0.81
Australasia and Pacific	0.87
Other/blank	1.24

Source: Reed Travel Exhibitions.

Case study continued

EIBTM and whether any improvements were necessary. The research highlighted a number of problems, which RTE was determined to solve in time for the following year's event. The modifications and innovations introduced in 2001 were:

- **New EIBTM website:** launched to keep visitors and exhibitors up to date with advice, information and news leading up to and during the event. The site had more than 182 500 page views in the four weeks before the event, with visitors spending an average of 13 minutes on the website. Online buyers were able to conduct business via the website for the first time.
- **Better traffic flow:** following criticism of the traffic flow and signage at the exhibition in previous years, a series of improvements were made, including moving the visitor entrance and investing in detailed and very visible signage. Separate visitor and exhibitor entrances meant that queuing for badges was kept to a minimum. This was alleviated further by the introduction of pre-registration and mailing badges in advance.
- **More customer-focused approach:** EIBTM aimed to provide a higher level of customer service, using a range of innovations, from the bright yellow shirts worn by all staff so that they could be spotted easily, to the free coffee offered each morning to exhibitors before opening.
- **Second-generation Hosted Buyers' Programme:** research from the 2000 event showed that the Hosted Buyer concept was outdated and that measures to tighten and control the quality, attendance and matching of buyers to exhibitors were necessary. There was particular concern over no-shows (Hosted Buyers failing to attend appointments programmed for them) and the actual quality of some of the buyers (too many were considered to lack the authority to make real purchasing decisions on behalf of their organisations). Investment in new technology was used in order to match appointments more efficiently, monitor no-shows, and allow the whole appointment system to be coordinated online.

The customers' response

The improvements introduced by RTE were met with an overwhelmingly enthusiastic response from the vast majority of visitors and exhibitors. Typical of the exhibitors'

reactions to the changes was that of the Manager of Overseas Promotions of the Government of Dubai's Department of Tourism and Commerce Marketing:

We participate in 28 exhibitions every year all over the world, but EIBTM is the top. There is no other event to compare. There was a big change at EIBTM this year and it was much better. We have been exhibiting here for 12 years now, going from just 18 m² and three participating companies to 250 m² and 53 participating companies, with nearly 100 representatives from Dubai.

We saw more trade buyers and had 20 Hosted Buyer groups from Germany, the UK, France and Australia on the stand – that's 270 people – who seemed to love the relaxed atmosphere and the fact that we did not bombard them with information. The free time in the afternoon is a very good idea, as buyers came in the morning and then returned later to conduct serious detailed business with the suppliers.

As a follow-up exercise after the 2001 EIBTM, the company sent out market research questionnaires to all main stand-holders seeking their continuing feedback on the event.

Buyers attending the EIBTM in 2001

Tables 1.6 (a)–(g), based on RTE's research, provide data on the profile of the buyers who visited the event in 2001.

A new host city for EIBTM?

In 2001, RTE announced that since EIBTM first began, it had grown beyond all recognition in size and scope. For this reason, the company decided to ask major European cities with appropriate facilities if they wished to tender to

Table 1.6(a) Type of company

Company	Attendance % (multiple answers given)
Corporate	14.34
Association	5.68
Incentive house/agency	27.50
PR/marketing/advertising agency	5.44
Sales promotion agency	2.72
Conference organiser/meeting planner	13.46
Outbound travel agency	10.27
Other/blank	25.01

Source: Reed Travel Exhibitions.

Case study continued

host the exhibition post-2003, when the contract with the Palexpo Exhibition Centre in Geneva expired. The decision was to be taken in 2002, based on the views of exhibitors, the EIBTM Advisory Council, and post-event visitor and exhibitors research.

Table 1.6(b) Job title

Job title	Attendance %
President/owner/MD	24.44
Director/general manager	15.77
Manager	18.97
Executive	2.34
Coordinator	1.39
Organiser/planner	17.80
Administrator/assistant	2.76
Other/blank	16.53

Source: Reed Travel Exhibitions.

Table 1.6(c) Industry/business area

Industry	Attendance % (multiple answers given)
Automobiles	16.08
Electronic/ communication/IT	23.03
Pharmaceutical/medical/ chemical	27.19
Food/beverage/tobacco/ cosmetic	19.48
Engineering/building	3.01
Industrial goods (general)	12.19
Financial/insurance/ banking	23.13

Source: Reed Travel Exhibitions.

Table 1.6(d) Level of responsibility

Level of responsibility	Attendance %
Final decision	22.17
Recommend	14.14
Research	8.82
Plan/organise	35.80
Blank/unspecified	19.07

Source: Reed Travel Exhibitions.

Table 1.6(e) Product interest

Product interest	Attendance % (multiple answers given)
Airlines	34.62
Conference venues	43.59
Convention and visitor bureaux	33.60
Cruise lines/luxury train companies	23.79
Destination management companies	40.99
Event management specialists	33.89
Ground agents	22.47
Hotel/hotel groups	53.87
Incentive destinations	49.16
National tourist organisations	26.20
Publications	9.47
Technology providers	10.48
Health resorts and spas	19.69

Source: Reed Travel Exhibitions.

Table 1.6(f) Type of events organised

Type of event	Attendance % (multiple answers given)
Conference/meeting	62.91
International convention	34.91
Incentive travel	55.05
Product launch	25.83
Staff training/special events	33.22
Business travel	30.01

Source: Reed Travel Exhibitions.

Table 1.6(g) Number of events organised per year

Number of events	Attendance %
1-5	19.24
6-10	14.51
10+	48.27
Blank/unspecified	17.98

Source: Reed Travel Exhibitions.

Case study continued

Questions

- 1 What reasons can be given for the geographical profile of EIBTM being so dominated by Europe and North America? How would it compare with the geographical profile of AIME?
- 2 From the data presented on the buyers' profile in Tables 1.6 (a)-(g), what evidence is there that the EIBTM has been successful in attracting the right type of buyers?
- 3 Regarding a possible new host city for EIBTM, what are likely to be the 'appropriate facilities' required?
- 4 Undertake research to find out which city won the new contract to host EIBTM - and why.
- 5 A new meetings and incentive travel exhibition - IMEX, based in Frankfurt - was launched, for 2003. How does it seek to differentiate itself from EIBTM? (www.imex-frankfurt.com)

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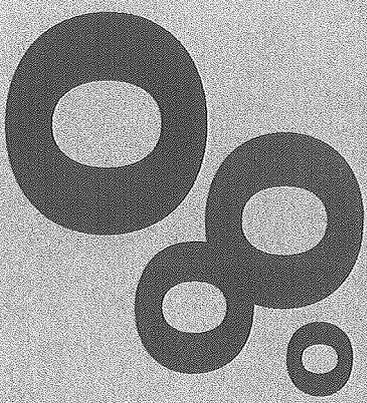
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	Quien organiza	Quien paga	Qué se persigue	Componente ocio	Periodicidad	Ámbito	Asistentes
Congreso	Asociaciones	Congresistas	Conclusiones	Moderado	Cada año, dos años o más	Libre dentro del colectivo	Profesionales del sector
	Grupos profesionales	Expositores	Acuerdos				
		Subvenciones	Intercambio Conocimientos				
Convención	Empresa	Empresa	Formación	Medio o Medio alto	Normalmente anual	Cerrado	Invitados por la empresa
			Presentación nuevos productos Planes estratégicos	Motivación	En algunos casos se organizan más de una vez al año en diferentes destinos		
Incentivo	Empresa	Empresa	Premiar ventas y fidelidad	Altísimo	Varios al año	Cerrado para la empresa/libre para clientes y distribuidores	Invitados por la empresa

te pero sí de formación, aumento de ventas, motivación, etc., que repercutirá en un beneficio tangible para la empresa, que lo que hace es invertir.

Para crear un clima adecuado, el componente ocio es muy importante, si bien las sesiones de trabajo son largas y muchas veces incluso duras. El entorno, la comodidad, la propia sede donde se celebra la convención, el personal, las fiestas, las comidas y alguna visita hacen que las largas sesiones y la atención que hay que poner en ellas se olviden rápidamente y que el mensaje que ha querido transmitir la empresa se recuerde junto con los ratos de ocio que han podido disfrutar.

Siguiendo en porcentajes, en una convención el componente trabajo es de un 60% y el ocio de un 40%, aunque hay muchas que llegan a un 50% - 50% para cada aspecto. Las que pasan de este porcentaje en cuanto al ocio, no las llamaría convenciones.

El Incentivo, que está muy de moda, porque la empresa descubrió que era una herramienta muy válida para su política de marketing, sirve para premiar las ventas de su equipo comercial o de los distribuidores y agentes, o para introducir sus productos o servicios en un segmento de mercado aún no captado, para eliminar stocks, para fidelizar a sus distribuidores, etc.

Los viajes de incentivo, dado que este premio en la mayoría de los casos es un viaje, deben tener unas características muy especiales, es el viaje soñado por los asistentes, tiene que estar todo perfectamente organizado, no se puede permitir ni el mas mínimo fallo, todo tiene que ser agradable, perfectamente pensado, el componente ocio es altísimo, en muchos casos del 100%.

Para ilustrar lo dicho anteriormente puede servir el cuadro adjunto. Unas últimas consideraciones, en cuanto al coste de cada uno de los diferentes eventos que hemos analizado:

- El Congreso si está bien organizado, genera dinero.
- La Convención cuesta dinero a la empresa, pero aporta otros beneficios.
- El Incentivo bien pensado y planificado, no cuesta dinero.
- En los tres casos es muy importante confiar en una empresa especializada en la organización de este tipo de eventos, que sea profesional, con una trayectoria clara y una experiencia en el mercado de años.
- La persona o personas que van a organizar un Congreso, Convención o Incentivo, tienen que pensar en el riesgo en el que pueden caer si no se apoyan en una empresa, que existir, existen en España y muy buenas. En una palabra, tienen que saber separar el grano de la paja.

José Luis Laborda
Director General Grupo OTAC
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The impact of social trends on the business tourism market

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Introduction

In the day-to-day world of managing a business or organisation in the conference, incentives and business travel market, it can be tempting to concentrate only on reacting to immediate challenges and achieving short-term goals.

But this industry operates in a complex market environment, which is constantly evolving – and at an accelerating rate of change. The medium- and longer-term success of business tourism companies and organisations, therefore, depends upon decision-makers understanding – and positively responding to – the profound changes affecting the market environment, now and in the years ahead.

What are the key social trends that will have the greatest impact on the meetings, incentive and business travel market in the future? This article focuses on the changing social landscape in Europe and beyond, where the emergence of a knowledge-based economy is coinciding with changing family

structures, shifting gender roles and an increasingly diverse society, as well as new approaches to working life, in which traditional boundaries between home and work, work and leisure, and between working life and post-working life are increasingly breaking down.

1. Changes in the profile of the working population

It is a fact that 50 years ago, the vast majority of conference delegates, business travellers and participants in incentive trips would have been white, married, middle-class men, sharing a very similar cultural and educational background. This profile would have more or less accurately reflected the reality of the managerial and professional classes in Europe and the US at that time. Clearly, that reality has radically changed over the past few decades, resulting in a working population characterised, throughout the developed world, by a much-altered, far less homogenous profile. Over the next 5 years, as the changes in the working population intensify, which categories of the general population will increasingly be the end-users of business tourism products and services?

- More women

Since 1970, participation in the workforce of women between 25 and 60 has risen sharply throughout the industrialised world. For example, while activity rates (the proportion of those of working age who are actually in employment) for men in the EU have remained fairly stable over the past decade, at just under 80%, those for women are following a rising trend:

	1992	2002
Activity rate for women between 25 and 54 years	67.1%	73.2%
Activity rate for women between 55 and 64 years	26.0%	32.5%

Source: Eurostat, QLFD

Throughout the EU, growing numbers of women in the workforce are employed in managerial and professional positions, with the result that they are featuring much more prominently as business travellers and participants in conference and incentive events. The increase over the past decade can be attributed to more women entering higher education, and the growth in the number of couples who are both working. Another reason is the decline in the manufacturing sector and rise of service industries, where the qualities of management most often attributed to women are also those associated with the skills needed to succeed in customer-focused and service-oriented organisations.

In the UK, for example, research by the Chartered Management Institute has shown that in a single year, the number of female directors has jumped from one in ten (9.9 per cent) to one in seven (14.8 per cent), with the majority of female directors being employed in public sector or in finance and business services. The same survey demonstrated that the number of female managers as a percentage of the total workforce, as measured by the sample, has risen to 30 per cent - more than double the figure recorded six years ago. Those industries with the greatest percentage of female managers (more than 30 per cent) are the public sector, finance and business and the chemicals industry. By function, women are most represented in HR and insurance, where they make up more than 50 per cent of managers overall, and least represented in manufacturing and production, where they account for only around 6 per cent of managers.

- More women: impact on business tourism

Despite the rapidly increasing presence of women as end-users in the business tourism market, Europe still lags considerably behind the US, where women feature far more significantly. For example, bookings for businesswomen currently comprise 40 per cent of US hotel corporate reservations, while the proportion in Europe is about half that. But the unanimously agreed forecast is that gap is set to narrow fast over the next 5 years, with many commentators predicting that before 2009, women will comprise as much as 50% of the business travel market in Europe. What will be their impact on that market? A number of studies of the needs of female business travellers and delegates underline women's practical concerns when travelling for work-related purposes. Expotel's 'Women Aware' scheme is one example of an organisation lobbying to make hotels aware of the needs of women. One of their recent surveys found that the services that women most value from hotels are, most of all, personal security (well-lit car parks, security locks and spy-holes in bedroom doors), followed by facilities such as more wardrobe space, full-length mirrors and ironing boards.

It is also generally believed that airlines could do much more to make their female business passengers feel looked after. A survey of female business travellers conducted by Total Research Corporation of Princeton, New Jersey, revealed that all airlines received low image and performance scores, mainly because of 'rudeness and lack of help from staff, and the perception that men get preferential treatment'. Only 18% of the women polled felt that airlines made special efforts to cater for women travellers. Conclusions drawn by the researchers were that 'There is a mindset among airlines, hotels and car-rental firms that they are delivering what women travellers want: but the reality is they are not: they do not understand the special needs and concerns of women'.

- More older workers

Demographic and social factors will combine to create significant numbers of 'older' members of the working population in Europe and other parts of the industrialised world.

The EU population aged 55-64 years is forecast to rise strongly, at around 1.4% per year between 2002 and 2010 (Eurostat). Currently, only 40% of people in this age group are in employment (compared with 58% in the US and 62% in Japan). The other 60% are mainly inactive – i.e. not seeking work (57%), while the remaining 3% are actively looking for work, but unemployed. The numbers of people of retirement age are also set to rise. Today, people aged 65 and over represent 16% of the total population of the EU. This will rise to 18% by 2010. Within the next 10 years, 90 million Europeans will be over the age of 60. At the same time, due to the rapid decline in birth rates since the 1970s, the numbers of younger workers is set to fall, throughout the EU, with forecasts that the segment of the workforce, aged 20 to 29, will decrease by 11 million in the next twenty years.

An ominous consequence of these demographic changes for social and economic policy throughout Europe is that there could be an unprecedented rise in the cost of financing pension and health care systems at a time when far too few younger workers are contributing to social security funds through their earnings.

Part of the response of our political policymakers has been to take steps to boost the numbers of Europeans entering the workforce and remaining economically active later in life. At EU level, in 2002, the European Councils of Lisbon and Stockholm set targets of an increase of 11-12 million women and 5 million 'older workers' (55-64) in the workforce by 2010. The EU has also set itself the target of delaying by 5 years the age at which older workers stop working, thus increasing the average 'exit age' from 60 to 65, by 2010. Achieving this objective will mean an increase in participation in the workforce for 60 – 69 year olds.

A number of social, technological and economic factors will facilitate these objectives relating to older workers. Many people will stay in the workforce beyond the official age of retirement, through choice, due to 'non-pecuniary concerns'. Professional and managerial workers of today are physically much fitter than those of 50 years ago. For those in their 50s and 60s now, brain stimulation and a sense of self-worth are often the main priorities, not simply income. Moreover, older workers are not to be found in great numbers in declining sectors of the economy. In fact they are highly represented in expanding, knowledge-intensive sectors such as education, financial services, health and social work – sectors in which employment growth for older workers over the period 1997-2001 superseded that of prime-age workers. Information and communications technology (ICT) too is a factor contributing

to the tendency to remain in work longer. Although there has been a tendency in the past to believe that the increasingly pervasive ICT might increase the amount of leisure time we have each day, and indeed over our life spans, paradoxically, it may actually encourage people to stay at work beyond the traditional 20th century retirement age - for example, through the opportunities it provides for working from home ('tele-working') rather than facing the daily and often arduous commute to work.

Whether through choice or through economic necessity, therefore, older people will, over the next five years, account for an increasingly substantial share of the European workforce. There have even been predictions that in developed countries generally, the average age of effective retirement may increase to 75 years.

- More older workers: impact on business tourism

Conferences and seminars will play a number of key roles in the lives of older workers, the retired and the semi-retired.

For the retired members of the baby-boomer generation, professional association conferences will be an important source of stimulation and a means by which those physically and mentally fit retirees can keep in touch with developments in their professional fields. For this segment, such events will also assume considerable importance as opportunities for maintaining social contacts with former colleagues, living in different parts of the country or in different continents.

The growing presence of older workers and the semi-retired in the workforce will also directly lead to an increase in the level of demand for training seminars. 'Preventing the erosion of skills throughout adult working life' is already regarded by European policy-makers as a key means of improving the chances of people remaining in employment longer, and the EU recognises that increasing the amount of in-service training available to older workers is a priority, as there is a positive relationship between older workers staying in the workforce and the provision of training. Currently, older workers receive significantly less training than prime-age workers, partly because it is assumed that they will not remain in the workplace long enough for their employers to benefit from productivity increases. Therefore it is now EU policy actively to encourage more access to company training for older workers, as a vital element in their life-long learning. Particularly with so many of such workers being concentrated in the fast-evolving knowledge-intensive sectors, it is essential that, from now on, they have access to constant in-service training, to update their skills and prevent them from being left behind.

What are the particular needs of the 'older worker' segment, as regards the planning and design of meeting events? Despite being often as mentally alert as their younger counterparts, older conference delegates and participants in

incentive trips will have a few of their own particular needs which will have to be taken into account. These could include aspects such as:

- Larger print on conference proceedings
- Less emphasis on competitive/extreme sports activities in incentive trips
- More comfort breaks
- Different dietary requirements
- Different taste regarding entertainment and ambient music

- More single households

Throughout Europe, there is a marked trend towards smaller households, with more people of all ages living alone. In 2001, there were only 5 marriages per 1000 inhabitants in Europe, down from almost 8 marriages per 1000 inhabitants in 1970.

A fast-growing number of these 'singletons' are men, and one of the most rapidly expanding categories is that of men under 65. For example, in the UK, the proportion of households comprising men in this age group living alone rose from 3% in 1971 to 10% in 2001, and is predicted to be over 12% by 2011 (UK Social Trends).

The same report indicates that there is also a striking rise in the number of children (0-14 years) living with one adult: 10% of households in 2000, compared with only 6% in 1990. The overwhelming majority of these single parents are women.

However, far from being excluded from the world of employment, female single parents are even more likely to be in work than other women in the population. EU research indicates that in all member states, with the exceptions of the Netherlands and the UK only, female lone parents have higher levels of activity rates than other women.

- More single households: impact on business tourism

One of the greatest impacts of the single-parent segment in this market over the next five years will be their growing expectation of being able to bring their children with them on business trips. For many, this will be a pre-condition of their being able to attend at all. For others, taking children with them on business trips will be a matter of choice. In North America, the opportunity to take children on business trips is increasingly valued as a means of allowing parents to introduce their children to the business world and appreciate what it means to work for a living. It is also considered by many to be a chance to spend quality time with their children and to earn their respect for their work-related activities. Research from the US, undertaken by small business experts claims that a good age for a parent to start involving a child in their business travel is around or 7 or 8 years.

Clearly, this trend, as it intensifies, will place more demands upon suppliers throughout the conference and business travel industry to provide facilities and services such as child care, to facilitate the bringing of children on business trips.

- More multiculturalism

Throughout the second half of the 20th century, migration flows throughout Europe and beyond have resulted in more culturally and ethnically diverse populations and a more multicultural workforce in most countries in the developed world. Some of these flows were due to citizens of EU member states availing themselves of the opportunities to live and work in states other than that in which they were born. But most migration flows have been the result of factors such as decolonisation, wars and political crises. Over the 1980s and 1990s, immigration of foreign nationals into the EU area has steadily increased, and has now reached an absolute annual level higher than that of the US. OECD figures show that those EU member states with the highest share of residents with a foreign nationality, are Austria (10.3%), Germany and Belgium (9.1%), figures comparable to the situation in the US, where 1 in 10 inhabitants are not originally of American nationality.

Increasing rates of migration have had a significant impact upon the profile of the working population in the developed world, an impact which will intensify over the next five years and beyond, as growing numbers of migrants become integrated into the workforce. EU research shows that across the member states, the distribution of foreigners in the total labour force is already broadly in line with the share of foreigners in the population as a whole. Indeed, one of the factors behind the growth in migratory flows is the trend for countries such as France, Germany and the UK to introduce special schemes in order to attract highly skilled workers from third world countries – particularly IT specialists.

The full impact of a multicultural workforce on business life will be increasingly felt in the years ahead, but already it is being recognised that in a global economy, ethnic diversity can bring companies a number of comparative advantages. It can, for example, provide:

- knowledge of business networks and experience in overseas business practices
- linguistic and cultural skills
- understanding of the particular needs and preferences of people in foreign markets

- More multiculturalism: impact on business tourism

An important impact of a more culturally diverse workforce will be changes to the way in which business events such as conferences and incentive trips are organised and designed. A recent survey undertaken by MPI (Meeting

Professionals International) in the US projected a 20% annual growth rate in the number of multicultural meetings.

The need for a more multicultural approach to the organising and content of business events will call for the re-thinking of a great number of aspects of such events. The MPI survey demonstrated that the following services and practices were of the greatest importance to respondents, regarding the success of multicultural meetings:

- Speaker/presentation screening
- Awareness and recognition of social cultures (customs, traditions, etc)
- Awareness of dietary requirements
- Cultural education and awareness training for organisations
- Understanding regional cultural differences
- International cultural differences

Other aspects included particular attention being paid to: social functions, the appropriateness of the venue, meeting protocol and the selection of entertainment.

• More same-sex couples

The up-and-coming generation of young managers and professionals is probably more aware of, and opposed to, discrimination in any form than any previous generation in history. And as they progress through the world of work, their concern for fair treatment for all in the workplace will make a significant impact. One aspect of this impact will be a growing expectation of equality of treatment for gay men and women in all facets of professional life. Changes in social attitudes towards homosexuality in the developed world have been paralleled by a growing body of legislation, both in Europe and the US, outlawing discrimination on the grounds of sexual orientation. One outcome of such legislation is that, increasingly, it has been possible for gay couples to have their relationships acknowledged in law. In its report on Fundamental Rights in the EU in 2002, The European Parliament called on the member states to "abolish all forms of discrimination - whether legislative or de facto - which are still suffered by homosexuals, in particular as regards the rights to marry and adopt children". That such legislation has the clear support of the majority of Europeans and is shown in a recent poll carried out by EOS Gallup Europe, which demonstrated that 6 out of 10 EU citizens agree with 'gay marriage'.

A number of national governments have already passed legislation, ranging from traditional marriage (The Netherlands and Belgium) to registered partnerships and civil union. Within the EU, those countries that currently treat registered same-sex partners as the equivalent to married couples are Denmark, Sweden, Finland, the Netherlands, Belgium, Germany and France. Over the next five years, other member states will join them. In the UK,

"registered civil partnerships" will be introduced in 2010, and Stonewall, an organisation campaigning for gay rights and recognition, expects at least 10,000 gay and lesbian couples to register their partnerships within five years of the scheme's launch.

In an era of expanding legal protection for gay people, and one in which growing numbers of people feel free to be visible about their sexuality, young people in particular are increasingly reluctant to live on two levels – one in the home and with friends, and another in the workplace.

• More same-sex couples: impact on business tourism

One real-life example will serve to demonstrate just what can go wrong when false assumptions are made about delegates' personal lives:

'Mark, who is in his late forties and works in the media, is the boyfriend of Roland, a successful City financier. A couple of years ago, when Roland was working for Merrill Lynch, he won a performance-related bonus: a first-class trip to a company symposium outside New York. 'Bring your partner', said Merrill. So he did.

'They were very sweet about it, really,' recalls Mark. 'While Roland spent the mornings in meetings, I was included in the spouses' programme. There I was, stuck with all these power wives, learning how to bake chocolate cakes and become a proper Merrill Lynch spouse... At night they left gifts on everyone's beds. They gave me a Louis Vuitton scarf and a handbag'.

(Q. Letts 'Painting the City pink', in the London Evening Standard, 3 February 2000)

2. Changes in work-life balance

Increasingly, employers in Europe and beyond are developing a wide range of work-life balance (WLB) options, covering a wide range of flexible working arrangements. As a result, employees can more easily combine work with their other responsibilities or aspirations, such as their family life or participation in charity work or leisure pursuits.

But whatever the advantages for employees, the business case for providing WLB options is gradually being recognised by a growing number of companies and organisations. The benefits have been shown to include:

Broader recruitment	Increased sales
Higher productivity	Greater flexibility in meeting customers' needs
Greater competitiveness	A more motivated, healthier, happier workforce
Better morale and commitment	Lower sickness and absenteeism
A better company image	
Better staff retention	

- Most of which can result in greater profitability for the company.

However, increasing moves towards changes in WLB also create new opportunities and challenges for the business events and business tourism markets. Two of the principal aspects of this are the trends towards tele-working and portfolio careers.

- More tele-working

Tele-working – working away from the office (usually at home) is one of the measures contributing to a better WLB for a growing number of employees throughout Europe. Computers, faxes, e-mail and voice-mail have made it possible for many categories of workers to work away from their employers' premises, cutting back on commuting time and cost, and, in many cases, the employers' need for expensive office space.

The Department of Trade and Industry estimates that in the UK alone, in 2003, 2.2 million people were working away from the office, and the Work Foundation has found that 'tele-working' has increased by 13% every year since 1997. If the current rate of expansion is maintained, over 4 million people in the UK will benefit from tele-working arrangements in 5 years' time.

- More teleworking: impact on business tourism

This trend is widely predicted to boost companies' need for meetings events, as employees' need to network and team-build with colleagues grows in importance when staff are not routinely coming into contact with each other on a day-to-day basis.

Guidance recently issued in the UK by the DTI/CBI/TUC, for employers using tele-working arrangements for their staff, recognises the need for improved internal communication strategies for such companies and includes the recommendation that:

"The employer ensures that measures are taken preventing the tele-worker from being isolated from the rest of the working community in the company, such as giving him/her the opportunity to meet with colleagues on a regular basis". The same guidance mentions that: 'Tele-working, particularly when it involves prolonged spells away from a 'regular' office, may necessitate specific training to ensure that employees are working efficiently and safely'.

The meetings industry stands to benefit in future, therefore, from a growth in demand for its services from tele-working companies keen to bring together their employees at regular company events and also to constantly update their skills, through training programmes.

- More portfolio careers

On 08 September 2003, The Times newspaper carried the prediction that 'This decade will deliver the final death-blow to the expectation, already in its last gasp in the late 20th century, of a job for life. We shall have to come to terms with more downtime, unemployment or retraining, and will do so by taking 'portfolio' careers into our own hands, with little regard for corporate loyalty.' In this fundamental shift in the workplace, we are seeing the emergence of the "portfolio worker" and the "portfolio career." - individuals maintaining portfolios of their skills, abilities, and achievements, with which they obtain temporary assignments in a variety of organisations, rather than securing permanent jobs. A growing number of workers are managing their work life as if they were individual corporations, viewing a series of employers as clients to whom they must provide the best service for the money.

The trend has arisen partly as a result of the increasing numbers of executives who want to manage their own careers, achieving a more favourable work-life balance by, for example, taking time out for other non-work activities when they wish to. It is also, in part, a result of the widespread downsizing and outsourcing of the 1990s, which has boosted the demand for independent workers or those interested in short-term contracts only. Nicolaus Henke, a McKinsey & Co consultant in London has emphasised the tendency for more people to work for more employers, giving as an example the fact that students graduating with master of business administration degrees these days expect to work for 10 employers in their lifetimes.

Still gaining pace, it is fully expected that this trend will take off in coming years, particularly if the next economic recovery occurs during that period.

- More portfolio careers: impact on business tourism

Recent research undertaken by the Professional Convention Management Association (PCMA) suggests that downsizing, outsourcing and portfolio working arrangements have created a workforce that is becoming less loyal to their employers, and more likely to identify more with their own professions or occupations. The PCMA believes that as relationships between them become less stable, employers and employees may become less willing to invest in each other. One consequence of this is that if conference attendance is no longer seen as a company benefit, there may be a move towards employees themselves having to pay to attend such events, and to do so in their own time. And as the attendee will be more cost conscious and more demanding, time - especially if no longer compensated by the employer - will become more valuable. Consequently, the PCMA concludes, attendees will want more intensive and concentrated programmes targeted at them – further accelerating the tendency for conferences to become shorter and more work-oriented.

Conclusion

Given the major changes in the profile of the working population and moves towards more flexible working patterns for many, it is clear that the next five years will witness radical changes to the ways in which business events and business trips are organised and designed. Changes in attitudes will be vital, as inclusiveness and sensitivity to diversity will be key factors in determining the ongoing success of conferences, incentive trips and individual business travel. Practical changes, too, in the organisation and design of business events will be called for, if these are to be accessible to all targeted segments. The fast-growing diversity to be found in the profile of end-users means that all elements of business events, from the food provided, to the after-dinner entertainment will have to be chosen with greater sensitivity to all of those present.

But, it is evident that the social changes that we are witnessing provide the business tourism industry with enormous opportunities as well as challenges. Capitalising on those opportunities in the years ahead should be a major priority for all of those working in this vital sector of the economy.

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This research was sponsored by EIBTM, Europe's leading exhibition for the conference, incentive travel and business travel sectors. The next EIBTM will be held in Barcelona in December 2004.

El impacto de las tendencias sociales en el mercado del turismo empresarial

Introducción

En el mundo diario de la gestión empresarial o de la organización del mercado del Turismo empresarial de viajes de negocios e incentivos, puede resultar tentador concentrarse únicamente en reaccionar ante los desafíos más inmediatos y lograr objetivos a corto plazo.

Sin embargo, esta industria actúa en un ámbito de mercado complejo, que continúa en pleno desarrollo —y cambia a una velocidad trepidante—. Por consiguiente, el éxito a medio o largo plazo que cosechan las empresas y organismos

dedicados al turismo empresarial, depende de la comprensión de los encargados de tomar decisiones —y de su respuesta positiva— ante los cambios bruscos que afectan a los mercados, en la actualidad y en los años venideros.

¿Cuáles serán las principales tendencias sociales que tendrán mayor impacto en el mercado del Turismo empresarial de viajes de negocios e incentivos? El presente artículo se centra en la perpétua evolución que experimenta el paisaje social europeo y de allende los mares, donde una emergente economía radicada en el sentido común coincide con el desarrollo de las estructuras familiares, cambiando de este modo los papeles de una sociedad cada vez más heterogénea, así como los nuevos enfoques hacia la vida laboral en la que se están viniendo abajo las fronteras que separan la casa del trabajo, el trabajo del ocio, y la vida laboral de la vida postlaboral.

1. Cambios en el perfil de la población trabajadora

Es un hecho constatado que hace 50 años la vasta mayoría de los asistentes a congresos, empresarios y participantes en viajes por incentivos habrían sido hombres blancos, casados, de clase media, que compartirían un bagaje cultural y educativo muy similar. Este perfil habría sido reflejo, más o menos fiel, de la realidad en que vivían las clases gerenciales y profesionales europeas y norteamericanas en aquella época. Sin duda alguna, esa realidad se ha visto modificada de forma drástica en las últimas décadas, dando como resultado una población trabajadora caracterizada, a lo largo y ancho del mundo desarrollado, por un perfil mucho menos homogéneo víctima de muchos cambios. En el transcurso de los próximos 5 años, a medida que se acentúen los cambios en la clase trabajadora, ¿qué categorías de la población total se convertirán en los usuarios finales de los productos y servicios vinculados con el turismo empresarial?

• Más mujeres

Desde 1970, la participación laboral de las mujeres de edades comprendidas entre 25 y 60 años ha experimentado un fuerte aumento dentro del mundo industrializado. Por ejemplo, mientras que las tasas de actividad laboral (la proporción de individuos en edad laboral que siguen trabajando) masculina de la Unión Europea han permanecido estables durante la pasada década (justo por debajo del 80%), las correspondientes a las mujeres siguen en continuo ascenso:

	1992	2002
Tasa de actividad laboral de mujeres entre 25 y 54 años	67,1%	73,2%
Tasa de actividad laboral de mujeres entre 55 y 64 años	26,0%	32,5%

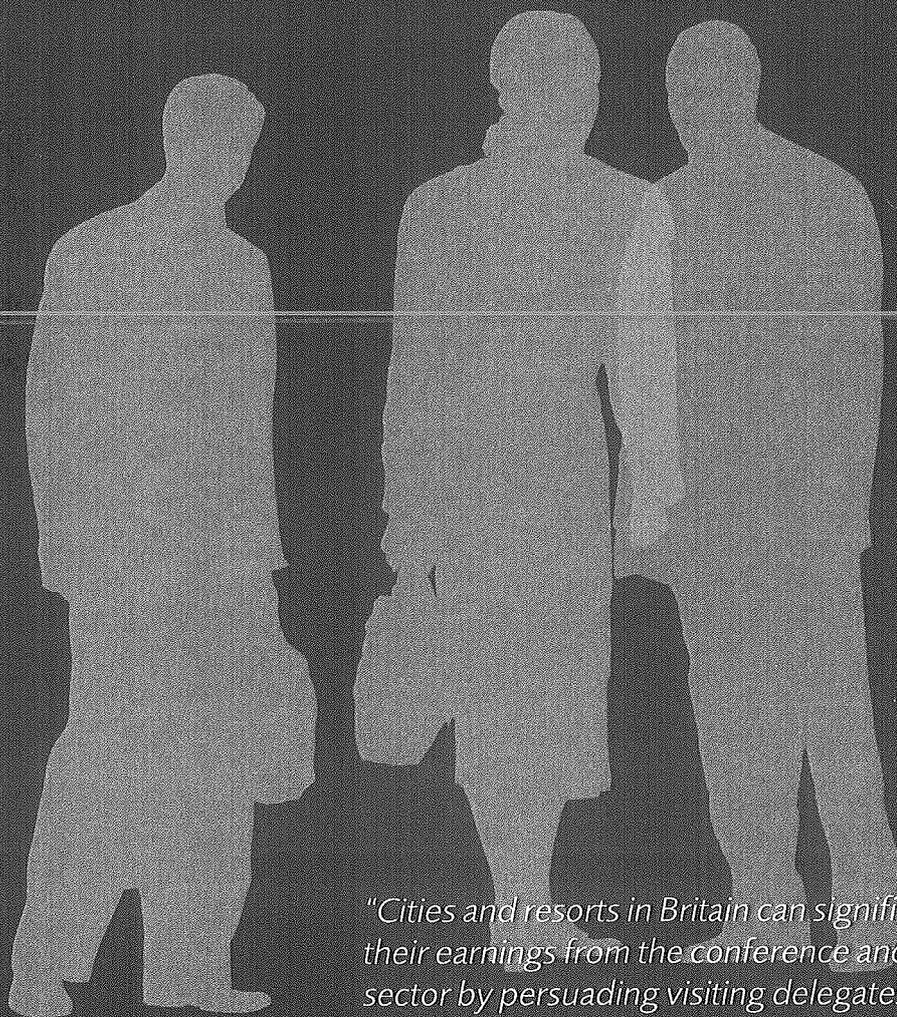
Fuente: Eurostat, QLFD

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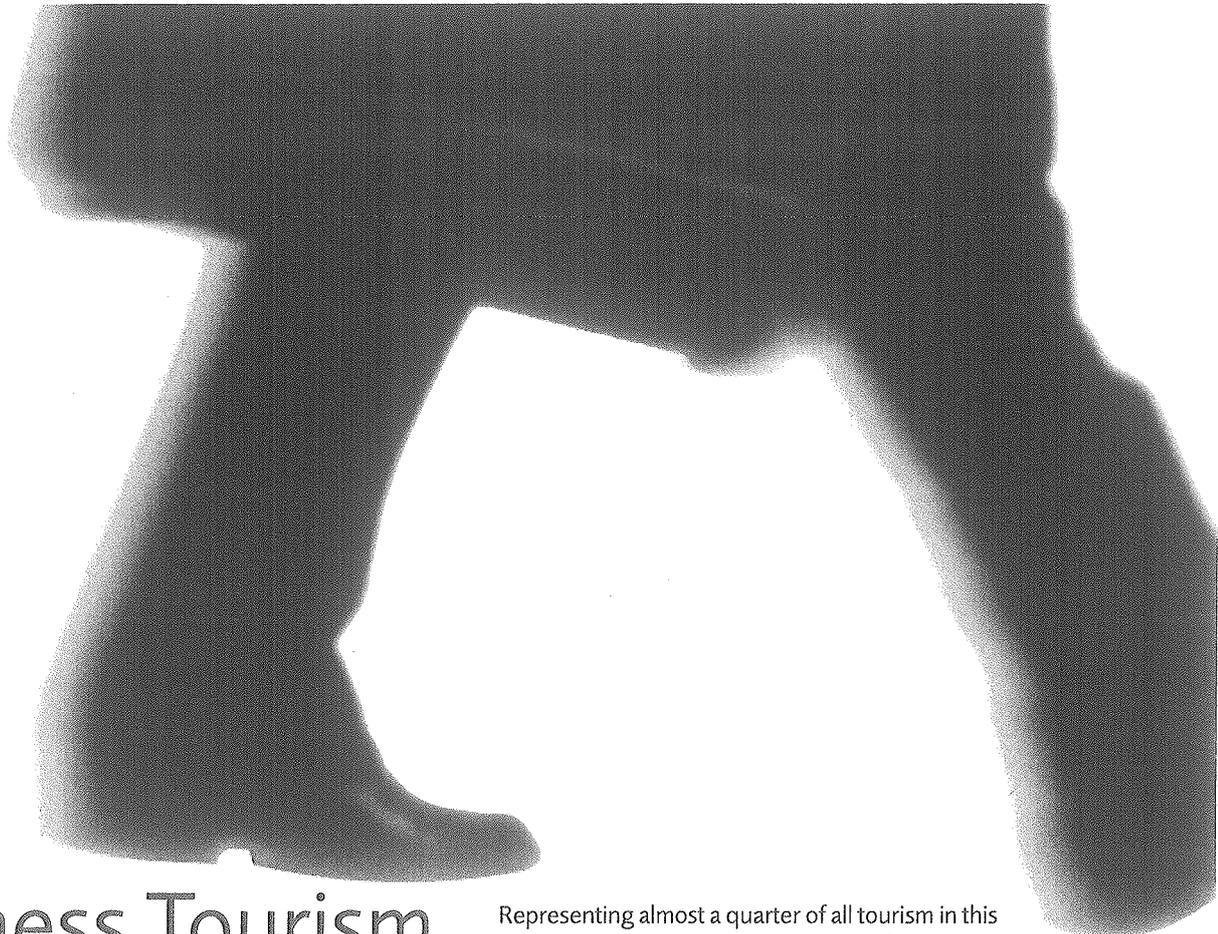


Making the most of our business visitors

"All work and no play makes Jack a dull boy"



"Cities and resorts in Britain can significantly increase their earnings from the conference and exhibition sector by persuading visiting delegates to extend their trips to the destination for leisure and recreational purposes".



Business Tourism leads the way

Representing almost a quarter of all tourism in this country, business tourism is comprised of attendance at conferences, trade fairs and exhibitions, incentive trips, corporate hospitality events and individual business trips.

With business travellers spending on average three times more than leisure visitors, this is by far the most lucrative, high spend, high yield form of tourism, bringing a whole host of benefits to the UK such as:

- £15 billion annually, of which £4 billion is from inbound visitors, bringing valuable foreign exchange.
- Jobs for over half a million people in this country which come, directly and indirectly, from business tourism – jobs which are year-round and permanent, just like business tourism itself.
- Regeneration opportunities for our urban and resort areas, through developments such as the construction of conference and exhibition centres.
- Significant inward investment and increased export earnings, stimulated in particular by trade fairs and exhibitions.

The UK's proven record of success at attracting business visitors is not in doubt, and the direct benefits to the UK are huge ...but there is much more you can do to maximise the indirect income generated from our business visitors. You can instantly increase the potential yield from our business visitors by taking some simple steps to encourage them to:

- Add leisure extensions to their business trips.
- Bring along friends or family members as their guests.
- Make the most of extra social events or opportunities to take excursions during their business trip.
- Return on another occasion for leisure purposes.

When business tourism generates leisure tourism in these ways, everyone involved in the industry stands to gain.

And everyone can play a part in boosting the vast untapped benefits of this most profitable sector of the tourist industry.

2 Reaping the full rewards of business tourism: what do you stand to gain?

Research into incremental expenditure by business visitors in the UK shows that currently:

- 17% of conference delegates are accompanied by a guest who is not a delegate.
- Delegates spend on average an extra 0.8 nights at the destination, before or after the business event they are attending, although this figure is higher for those attending association and academic conferences.
- 39% of delegates claim that they would be likely to return to the destination of the conference for a holiday or short break.

But, although these indirect benefits already represent considerable incremental spending for UK businesses, some of our competitor destinations are also achieving great success at reaping the full benefits of business visitors. For example:

- Conference visitors to France spend on average 4.5 days in that country, exactly one day longer than delegates to conferences in the UK.
- 42% of delegates attending conferences in Sydney are accompanied by one or more guests, compared to 17% for the UK.
- Foreign business visitors to Paris spend on average £170 per trip on shopping for clothes and gifts.
- 20% of foreign conference visitors to Germany combine the visit to the event with a holiday, meaning that half a million international visitors to conferences in Germany also become holidaymakers in that country.

Improving our own take-up of leisure opportunities by business visitors has the potential to create enormous additional benefits:

- If an additional 10% of the annual 6.8 million business visitors to Britain from overseas were to extend their visit by just 1 day for leisure purposes, then an estimated £50 million more would be earned on accommodation, food and drink, entertainment and shopping.
- This represents an extra 1,650 jobs on top of those already created by business tourism.

Add to this the opportunities for encouraging domestic business visitors to spend more time – and money – at their destinations, and the potential benefits to British businesses look even more attractive.

Many UK and overseas suppliers and intermediaries in the business tourism market are already taking steps to maximise the indirect benefits of business visitors, successfully rising to the challenges that must be met.

How do they do this?

1. GIVE EARLY INFORMATION:

It can be very difficult for business visitors to change their return travel dates or organise extra time off work at the last minute, so leisure extensions to business trips need to be planned well in advance. This means that it is absolutely vital to get tourism information and leisure extension ideas to business visitors well in advance of them making their travel arrangements.

Good practice:

The year before any association's conference is due to be hosted in Glasgow, the Glasgow Convention Bureau sends a member of staff to wherever the association is holding its conference that year, to set up a mini TIC promoting Scotland's attractions and pre-/post-conference tours.

Philadelphia Convention Bureau – motto: 'Come early, stay late' – arranges for a brochure promoting the leisure, cultural and gastronomic attractions of their city to be sent out to every convention delegate with the initial invitation to attend the event. The information in the brochure is tailored to the specific leisure interests of the delegates and carries the name and logo of the association. A reply-paid card in the brochure, which asks if delegates are bringing guests and/or extending their trips, is used to request further tourist information.

The Vegetarian Society, organisers of the World Vegetarian Congress (Edinburgh, July 2002), used a number of methods to showcase Scotland's tourist attractions and persuade their delegates to spend extra time there. The Society placed a link on the home page of the conference website to www.visitscotland.com and published details of the five-day post-conference tour and other excursions in their magazine.

2. SELL THE DESTINATION:

Understandably, the priority for conference organisers and hosts is for the event to be successful, so their main concern is with the logistics of the conference itself. But most organisers understand that 'selling' the attractions of the destination can be an effective way of boosting attendance figures, particularly in the association conference market. Making conference organisers fully aware of the destination's attractions and leisure opportunities is therefore essential.

Good practice:

In bid documents, Marketing Manchester places considerable emphasis on the options for pre- and post-conference tours, selling the destination as a gateway to more classic tourist destinations such as the Lake District, the Cotswolds and Stratford-Upon-Avon. They also include a section on such tours in any presentations they make to organising committees.

Familiarisation trips and site inspections provide Convention Bureaux and suppliers further opportunities to impress key decision-makers. Again, Marketing Manchester makes full use of these occasions to demonstrate how Manchester's location makes it very easy to reach some of the UK's most beautiful countryside and heritage.

In collaboration with the German National Tourist Board, the focus of the German Convention Bureau's 2003 marketing plan is to link the themed promotion of tourist attractions, cultural events, cuisine, and spa facilities to the marketing of business events. For example, visitors registering for INTERBAD, the Dusseldorf trade fair for swimming pools, pool and bath technology, saunas, and physiotherapy will receive details of German spa holidays; and visitors to ISPO, the ski, snowboard, surf and skating trade fair will be sent information, in advance, on active holidays in Germany.

3. PACKAGE ATTRACTIVE OFFERS:

The price must be right. Association delegates in particular may have already incurred considerable personal expense in attending the event itself, when they are paying out of their own pockets; and in the corporate market, leisure extensions are rarely funded by the delegate's employer. Promotional offers and attractive pricing can play a key role in persuading business visitors to extend their trip and/or bring a guest.

Good practice:

The New York City Convention and Visitors Bureau operates a 'Convention Delegates Pass Program' in association with American Express, offering discounts and promotional offers at local restaurants, attractions theatres and shops, to delegates, who present their conference name badge and redeemable coupon and pay with an American Express card. Details of the scheme and participating businesses can be sent to delegates in advance, posted on the conference website, or included in registration packs.

Hilton Hotels operate a Leisure Connections scheme to encourage delegates to return to or remain in their UK hotels for leisure packages. Discounted rates are offered to the employees of Hilton's key corporate clients.

4. MEASURE THE BENEFITS:

It is vital that all stakeholders are made aware of the full value of this type of incremental spending by business visitors. That means taking care to measure the benefits of business visitors who extend their trip, return or bring guests, or any combination of these. Only when these indirect benefits are demonstrated will business tourism's full contribution to the UK economy be recognised.

Good practice:

As well as measuring the volume of extra time spent by delegates at the destination and the proportion of them bringing guests, the Sydney Convention Delegate Study asks business visitors about their plans to return, for leisure purposes. A recent example of this study demonstrated, for example, that while only 36% of international delegates attending conferences in Australia had considered visiting that country prior to their visit, after attending the conference, 76% of delegates said they would return to that country in the next five years.

The Detroit Convention and Visitors Bureau's 'Let Us Entertain You' scheme provides conference delegates in that city with a book of coupons offering discounts at local shops and attractions, on car hire and on entrance to special events, if used at weekends. By tracking the number of coupons used in this way, Detroit is able to estimate the volume of business visitors extending their trips over the weekend.

What can you do to be a part of this?

Visitor and Convention Bureaux

You can maximise business visitors' spending at the destination and boost income for local businesses.

- Include information on local tours, attractions and events in familiarisation trips, bid documents and presentations to organising committees.
- Attend association conferences the year before they come to your destination and showcase the leisure opportunities offered by your own city and the surrounding area.
- Provide a Tourism Information desk at larger conferences and trade shows, during the event.
- Encourage Destination Management Companies to tailor tours, guest programmes and excursions to the interests of the particular delegate group.
- Suggest that planners time their events to begin just after, or end just before, key cultural/sports events at the destination.
- Consider setting up a discount scheme for business visitors, by involving local suppliers such as restaurants, shops, car-hire companies and attractions. Remember to publicise this well in advance.
- Offer conference and trade show organisers photographic material and tourism information to be included in their printed publicity material and on their websites.

Hotels

You can drive leisure business through your corporate base and increase your occupancy rate at weekends.

- At the time of booking, offer business visitors weekend extensions at a special discount, lower than the conference rate, if the guests are delegates.
- Offer business extenders complimentary 'add-ons' such as dinner.
- As an incentive to your key corporate customers booking meetings in your hotel, offer them special discounts on leisure breaks for their employees.
- Team up with local attractions to offer your business guests special themed packages, based on, for example, spa sessions or attendance at sports/cultural events.

Event Organisers

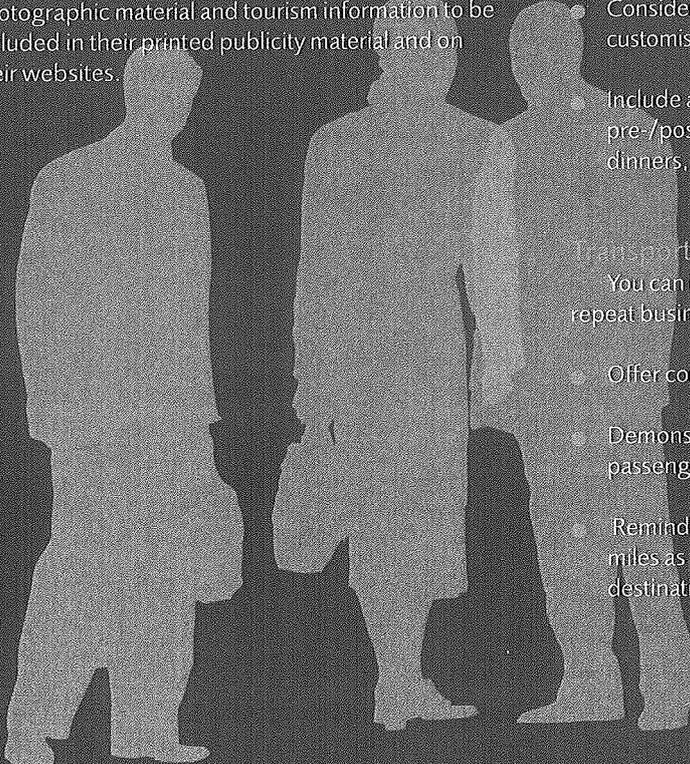
You can boost attendance at events and provide a fuller service to business visitors.

- Use every opportunity to make full use of the destination's tourist attractions to boost attendance figures for your event: in the initial publicity for the event, on your website, through newsletters, etc.
- Consider offering a guest programme of visits, specially customised to suit the interests of your delegates' guests.
- Include ample opportunity – such as organised pre-/post-conference tours, excursions and gala dinners, for your delegates to socialise with each other.

Transport Operators

You can increase passenger loads and encourage repeat business.

- Offer conference fares to delegates' guests.
- Demonstrate more flexibility concerning business passengers' return trips.
- Remind passengers of opportunities to use their air miles as payment for extra hotel nights at their destination at the time of booking.





The Business Tourism Partnership

The Partnership has the leading trade associations and government agencies with an interest in the sector as its members. It exists to lead the way in supporting a competitive, high quality and more profitable business tourism sector in Britain. These are:

- Association of British Professional Conference Organisers
- Association for Conferences and Events
- Association of Exhibition Organisers
- British Association of Conference Destinations
- British Hospitality Association
- British Incoming Tour Operators Association
- British Tourist Authority
- Business Tourism Scotland
- English Tourism Council
- Exhibition Venues Association
- Incentive Travel and Meetings Association
- International Congress & Convention Association (UK & Ireland)
- London Tourist Board & Convention Bureau
- Meetings Industry Association
- National Outdoor Events Association
- Northern Ireland Tourist Board
- Scottish Convention Bureau
- Venuemasters
- Wales Tourist Board

The work of the Business Tourism Partnership has the support of the Department for Culture, Media and Sport and the Department of Trade and Industry.

The Business Extenders Working Group of the Business Tourism Partnership is chaired by Michael Hirst. In addition to the organisations mentioned on the left, the Working Group received input from the following:

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THE CONSULTATION PROCESS IN THE DESIGN AND REFURBISHMENT OF CONFERENCE VENUES

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ABSTRACT

As new conference venues proliferate throughout the world and existing facilities are expanded and refurbished, there has been very little consideration of the role of the various stakeholders in the process of designing such venues. Facility managers, conference planners and delegates have their own specific – and at times conflicting – needs from the buildings in which meetings take place. These stakeholders are joined by local and national politicians, citizens and the architects themselves, who often have a marked preference for constructing iconic buildings, occasionally at the expense of practicality and functionality. Integral to the practice of producing conference venues that satisfy, to an optimal extent, the needs of all stakeholders is the consultation process. Yet, while consultation between architects and designers and the various user-groups is established practice in many sectors, from factories and hospitals to leisure centres and office developments, the existing literature reveals little about the type of consultation that takes place in the conference industry.

This paper has two principal objectives: to analyse current trends in venue design; and to investigate the nature of the consultation that takes place between stakeholders in the case of the design of conference venues.

The methodology consists of a literature review followed by an e-mail survey of the managers of one specific type of venue – academic conference facilities in the UK - in order to determine the nature of the consultation between stakeholders in the pre-construction period. Results suggest that the views of some key stakeholders may not be taken adequately into account and that many venue managers consider themselves to be under-informed as to venue design issues.

Key Words: Conference venues, architecture, design, consultation, stakeholders.

INTRODUCTION

In common with most types of buildings, purpose-built conference centres, in order to be wholly successful, must satisfy the needs of a range of stakeholders, both internal and external. In response to the question, 'what design elements should be included in a conference centre?' Clark (2004) contends that it depends on the mission of the venue, which may need to serve three categories of people; the visitors (delegates and other users, such as exhibitors), the event managers and the facilities operations management. In fact, it may be argued that the list of potential stakeholders goes much further than this, to include all of those listed in Figure 1.

Figure 1
Internal and External Stakeholders



When a new-build conference venue is being planned or an existing venue is being refurbished or extended, input into decisions relating to the facility's design may be sought from each of these stakeholders. However, although such consultation is accepted as standard practice in the design process leading to the construction of a range of other types of building, from factories and hospitals to leisure centres and office developments, there appears to be little evidence of systematic and widespread consultation in the pre-construction phase of conference venues. As a consequence, the conference centre design decision-making process may be susceptible to errors and misjudgements which, if they cannot be rectified later, could mean that some stakeholders are left with a legacy of a facility that they consider to be, in one or more ways, unsuited to purpose. Given the considerable expense of constructing purpose-built conference centres (usually at the expense of the public purse), it is reasonable to conclude that every effort should be made to take into account the views of the greatest number of stakeholders, in the conference centre design decision-making process.

STAKEHOLDERS' PRIORITIES

While it may be assumed that the priority of most internal stakeholders is to optimise the business performance of their conference venues by attracting the maximum amount of business and repeat business to the venue, others, such as civic leaders, may, in addition, have different, broader objectives. Among these may be the wish to see their cities enhanced by public buildings of distinction, making them more attractive to residents and to visitors. Carlsen (2004) acknowledges that external appearance is also important for the design of such buildings and that many purpose-built conference centres have been transformed from merely functional buildings to architectural

statements and tourism icons through innovative design. Davidson and Rogers (2006) develop this theme: 'It has been said that conference centres have the potential to be regarded as the 'castles of the future' - iconic buildings that, if well designed, can become the symbol of the city in which they stand. Indeed, part of the motivation for many local authorities commissioning the construction of a new conference centre is the desire to create a prestigious and magnificent 'signature' building for their city, rather than the somewhat unimaginative 'empty boxes' of yesteryear. Some shining examples of iconic venues of renown are: the Colorado Convention Centre, which has a 125-foot-high roof blade rising into the air above it, significantly altering the Denver skyline; the award-winning Hong Kong Convention and Exhibition Centre; and Manchester International Convention Centre'.

External stakeholders such as conference organisers and the end-users themselves – the delegates – while perhaps appreciating the iconic status of the conference centres they use, can have other, more pressing, priorities for the design of venues. According to Pharmaceutical Marketing (2003), the key features that conference organisers should check when choosing a conference venue with regard to the facilities within it are:

- Is the meeting room large enough for the group and your required layout?
- Could it accommodate an increase in numbers?
- Is the ceiling height sufficient?
- Does the room have pillars?
- Is it air-conditioned?
- Is there natural daylight?
- Are there enough breakout rooms, and where are they located (i.e. near the main room)?

It is clear, from commentators such as Franke (2001:76), that many of these needs are shared by the delegates (customers) themselves: 'the most important thing for customers is to feel good during the [conference]. Key to this are: flexible room sizes, variable seating possibilities, daylight, a pleasant climate and a good view of speakers and the presentation'. Flexibility, regarding the layout of rooms and the availability of smaller break-out rooms as well as large auditoria, is a common theme in the literature. Jesse (2001) states that a conference venue needs the correct combination of large and small rooms, with the ability to offer a hall for a large audience and, equally, a number of smaller conference rooms, through, for example, having the technology to be able to partition a main auditorium into a number of smaller conference rooms. The need for break-out rooms is a growing phenomenon, which is the result, many believe, of changing trends in the ways in which modern conferences are run. Rogers (2003:249), for example, states that: 'Conferences in the 21st century are now much more active and participatory in style than was the case just a few years ago. The emphasis is on dialogue rather than declamation, on sharing rather than on passive listening, getting hands-on experience and forming workgroups so that conference themes can be understood and digested. This means that delegates spend less time in plenary sessions in the main conference auditorium, and much more time in smaller groups or syndicates'.

Rogers (ibid) maintains that venue layout also plays a key role in facilitating networking between delegates. In order to provide ample opportunities for successful networking, designers of conference venues need to have a sound understanding of how delegate traffic flows during registration and coffee breaks, as well as an appreciation that networking areas need to have adequate space and a balance of group areas and places where individuals can interact, both standing and sitting.

Overall, however, the general well-being and physical and mental comfort of delegates are most commonly recognised as the primary needs that conference venue architects and designers must address. There is a fast-growing body of knowledge regarding the elements that are conducive to successful adult learning and debate (maintaining concentration, the stimulation of creative ideas, etc), and it is increasingly recognised that the design of venues plays a key role in this. Jesse (2001:62) states: 'Particularly for a conference venue you need to find an architectural language that speaks to people. Man must be the dimensional yardstick – his body height, his view. Conference delegates should not be dwarfed in a building. Also important is a mentally-congenial, peaceful atmosphere.'

Ultimately, a good congress centre should merely create the setting for the many sensory impressions its guests have to digest there’.

Weiz et al (2004) set such concerns in the context of the movement towards ‘human-centred sustainable design’ which is being increasingly adopted in the design of buildings in general. This involves a comprehensive, anticipatory approach to building design that integrates the functionality requirements of facilities with state-of-the-art knowledge about people’s physical, psychological and behavioural needs. Rather than relying on the architect’s intuitive sense of people and organisations, human-centred sustainable design requires that architects expand the range of issues that are consciously and deliberately considered in the design process, synthesising a number of design attributes that impact upon the actions and reactions of people. The essential elements of human-centred sustainable design, therefore, are the ergonomic, biophilic, security, universal design, gender perception and cultural values regarding aesthetics and comfort that are vital to a building’s sustainability. Such an approach to design includes taking into account issues and features such as sustainability, incorporating indoor air quality, noise reduction and personal comfort controls for occupants. By fitting tools and environments to people’s physical, psychological and behavioural needs in this way, individual health and group productivity may be improved – both vital to successful conference events.

Sullivan (2004) emphasises that integral to a human-centred sustainable design approach to architecture is the aiming for a kind of transparency that lets the natural world seep in, so that even when they are inside a building, occupants can experience nature by sensing the sun’s movement, smelling outdoor air and touching natural materials. Sullivan concludes that although human-centred sustainable design has yet to be defined, it is clear that productivity, well being, and health are human-centred issues, and therefore they represent attributes that are crucial for learning and work facilities.

COMPATIBLE PRIORITIES ?

A recurring theme in the literature is the tension between the creative aspirations of conference venues’ architects and events planners’ needs for practicality and functionality. Davidson & Cope (2003), for example, maintain that a number of conference centres have been severely criticised for being poorly designed for their purpose and that one of the reasons for this is that architects sometimes consider their work to be, first and foremost, an expression of their art, with too little consideration for the practicalities and operational requirements of the building. Shone (1998:67) illustrates this tension with the example of the award-winning Lloyds building in the City of London: ‘The architect responsible for the creation of the new building was lauded by his profession for creating a building which was unique and modern. However 75% of the users of the building indicated that they would prefer to return to their former building across the street’.

Smith (1990:69) suggests the following reason for this problem: ‘With monotonous regularity, the design of our major conference facilities has changed during construction and even afterwards, leading to a general discontent with the approach of architects to the realities of conference management. They are accused of designing grandiose structures suitable for coffee table books, rather than researching to establish how their buildings will be used in practice - and thus to produce facilities truly suited to purpose’. However, a number of commentators believe that the needs of architects and end-users can be reconciled. Graf (2001:60) states that: ‘First and foremost, conference venues have to work. Their concept and design must be geared very closely to their often highly multifunctional purpose. But this does not mean that architects are left no scope for creativity. Some examples of international venue architecture impressively underscore that conference centres can by all means make their mark on a town or city. Unquestionably they are an enhancement to their municipality, region or country, also in aesthetic terms’. Indeed, others go as far as to argue that the particular practical requirements that events planners have of conference venues actually stimulate creative design solutions on the part of architects, rather than restraining their artistic inventiveness. Carlsen (2004), for example, maintains that since conference centres must provide large foyer spaces, exhibition space free from pillars and high ceilings, this has led to designers creating innovative

roofing designs, which suit both the designer and the venue manager, as it gives such buildings a striking external appearance as well as making them fully functional, regarding the needs of events organisers.

What is practically agreed by all, however, is that architects and designers need a very clear brief from their clients in order to guide them in their design of conference centres. To prepare this brief effectively, the clients (usually local authorities) must first consult with a wide range of stakeholders with experience of using such venues. The academic literature on the subject of consultation between conference centre stakeholders is practically non-existent, as confirmed by Carlsen (2004) who, in his case study of the Perth Convention & Exhibition Centre, states that the design, construction and management of venues are key areas for research. This paper attempts to initiate research into this area, by examining the design consultation process with respect to one type of venue: academic conference facilities in the United Kingdom. Several hundred UK universities and colleges offer facilities for meetings and conferences, both residential and non-residential. Most of these are members of Venuemasters (www.venuemasters.co.uk), a marketing consortium which, as well as offering a venue-finding service to meetings planners, also runs an annual event (also called Venuemasters) at which members exhibit their services and facilities to potential buyers, conference organisers. Academic venues represent a very active and innovative element of the UK supply of conference venues, and this sector is characterised by frequent facility development, either in the form of new-build, or as refurbishment and extensions, making it a suitable focus for this investigation into consultation between stakeholders.

METHODOLOGY

100 UK academic venue managers (internal stakeholders), all of them members of Venuemasters were selected to be surveyed, following informal discussions with one of the authors (herself a member of Venuemasters) at that organisation's 2005 event, to identify managers who had been involved in some form of conference venue development in the past 5 years. E-mail contact was chosen for its speed, efficiency and convenience and due to the fact that the academic venues surveyed were in locations throughout the UK. Thus, a convenience-sampling approach was taken. 65% of the venue managers returned completed questionnaires.

RESULTS

The initial question to the venue managers was designed to establish what kind(s) of academic conference venue development they had been involved in, during the past 5 years. More than one form of development could be cited.

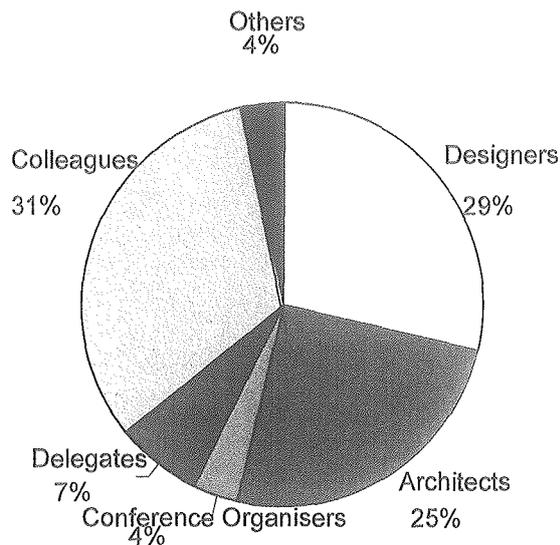
Table 1
Type of Development Undertaken

Refurbishment of facilities	70%
Extension of facilities	10%
New Build	20%
Disability Discrimination Act updates	30%

The UK Disability Discrimination Act (DDA) was passed in 1995 to end the discrimination that disabled people can face. It protects disabled people with respect to their employment; access to goods, facilities and services; management, buying or renting of land or property; and their education. Since October 2004, conference venues, in common with all other types of public buildings, have had to make 'reasonable adjustments' to the physical features of their premises to overcome physical barriers to access. However, despite the widespread rush of building to make conference venues DDA compliant, during the past five years, it is the refurbishment of facilities that represents the most common form of venue development experienced by managers during that period.

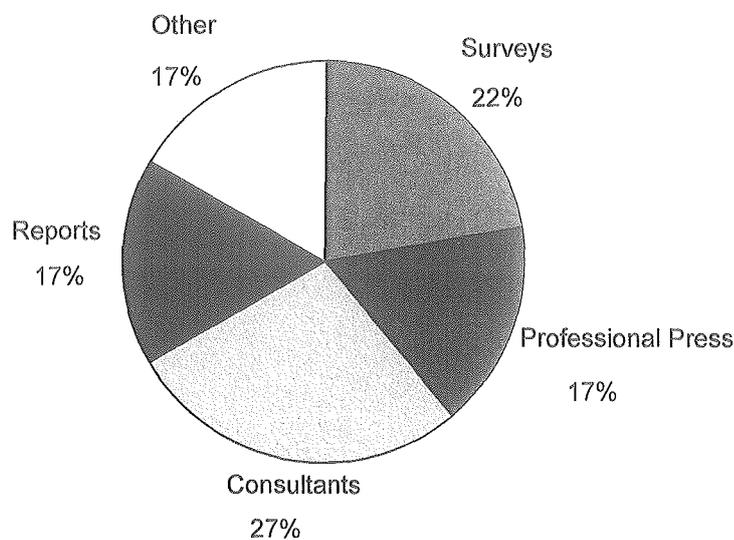
Respondents were asked what with whom they consulted most commonly in the venue design process. All respondents had undertaken some form of consultation. Results showed a fairly even split between those who favoured consultation with designers, architects and colleagues. However, only a very small percentage of venue managers had consulted principally with delegates and conference organisers.

Figure 2
Stakeholders most commonly consulted



Respondents were then asked to identify the main sources of their knowledge of issues pertaining to venue design that they used in preparing the brief for their architects and designers, and in their consultations with these and other stakeholders.

Figure 3
Principal sources of knowledge of venue design issues



The results showed that 27% of venue managers had principally employed the services of consultants to provide them with professional guidance on the characteristics of successful venue development. Slightly lower percentages had used industry surveys, industry reports and articles in the professional press in gaining their knowledge. Another 17% had used 'other' means, such as visiting other venues and direct personal knowledge gleaned from their own observations while working within conference centres.

CONCLUSION

It is clear that the design aspects of conference venues are as crucial to the success of the events they host as other aspects such as the quality of the speakers, the food and beverage, and the social programme. As conference venue development continues to expand around the globe, in the form of new-build, extensions and refurbishments, managers of such venues are increasingly required to demonstrate a degree of understanding of those features and characteristics that constitute a facility that can effectively respond to the needs of the various stakeholders reviewed in this paper.

For one type of venue – UK academic conference facilities – it has been shown that consultation prior to, and during, construction work is widespread, but that the views of the delegates themselves as well as conference organisers are those that are least likely to be taken into primary consideration. The low priority given to the views of these stakeholders, the end-users of the facilities, is a cause for concern.

Venue managers appear to appreciate the need for acquiring knowledge of venue design issues, in order to brief authoritatively their architects and designers, as well as to be able to consult meaningfully with all stakeholders. However, the widespread use of consultants may suggest that venue managers consider their own level of knowledge of such issues to be insufficient. There was an apparent thirst for knowledge on this key aspect of venue development however, with respondents eager to learn from a variety of sources. In particular, surveys of conference planners were considered to be valuable – and perhaps a substitute for direct consultation with these stakeholders.

Although these results represent only a first tentative step in understanding the consultation and briefing processes that occur prior to and during conference venue development, it may be argued that this paper does suggest a framework for further research into different types of venues, such as purpose-built conference centres. Given the vast amounts of public funds invested in these venues, a compelling case can be made for an urgent investigation into the extent to which they meet the needs of all stakeholders.

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Tony Rogers is Chief Executive of the British Association of Conference Destinations, a post he has held since 1989, and Executive Director of the Association of British Professional Conference Organisers (since 2000). He represents both organizations within national bodies such as the UK's Business Tourism Partnership (BTP), and chairs the BTP Research Group. He is also a Board member of the European Federation of the Associations of Professional Congress Organizers. As well as contributing regularly to the industry's trade media, Tony has written two other books on the international conference industry, including *Conferences and Conventions: A Global Industry*, published in 2003. He is a winner of the UK's 'Meetings & Incentive Travel Industry Personality of the Year' award.

Foreword

Rob Davidson and Tony Rogers have written the essential guide for destination and venue marketing practitioners. If you want to get ahead in discretionary business tourism, then get this book. It's written in an easy and well-informed style with an overriding quality that differentiates it from other books on this subject. It has the endorsement and close involvement from the industry it reports on. Davidson and Rogers are respected by academia and practitioners alike. They don't write in isolation to the industry they comment on and, as a result, this book will be invaluable to students and practitioners who want to know what's really happening and how to gain that crucial leading edge.

Scott Taylor
Chief Executive – Glasgow City Marketing Bureau

Series preface

The events industry, including festivals, meetings, conferences, exhibitions, incentives, sports and a range of other events, is rapidly developing and makes a significant contribution to business and leisure related tourism. With increased regulation and the growth of government and corporate involvement in events, the environment has become much more complex. Event managers are now required to identify and service a wide range of stakeholders and to balance their needs and objectives. Though mainly operating at national levels, there has been significant growth of academic provision to meet the needs of events and related industries and the organizations that comprise them. The English speaking nations, together with key Northern European countries, have developed programmes of study leading to the award of diploma, undergraduate and postgraduate awards. These courses focus on providing education and training for future event professionals, and cover areas such as event planning and management, marketing, finance, human resource management and operations. Modules in events management are also included in many tourism, leisure, recreation and hospitality qualifications in universities and colleges.

The rapid growth of such courses has meant that there is a vast gap in the available literature on this topic for lecturers, students and professionals alike. To this end, the Elsevier Butterworth-Heinemann Events Management Series has been created to meet these needs to create a planned and targeted set of publications in this area.

Aimed at academic and management development in events management and related studies, the Events Management Series:

- provides a portfolio of titles which match management development needs through various stages;
- prioritizes publication of texts where there are current gaps in the market, or where current provision is unsatisfactory;
- develops a portfolio of both practical and stimulating texts;
- provides a basis for theoretical and research underpinning for programmes of study;
- is recognized as being of consistent high quality;
- will quickly become the series of first choice for both authors and users.

Preface

This book is designed to fill what we perceive as a substantial gap in the provision of literature on the marketing and selling of destinations and venues targeting the conference, convention and business events market. We believe that, through drawing on our complementary interests and backgrounds, we have been able to produce a book that combines an academic, theoretical approach to the subject with practical, 'hands-on' advice for those with current or future responsibility for marketing destinations and venues in this sector.

There are still relatively few textbooks serving the booming market of business event management education, and specific, practical marketing texts in particular are significant by their absence. We have designed the book as an advanced text, pitched primarily at undergraduate level students, and assuming some knowledge and experience of the conference industry. However, we anticipate that, because of the shortage of other material of this kind, it will also be applicable at postgraduate level and will be of considerable interest to practitioners (e.g. destination marketers operating at a city, regional or national level; sales and marketing staff working in conference and event venues).

Both of us have been privileged to work in the conference, convention and business events industry for many years. In that period there have been huge changes and developments in the way the industry is marketed, in the organization and presentation of meetings and conferences, in the competition for a share of the lucrative economic 'cake' that conferences and conventions represent, and in a multitude of other ways. And yet the essence remains the same: the aim of the industry is to bring people together to communicate by sharing information and ideas, to motivate and inspire, to launch new products and disseminate the latest research, and to negotiate in order to reach a consensus on the different challenges facing our world. We hope very much that we have captured something of the creativity and dynamism of our industry and of the many talented people around the world, who are leading this sector and taking it to new heights of professionalism.

The book would not have been possible without the unstinting help, advice and provision of data and material that we have received from literally hundreds of colleagues across the globe. One of the delights of the conference industry, for us both, is this very openness and willingness to share that we have experienced at every turn. To everyone who has helped in any way, we owe an enormous debt of gratitude.

Each chapter follows a similar pattern, with learning outcomes, introduction, main theme, summary, review and discussion questions, and sources. Extended case studies are presented at the end of most chapters; these give more in-depth illustrations and elaboration of the points made in the body of the chapter. There are also short case studies embedded within the text of some chapters.

In the text we have, for stylistic simplicity, used 'he' rather than 'he or she' where appropriate, but such uses should be interpreted as applying equally to both genders.

And, finally, we have used mainly UK spellings and terminology. We give below a few important terms for which a different term is used in North America and in certain other countries:

UK term	North American equivalent
Accommodation	Housing
Exhibition	Exposition
Professional conference/congress organizer (PCO)	Independent meeting planner
Delegates	Attendees

Rob Davidson and Tony Rogers

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Abbreviations

AIPC	Association Internationale des Palais de Congrès
AMC	association management company
CIC	Convention Industry Council
CRM	customer relationship management
CSR	corporate social responsibility
CVB	Convention and Visitor Bureau
DMAI	Destination Marketing Association International
DMO	destination marketing organization
DRC	Disability Rights Commission
EIBTM	European Incentive, Business Travel and Meetings (exhibition)
F&B	food and beverage
ICCA	International Congress and Convention Association
MICE	meetings, incentives, conventions and exhibitions (or events)
MPI	Meeting Professionals International
NTA	national tourism authority
NTO	national tourism organization
PCO	professional conference (or congress) organizer
RFID	radio frequency identification
RFP	request for proposal
SMERF	social, military, educational, religious and fraternal (sectors)
TSA	tourism satellite account
USP	unique selling proposition
VFS	venue finding service

Chapter 1

The Role of Marketing and Selling in the Convention and Business Events Sector

Summary of Chapter Contents

This chapter examines how the conference industry has developed through time, reviews the principal stakeholders in the industry and analyses its impacts.

This chapter covers:

- The history of the conference industry
- The products of the conference market
- The stakeholders operating in the conference market
- The role of marketing in the conference industry
- The impacts of the conference industry on the economy, the environment and the culture of the destination

It includes a case study on:

- Access 2005

Learning Outcomes

On completion of this chapter, you should be able to:

- explain why and how the conference industry developed in the way it did
- discuss the different products offered by the conference industry
- understand the roles of the main stakeholders
- define how the role of marketing has evolved and its current importance for the conference industry
- recognize the main positive and negative impacts that are created by the conference sector

Introduction

The human desire to meet and exchange ideas, the basis of conventions and meetings, is as old as humankind.
(Weber and Chon, 2002)

In 1895, Milton Carmichael, a journalist, suggested in *The Detroit Journal* that local businessmen should join forces to promote that city as a meetings destination, as well as to represent Detroit and its many hotels in bidding for conference business. Two weeks later, the 'Detroit Convention and Businessmen's League' was formed, the world's first conference destination and conference venue marketing organization. We will never know whether Milton Carmichael ever imagined that, the following century, conference destination and conference venue marketing was to evolve into a major profession, using modern, sophisticated techniques to support and sustain today's multi-billion dollar, global conference industry.

Although mankind has gathered together to confer since the dawn of civilizations – witnessed still today by the remains of ancient meetings sites such as the Agora of Athens and the Roman Forum – it was not until the latter half of the 20th century that a specific 'conference industry' was recognized as a commercial activity in its own right. The rapid expansion of this industry on a global scale since the 1950s has been instrumental in creating the need for professionalism in all sectors of the conference industry.

Throughout the intervening centuries, organized gatherings were always an essential element of cultural, political and commercial life, and indeed contributed significantly to the progress made by society as a whole. The vast majority of such meetings were held locally, in multi-purpose locations such as public spaces, theatres and hotels. Later, purpose-built meetings venues, such as the elegant 18th century assembly rooms built in many British cities, were constructed.

Spiller (2002) notes that during the late 19th and early 20th centuries, as industrialization spread through the US and Western Europe, the need for meetings between business leaders and other entrepreneurs materialized, adding to the numbers of those already meeting to discuss and exchange ideas on political, religious, literary, recreational and other varied topics. Advances in transport technology during the same period, combined with rising levels of prosperity for the growing middle-classes and the rise of the professions in many countries, created a more mobile society in which travel to conferences became an increasingly frequent activity for many.

Lawson (2000: 11) suggests several factors that facilitated the rapid expansion of the conference industry in the second half of the 20th century:

- Expansion of government and quasi-government organizations, together with an increasing need for meetings between the public and private sectors
- Growth of multinational corporations and pan-national agencies, necessitating more interdepartmental and interregional meetings
- Developments in association interests, co-operatives, professional groups and pressure groups
- Changes in sales techniques, use of product launches and sales promotion meetings
- The need to update information and methods through in-company management training, continuing professional development, and attendance at ad hoc or scheduled meetings
- Development of subject specialization – conferences enabled experts to pass on information.

In response to this surge in demand for conferences, many cities throughout the industrialized world – and, later, in the developing world – recognizing the potential economic benefits of hosting conferences, began equipping themselves with purpose-built conference centres, many of them capable of hosting the type of national and international events that can attract several thousand delegates. The idea of a purpose-built conference centre venue was first conceived in the US in the early 1960s, and the trend then spread to Europe. For example, London's Wembley Conference Centre, opened in 1977, was one of the first purpose-built conference centres in the UK and in its opening year saw more than 350 000 people visiting 300 events. Growing recognition of the need to market these facilities professionally, in an increasingly competitive world, was an instrumental element in creating the professions of the destination and venue marketer.

Now, over 100 years after the creation of the world's first convention bureau in Detroit, the conference industry is firmly established and has become truly international in its scope. In the 21st century, this worldwide industry comprises the many millions of men and women who work in conference venues, who organize business events, and who are responsible for the marketing of venues and destinations. In today's world, it is universally accepted that the most competitive conference destinations and venues are those that understand – and use – the full potential that marketing, as a management function, has to offer their organizations.

This book focuses on the marketing techniques used, and the knowledge required, by those whose role it is to attract conferences and other business events to the venues and destinations that employ them. These men and women play a vital part in satisfying the apparently unstoppable demand for conferences and other types of business events throughout the modern world. Man is, above all, a gregarious animal, and there can be no doubt that the need to gather regularly with others who share a common interest is one of the most human of all activities.

The conference, conventions and business events market

In marketing, as in many younger disciplines – including the conference industry itself – terms and terminology are still somewhat loose and imprecise.

Even the word 'market' is open to different interpretations. In marketing terms, the term 'market' is used as a collective noun for those customers who buy, or who are likely to buy, a particular product or service. Hence, for example: 'the Japanese market for digital cameras', 'the over-60s market for private health care', or 'the trade association market for conferences'. However, in the field of economics, the definition of 'market' is much broader, and is taken to mean a system encompassing the principal buyers and suppliers of a particular product or service, as well as those intermediaries whose role it is to facilitate the purchasing process between buyers and suppliers.

The stakeholders in the conference market will now be reviewed, but first, it is important to clarify what is meant by the term 'product' as it is applied in this market.

The product

For the sake of convenience, the word 'product' will be used in this book to indicate the services and facilities that are being marketed by a venue or by a destination. In the

case of a conference centre, for example, the product is the amalgam of all of the tangible and intangible elements that contribute towards the success of conferences held there: the centre's location, its meetings rooms, audio-visual facilities, catering services, the staff's professional knowledge and their courtesy towards delegates, and so on.

In the case of a destination, the composite product that is marketed is also composed of tangible and intangible elements. The tangibles comprise not only all of the meetings venues and accommodation services operating within the destination but also the other suppliers of services such as local restaurants, shops, tourist attractions and transport operators, all of which may be used by conference organizers and delegates during the event. Important intangibles, for a destination, include its image and its atmosphere, both of which can be crucial factors in determining whether or not a particular destination is selected for a conference.

Clearly, one key difference between the venue product and the destination product is that those responsible for marketing venues (the marketing department of a particular conference hotel or conference centre, for example) have a high degree of direct control over the product: its quality, appearance, price, etc. But those whose role it is to market destinations (such as Convention and Visitor Bureaux) can only indirectly influence most elements of the composite product – which, in reality, is not owned by them.

The buyers

For the sake of convenience, the words 'buy' and 'buyers' will be used in this book, even though, in most cases, the product is not actually being bought but 'rented'.

No market can function without buyers, and in the conference market two separate levels of buyers may be considered. Taken together, both levels constitute the demand side of the conference market. The successful marketing of destinations and venues requires a sound understanding of the specific needs of each of the following types of buyer.

Initiators of demand

First, a key source of demand is those organizations that make use of conference destinations and venues, in return for a fee. These organizations are the originators of the demand for conferences. They generally initiate such events because they identify some type of need that is best satisfied by bringing together their members, employees or associates in one place for a fixed period of time. These buyers represent the primary source of demand for the various conference facilities and services offered by suppliers in the conference market.

Each type of buyer may be therefore regarded as a market segment, with its own particular characteristics and needs. The principal segments are:

Corporate buyers

The corporate market is generally agreed to be the largest single market segment – estimated by Lawson (2000) to constitute over 65% of all meetings. Companies have a number of important motives for holding meetings, and they therefore represent a key market segment. It is certainly the case, however, that in many instances, company meetings are held on the company's own premises and are organized in-house, bringing no business to the conference industry. However, companies generally understand that there are many compelling reasons for holding off-site meetings. These include:

- lack of capacity in their own premises (few company offices have facilities for large meetings)

- the need to remove staff from their normal working environment (to free them from day-to-day work-related distractions; to help them think more creatively, in a different setting)
- the wish to reward staff by holding the event in an attractive location, usually with leisure elements added
- the need to keep proceedings confidential, when, for example, sensitive topics are under discussion.

The purpose of most corporations is to make money. They hold meetings to increase the chances for profit. Training executives and motivating sales people, for example, are carried out by companies because they believe that these activities will help make the company more profitable.

Corporate meetings events may take a number of different forms, including the following.

Annual general meetings: publicly owned companies invite their shareholders (or stockholders) to these events, at which the company's annual results are presented. Shareholders are usually asked to approve the dividend and to endorse a certain number of resolutions, which will determine the company's activities in the year ahead. Every shareholder who wants to take part in the decision-making process of his company can attend such meetings and vote personally.

Sales meetings: a sales meeting is a regular forum used by management to impart information, enthusiasm and team spirit to those selling their products and services 'out in the field'. Sales figures for a particular period are generally reviewed, and the achievements of particularly high-performing sales staff are recognized and praised. The type of information imparted generally concerns the company's market share, competitors' activities or new legislation that affects the selling process. Such meetings also give those present the opportunity to share their experiences, positive and negative, of selling.

Staff training: it is generally recognized that, in order to keep their skills and knowledge up to date, company management and staff must regularly attend training sessions in subjects such as information technology, customer relations skills and employment law. Frequently, these are held in seminar rooms that are situated off-site, bringing business to suppliers such as hotels and management training centres.

Retreats: A term used, until very recently, only to signify a temporary withdrawal from everyday life for the purpose of religious contemplation and meditation, the word 'retreat' is now commonplace in corporate language, meaning an off-site, usually residential, board meeting. But such events differ from regular off-site board meetings in a number of ways:

- Instead of moving quickly through a rigid agenda, board members spend their time at a retreat concentrating on specific long-term issues or thinking more broadly and strategically about the future of their organization
- Retreats are designed to spark creative thought
- Retreats can be an effective way to teach new members of staff about a company's goals and customs
- Retreats often make use of outdoor settings that are conducive to walking and reflecting on what is happening during the event
- Time for social interaction is a vital element: teambuilding activities are often requested. Outside facilitators may be used.

Product launches: introducing a new product or service to the market is an important stage in the marketing process. A new car, new perfume, new type of medical insurance ... whatever the product, companies often use an off-site event as a way of presenting it and explaining its properties and features to those who will be selling it, who may be buying it, and to journalists in the specialist press who may write about it for their readers. Such events are usually short but with high production levels, using special effects, sound and vision, in order to make the maximum impact on the audience.

Incentive trips: it is widely recognized that an extremely effective way of motivating and rewarding staff is by offering them the opportunity to participate in an incentive trip, as the prize for exceptional achievement in their work. This exceptional achievement may take the form, for example, of selling more of the company's products than other colleagues during a particular period. These trips, often held in exotic and lavish locations, may look like holidays, and indeed they are designed to be highly enjoyable and memorable; but they are firmly considered to be business events, since they are in essence a management tool, designed to elicit higher levels of performance from the company's employees.

When incentive trips are combined with a work element – usually one or more meetings that take place during the trip – such events may be known as 'concentives' – a combination of a conference and an incentive trip.

Association buyers

Among the largest and the longest conferences held throughout the world are association events. The several million different associations, clubs, federations and societies that exist throughout the world constitute another major segment of demand for conference services. These are generally non-profit groups, whose members affiliate with one another because they share a common profession, trade, or interest in a specific cause. Many of these organizations are trade associations and professional bodies and one of their functions is to help their members maintain the professionalism of the business or industry to which they belong. Associations may draw their members locally, regionally, nationally or internationally – and the geographical spread of their membership will determine the location of their meetings events.

Almost all associations hold regular meetings for a variety of purposes, but most often these are training/information sessions or the association's annual conference, offering members the opportunity to meet for one or more days in order to discuss matters of importance to their profession or their common cause. Meetings by trade unions would be included in this sector of demand.

One major difference between the corporate market and the association market for conferences is that while, for company buyers, conferences and meetings represent a cost to the company, for associations, conferences normally represent a source of funds. This is because – again, in contrast to the corporate meetings market – they charge their members for attending events. Many associations depend on the income from their annual conference to pay for many of the ongoing costs of running the association – staff salaries, headquarters rental, and so on.

Government and public sector buyers

Governments at all levels, from local municipalities to the international, intergovernmental scale, as well as public sector bodies such as those administering national health services, are also an important source of demand for conference facilities and services. The development of effective policies through consultation and negotiation

is a key function of political activity, and conferences are often used as the medium for carrying out this process, bringing together the various stakeholders concerned by the proposed legislation.

At the international level, many of these conferences are high-profile events, with extensive media coverage – such as the European Union's Intergovernmental Conferences, at which the member states negotiate in order to reform the founding treaties of the EU; or the conferences sponsored by the United Nations and its agencies – for example, the World Summit on Sustainable Development held in Johannesburg, South Africa in 2002.

Once created, governments' new policies and measures have to be launched, in much the same way that companies' new products and services are launched, and this also generates regular business for the conference industry. One of the objectives of such events is to attract the attention of the media, in order to publicize new government measures. A typical example of such an event was the launch, in March 2005, of the UK government's new sustainable development strategy, 'Securing the Future'. To coincide with the publication of the strategy document, an official launch event was held at the Imagination Gallery in London, at which the Prime Minister and several other government ministers were present.

SMERF buyers

SMERF is the name given to conferences held in the Social, Military, Educational, Religious and Fraternal sectors. Often included in the association sector, as not-for-profit organizations, SMERF buyers are occasionally recognized (in North America in particular) as a discrete category of demand for conferences. SMERF meetings occur when groups travel and congregate for a wide range of purposes such as reuniting, fraternizing, or simply to share their common memories, experiences or faith. A random sample of SMERF events from around the world demonstrates that there is practically no limit to their variety in terms of size and themes:

- The 3000-person assembly of the Presbyterian Church (US): to be held in San Jose in 2008
- The 'Battle for Malta' Veterans' Reunion with 600 attendees, all of them veterans of the military campaign: in Malta over a 7-day period in September 2006
- The annual convention of twins, triplets and quadruplets, with 2000 attendees: held in the town of Pleucadeuc in the French region of Brittany
- The National Barbie Doll Collectors' Convention, with over 1000 collectors: in Boston 13–16 July 2005.

Given the very different characteristics of each of the conference market segments discussed above, it is clear that each segment requires different marketing strategies to be adopted by the destinations and venues targeting its buyers.

The key characteristics of these four principal market segments are summarized in Table 1.1.

Delegates

With the notable exception of those attending corporate meetings – for whom participation is usually obligatory – most people who are invited to conferences have the choice between attending or not attending. Delegates, also known as attendees, participants and guests, are therefore the ultimate buyers, or end consumers, of the conference product. Without the continuing participation of delegates, the conference

Table 1.1 Characteristics of the different market segments

Corporate	Association	Government	SMERF
The process of deciding where to hold events is relatively straightforward	The process of choosing a destination can be prolonged	Considerable variety in terms of length of event and budgets available	Price-sensitive, regarding accommodation rates and venue rates; but more recession-proof than corporate meetings
But the actual corporate meeting buyer may be difficult to identify within the initiator's organization: secretaries, personal assistants, marketing executives, directors of training and many others may book corporate meetings	A committee is usually involved in the choosing of the destination; and the organizers may be volunteers from the association's membership	However, budgets are usually scrutinized, since public money is being used	Held by organizations that are run by volunteers – so the task of identifying them can be challenging
Attendance is usually required of company employees	Attendance is voluntary.	High security measures are indispensable: these meetings are frequently accompanied by demonstrations and disruption	Frequently held over weekends and in off-peak periods
Lead times can be short. Events typically last 1–2 days	The annual convention may be booked many years in advance		Often held in 2nd-tier cities, using simple accommodation and facilities
A higher budget per delegate	Events typically last 2–4 days		Attended by delegates who bring their spouses/families and are likely to extend their trips, for leisure purposes
Venues used: hotels, management training centres, unusual venues	A lower budget per delegate, since for some attendees, price is a sensitive issue and they may be paying their own costs		
Delegates' partners are rarely invited, except in the case of incentive trips	Venues used: conference centres, civic and academic venues		
	Delegates' partners frequently attend		

industry cannot function, and it is therefore vital that delegates' experience of the conference product is a satisfactory one.

But the experience of the individual delegate is largely dependent on choices made by other stakeholders, notably the initiators of the event and the intermediaries working on their behalf. These are the stakeholders who select the destination, the venue, the accommodation and other key features of the conference product such as the speakers and the social programme. Thus, delegates' level of satisfaction with a conference usually depends on their response to a range of individual elements that have been 'packaged' together for their purchase and over which they have little control.

Most conference buyers and organizers understand the importance of satisfying the end consumer of their events, and for that reason, post-conference evaluation, using questionnaires for example, is frequently carried out. It is clear that delegates' needs from conferences must be satisfied if they are to return to such events in the future and recommend others to attend. This is an ongoing challenge for the entire conference industry.

The suppliers

Supply-side stakeholders are those who supply the facilities and services that are essential to the effective operation of a conference. For each type of supplier specified below, the marketing function is vital to business success. Responsibility for the marketing of these suppliers' services and facilities can range from one person who undertakes all of the marketing tasks discussed in this book, to an entire department managed by a marketing director with specialized staff such as market researchers and sales staff working for him/her.

Venues

Conferences, at the most basic level, require closed space in which the event can be accommodated and seats for the delegates. The meetings venues that provide these facilities are, therefore, an essential element of the conference market. Several types of venue have already been mentioned in this chapter. Purpose-built conference centres are the most visible type of venues, and indeed most conferences of several hundred or more delegates are held in such locations. But in fact by far the vast majority of meetings are still held in seminar rooms and conference facilities within hotels. These can range from small independent establishments with a single 'function room' to a venue such as the Hilton-Americas Houston, that city's largest convention hotel, with over 1200 guest rooms and 92 000 square feet of meeting space.

In addition, meetings are increasingly hosted by a growing variety of venues, for many of which, conferences are a secondary, but nevertheless important, commercial activity. These include universities, museums, theatres and cruise ships as well as a whole range of tourist attractions such as theme parks that offer their facilities for meetings of all kinds. The term 'unusual venues' is often used to describe some of the more exotic locations used for meetings events. Product launches and team-building events, in particular, often seek unusual venues to make the events more attractive and memorable.

In the supply of venues, public sector as well as private sector operators are important stakeholders. National, state-level, regional and municipal governments throughout the world are involved in the construction and operation of conference facilities; while the private sector, from family-run hotels to multinationals such as Starwood, Marriott International and Accor, are also key players in the provision of meetings space.

Accommodation providers

Residential conferences and other business events lasting more than one day require some form of accommodation for delegates, speakers and organizers. In many cases, the venue itself may be equipped to provide the accommodation – as in the case of hotels, residential conference centres, universities and cruise ships, for example.

But when venues without on-site accommodation are used, the conference organizer must ensure that an adequate supply of lodging – of the appropriate standard – is available. In that case, organizers may identify a single 'conference hotel' or may provide delegates with a list of local, approved, hotels or guest houses that they recommend.

Organizers may book a 'block' of rooms with a particular hotel or hotels, to ensure that their delegates can be accommodated close to the actual conference. By undertaking to fill a substantial number of a hotel's rooms for several days, conference organizers may avail themselves of a valuable negotiating tool with which to discuss

rates for the rooms themselves as well as the conference facilities if they are within the same hotel. However, this approach assumes that:

- the organizer is able to determine with some degree of accuracy how many rooms will be required, and
- that delegates will book the rooms in the hotel in which the 'block' has been reserved.

Organizers as well as providers of accommodation are becoming increasingly aware that these two conditions cannot be taken for granted. In particular, the phenomenon of delegates 'booking outside the block' (often using the Internet to find lower hotel rates) is becoming more prevalent.

Other suppliers

A number of other support services can contribute to the successful operation of conferences.

Transport providers are responsible for carrying delegates to and from the conference destination and for providing transport services within the destination, notably through venue/hotel transfers. Rail and coach operators, taxis and limousines can all be involved in providing these services. For international events, air travel is usually the chosen means of transport for most delegates and this can raise the challenge, for both organizers and transporters, of dealing with groups: determining in advance the size of the group booking and the names of the passengers. For corporate groups, and in particular for incentive events, this information may not become available until the last minute, therefore some degree of flexibility is required of the airline.

Caterers play a key role in providing delegates with food and beverages (F&B). The quality (and quantity) of F&B is often a talking point between delegates during and after the event, and can be a serious source of delegate dissatisfaction if it falls short of expectations. Conference meals and refreshment breaks serve a number of purposes beyond sustaining the delegates. For example, they provide opportunities for them to network with each other in a more relaxed setting; or they supply the context for entertainment or the participation of celebrity speakers, as in the case of the conference gala dinner, for example.

Technical services such as the provision of audio-visual equipment and expertise are vital to the effective functioning of most modern conferences. Sophisticated sound, lighting and data-projection equipment are essential elements of meetings events, and these must either be supplied by the venue or, increasingly, leased by the organizers from specialized conference equipment hire companies. Indeed, the pace of technological progress is now so rapid that many venues and organizers prefer to hire technical equipment and support, to ensure that they always have access to the most up-to-date material. Conference video production companies may also be used, to film the proceedings, then edit and produce a video that can be used as an effective way of extending the scope of the event.

The range of other suppliers is extensive, and can include the conference interpreters who make international conferences accessible to all, regardless of their linguistic abilities; the companies that hire out interpreting booths; and the florists who decorate the conference stage, the gala dinner tables, and who provide 'thank you' bouquets for VIPs and guest speakers.

The intermediaries

While some buyers in the conference market deal directly with suppliers – for example when a secretary calls a hotel to book a seminar room for a one-day meeting for managers in his or her company – a vast proportion of all conferences take place with the involvement of some form of intermediary or intermediaries. These are the stakeholders who form a link between buyers and suppliers, and the effective functioning of the conference market depends on their specialist skills and knowledge.

It is useful to consider intermediaries in two categories: those working on behalf of suppliers and those working for buyers.

Intermediaries working on behalf of suppliers

Destination marketing organizations

Although most suppliers of facilities and services for the conference industry actively market themselves directly to potential buyers – either individually or through marketing consortia – they usually understand that the success of their own business is partly dependent on the image and reputation of the destination in which it operates. In a highly competitive world, with no shortage of suitable locations for meetings, it is generally easier to attract conferences and other business events to a well-marketed destination. The responsibility for promoting individual destinations to potential buyers lies with the destination marketing organization (DMO). In general, DMOs are responsible for attracting not only business events but also leisure tourists to the destination, and hence the term 'tourism' or 'visitor' is often included in the names of individual DMOs.

DMOs fall into one of the following categories:

- National Tourism Authorities (NTAs) or National Tourism Organizations (NTOs), responsible for the management and marketing of tourism at a national level
- Regional, provincial or state DMOs (Regional Tourism Organizations), responsible for the management and/or marketing of tourism in a geographic region defined for that purpose, sometimes but not always an administrative or local government region such as a county, state or province
- Local DMOs, responsible for the management and/or marketing of tourism based on a smaller geographic area or city/town.

The structure of these bodies changes from country to country and from city to city. In particular, how DMOs relate to governments and where they find their funding varies considerably. A worldwide survey of DMOs (WTO, 2004) found that, for the 250 DMOs surveyed:

The simplest status models exist at the NTO and NTA level, where 88% of organizations are either a department of National Government or an agency accountable to National Government. Four of the NTOs/NTAs are not for profit public-private partnerships.

At a regional level the status of organizations is more varied. The majority are accountable to regional, provincial or state government, either as an agency or in fewer cases (18%) as a department of local government. However, 37% have private sector involvement (21% within a public-private partnership), which is much higher at the regional level than the national level.

39% of City DMOs have regional, provincial or local government accountability, and the percentage of public private partnerships (33%) and profit driven companies (6%) is highest in this sector.

At all levels, DMOs may have a dual function of promoting their destinations to the leisure market, as well as the market for conferences and other business events. The proportion of DMO resources devoted to attracting conferences varies considerably from destination to destination. However, it is extremely rare for any destination to ignore the conference market entirely.

Convention and Visitor Bureaux

The use of the term Convention and Visitor Bureau (CVB), which originated in the US, is becoming widespread throughout the world. In this book, this term will be used to refer to the type of not-for-profit destination marketing organization that is responsible for stimulating interest in the destination, so that conference buyers may choose to hold their events there, or so that intermediaries may recommend them to their clients. (It should be pointed out, however, that those responsible for marketing their destination for conferences may work in tandem with colleagues whose role it is to market the same destination for leisure: holidays, short-breaks, day-trips, etc.)

As well as being responsible for promoting a favourable image of their destination, CVBs can also serve as the focus to unify the marketing efforts of the various suppliers operating in the area they cover and provide a shared sense of direction and unity to a range of individual marketing programmes.

With this function in mind, Harrill (2005) describes CVBs as 'umbrella' marketing or promotional agencies, under which the extensive collection of businesses that promote their own products and services stand. This is often referred to as a 'consolidated' approach to marketing, the principle being that consolidated efforts provide greater strength and unity and therefore enhanced results; while segmented, fragmented individual marketing programmes yield less impact and success.

The CVB function may be undertaken at any geographic level: a country, a region within a country, or a specific town or city. Although, as stated at the beginning of this chapter, the original CVB concept was created in the US at the end of the 19th century, the first national CVBs were founded in Europe many years later. The German Convention Bureau, established in 1973, and the Finland Convention Bureau, established in 1974, were, for example, two of the first national convention bureaux in Europe.

However, the vast majority of CVBs operate at the level of the individual city or town, operating on behalf of the suppliers there, to attract conference business to that locality, thus filling the meetings venues, bringing guests to hotels and attracting clients for local restaurants, shops and the other service providers discussed above. It is difficult to estimate the number of CVBs that exist around the world, and their numbers are constantly growing as more and more cities market themselves as new conference destinations. But the trade body Destination Marketing Association International (previously known as the International Association of Convention & Visitor Bureaus) counts over 500 CVBs in its membership.

In some cases, individual CVBs join forces to market a particular region that is considered to be recognized as a single destination for the purposes of tourism and conferences. For example, the French Riviera Convention Bureau operates in concert with the CVBs of Antibes, Cannes and Nice to promote the Côte d'Azur as a conference destination.

Whatever the geographical scope of their responsibilities, CVBs derive their funding from one or more of the following sources:

- public sector contributions
- hotel (or lodging) transient occupancy taxes

- membership fees (from members, such as venues, accommodation providers, transport operators, etc.)
- contributions from members participating in joint commercial activities
- commission charged to venue members in return for conference business placed with them, by the CVB.

Most published surveys on this issue primarily reflect the situation of CVBs in the US, which has by far the largest numbers of bureaux in the world. However, there are fundamental differences between continents with regard to how CVB operations are financed.

Research undertaken by Koutoulas (2005) reveals a number of key comparisons between bureaux based in and outside the US:

- Both US and non-US CVBs achieve similar average revenue. The average annual budget of CVBs based outside the US is €5380188 as compared to €5315615 (US\$6.4 million) of US-based bureaux.
- Non-US bureaux receive less public funding and tax income than their US counterparts (67.5% of total income for non-US, compared with 84% for US-based bureaux). The share of private sources is therefore twice as high in the case of non-US bureaux than US-based CVBs (32.5% as opposed to 16% of total income, respectively). Private sources of funding include membership dues, advertising, promotional participation, print and jointly-funded advertising, donated (non-cash) services, interest etc.
- Bureaux in the US and elsewhere spend about the same share of their budget for marketing purposes (56.4% by non-US bureaux vs. 53% by US-based CVBs).
- Non-US bureaux employ an average of 23.6 full-time staff members. The average staff size of US-based CVBs is 18 full-time employees.
- 60% of non-US bureaux accept individual businesses as their members, compared with 51% of US-based CVBs.

The major source of public income of US-based bureaux is the local transient tax, a tax that can be imposed upon visitors, with one of its specific objectives being to fund the marketing of the destination to future visitors. Revenue collected in this way either can go directly to the relevant CVB or can be included in its funding provided by local authorities. Such hotel room taxes have been used since the 1950s to fund both the construction and operation of conference centres as well as the activities of CVBs in the US. The importance of this tax for CVB funding in the US becomes clear when surveys show that, on average, 88% of US CVBs receive around three-quarters of their funding from hotel occupancy taxes (Gehrisch, 2004).

US-based CVBs receive, on average, a 54% share of locally collected room taxes. The mean hotel tax rate in the US is 12.2%. Other taxes that may be used to finance bureau operations and/or tourism promotion include car rental taxes (with an average rate of 9.4%) and restaurant taxes (with an average rate of 7.9%) (Koutoulas, 2005).

While the concept of being funded by a tax dedicated to subsidize the costs of destination marketing may be attractive for some CVBs, the system of collecting transient occupancy taxes has not been widely adopted outside the US. Koutoulas (2005) suggests one reason for this:

It would be quite challenging to persuade local tourism associations that the benefits of introducing a tax outweigh any costs such as becoming a more expensive destination. Even when stakeholders and legislators agree with its introduction, it would be challenging to establish an efficient mechanism to enforce and collect the tax.

Private sources of funding are therefore likely to remain imperative for most CVBs operating outside the US, for the foreseeable future.

The marketing activities on which CVBs spend their funding are a major theme of this book, and will be considered in detail in later chapters.

Intermediaries working on behalf of buyers

Although some associations and companies use their own staff to organize events, most buyers rely on the expertise and experience of a range of professional intermediaries. This is partly the case when the conference to be organized is large and complex, when it demands technical knowledge, or when it is to be held far from the company's or association's office – notably overseas.

In these cases, buyers are able to draw on the specialist skills and knowledge of a range of intermediaries who can work on their behalf.

Professional conference organizers (independent meetings planners)

Professional conference organizers (PCOs) are independent, specialist meetings planners who work on a consultancy basis, being temporarily hired by associations and companies to organize a specific event or series of events. In return for a fee, they can offer a very comprehensive range of services, including:

- Venue selection, booking and liaison
- Reservation and management of delegate accommodation
- Event marketing, including the design of conference programmes and promotional materials, PR and media co-ordination, presentations to organizing committees and boards
- Conference programme planning, speaker selection and briefing
- Provision of an administrative secretariat, handling delegate registrations, recruitment and briefing of conference staff
- Co-ordinating of delegates' travel arrangements
- Organization of exhibitions, including sales and marketing functions
- Advising on and co-ordinating audio-visual services and the production of the event, including the provision of multilingual interpretation and translation services
- Arranging social events, tour programmes and technical visits
- Arranging security cover and advising on health and safety issues
- Recording, transcribing and producing the proceedings of meetings for publication, arranging poster sessions, processing of abstracts
- Preparation of budgets, managing event income and expenditure, generating revenue through sponsorship, exhibitions and satellite meetings, handling VAT and insurance issues
- Preparation of contracts with venues and other suppliers.

Venue-finding services

VFSs – sometimes known as conference placement agencies – provide a much more limited service, yet one that is extremely valuable to any buyer who simply needs a few suggestions of where their meeting could be held. They therefore save their clients (most commonly, companies) time and effort by finding them suitable venues for their events.

VFSs generally begin by asking their client specific questions regarding their requirements for the event being planned: its date, location, the number of delegates and the

budget for the event. They then undertake the necessary research and produce a number of options for venues that match the client's requirements, followed by a quotation and possibly a brochure for each venue short-listed by them. The VFS may also set up viewing appointments for their client.

In the majority of cases, this service is provided free to the client, as the VFS derives its commission from the venue booked. Many conference venues obtain the major part of their business from VFSs, who can be a valuable source of repeat business for them.

Association management companies

Managing an association involves undertaking a considerable number of tasks: attracting and maintaining members, financial management, public relations and lobbying on behalf of members, providing educational and training opportunities for members, publishing the annual report and association newsletters, and organizing the annual conference and other events. Traditionally, these activities have been undertaken either by volunteer staff drawn from the association's own membership or, in the case of large associations, by full-time salaried staff based in the headquarters.

However, in the past few decades, many associations have become aware of the limitations of both of these models of association management. On the one hand, volunteer staff appear to have less and less time available for association-related duties – and in some cases lack the experience and expertise necessary to carry out their tasks effectively; on the other hand, maintaining full-time staff and office facilities can result in a major investment in overheads for associations.

As the need for the effective and professional management of associations has become increasingly recognized, many of them have turned to an alternative concept of association management – the association management company (AMC).

An AMC is a firm of skilled professionals whose goal is to provide management expertise and specialized administrative services to trade associations and professional societies in an efficient, cost-effective manner. Based on the concept of shared resources, an AMC provides volunteer organizations with the expertise they need when they need it, usually assigning specific executives and administrators to conduct each client association's day-to-day operations.

An AMC also provides a centralized office that serves as the client association's headquarters, and the overhead costs for these offices are shared by all of the AMC's client associations and societies. In this way, the need for individual associations to make major capital investment in their own headquarters and staff is obviated.

One of the key tasks undertaken by AMCs on behalf of their association clients is the organizing of their annual conference and other events for members. In this respect, AMCs must employ staff with similar professional expertise and experience to that required by PCOs. AMCs are growing in importance as intermediaries between association buyers of conferences and those who supply the facilities and services that make such events possible.

Destination management companies

Most organizers of large, complex conferences could not do their jobs effectively without using the skills and knowledge of a destination management company (DMC) – particularly when the conference is being held in a destination with which the organizer is unfamiliar. Also known as 'ground handlers', these intermediaries are agencies that are based at the destination in which the event takes place, and their valuable contribution to the conference planning process derives from their in-depth knowledge of the destination including their familiarity with local suppliers of conference-related

services and their knowledge of the language and customs of the destination. DMCs act, therefore, on behalf of PCOs, AMCs and other event planners, as the prime local contractor for logistical services. They can provide assistance with a range of services, including:

- Creative proposals for special events within the meeting
- Pre-and post-conference tours
- VIP amenities and transportation
- Shuttle services
- Staffing within the conference centre
- Entertainment, such as after-dinner speakers
- On-site registration services
- Accommodation services.

Conference production companies

For high-profile events requiring advanced specialist technical facilities and expertise, conference organizers often use the services of conference production companies. These intermediaries are valuable sources of the ideas and inspiration necessary to making meetings memorable – particularly important in the case of events such as product launches, awards ceremonies and other motivational events.

Creativity and technical knowledge are the qualities that production companies bring to the successful operation of conferences and they are particularly valued for the services they provide in the fields of:

- design and printing of conference materials
- lighting, sound, projection, stage/set design
- script writing
- video production
- web-streaming.

It is clear from the above list of professionals that an extensive range of specialist knowledge and skills is available to buyers of conference and other business events.

However, three important points arise from the preceding description of intermediaries' roles:

- The roles of these intermediaries are not always as clearly delineated and differentiated as outlined above. As will be seen in Chapter 11, terminology in the conference sector is still far from precise, and this is nowhere more evident than in the titles used by the different intermediaries. In most countries, all of these professions are unregulated, and this fact, coupled with a lack of firm demarcations for most conference-related occupations, means that there is considerable scope for agencies to offer their clients services that go beyond their specific field of expertise. For example, many venue finding services, destination management companies and conference production companies will readily offer to undertake tasks more commonly associated with a PCO, such as managing the budget for the conference and dealing with matters such as protocol and insurance.
- In many cases, two or more of these intermediaries are working together to make the conference a success. In particular, PCOs need to draw upon the expertise of DMCs and conference production companies for certain events. In those cases, the PCO becomes a subcontractor, assigning certain aspects of the event planning and production process to other agencies.

Although some buyers may go directly to venues and other suppliers, this is the exception rather than the rule. The planning of most conferences involves the participation of one or more intermediary working on behalf of the buyer. As a consequence, suppliers very often have to market to, and negotiate with, a range of intermediaries as well as the actual buyers of the event. The next section examines the particular challenges of marketing in the conference sector.

Marketing destinations and venues

It is clear from the preceding section that the effective functioning of the conference, convention and business events market depends on the interaction of two forces, demand and supply, where the demand-side stakeholders are represented by the buyers of conferences and the supply-side stakeholders are those offering the facilities and services required for the successful operation of such events.

If the conference market is the process of interaction between these buyers and sellers, then what is marketing itself? The Chartered Institute of Marketing gives a broad definition as follows:

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.

A number of key points may be developed out of this definition.

Marketing is considered to be a process (not just a particular marketing technique or series of techniques) that is concerned with satisfying customer (buyer) needs. This particular philosophy – based on the belief that those suppliers who anticipate customers' needs and respond to them first and/or best will be those that succeed – is often referred to as the 'marketing orientation' that characterizes the approach taken by most modern suppliers of products and services.

However, the conference industry, in common with many other sectors of the economy, has evolved through at least two earlier marketing stages before adopting a marketing orientation. That evolution, related to the changing supply and demand relationships and the competitive conditions prevailing during earlier stages of capitalism, is summarized below.

Production orientation

This level is characterized by a shortage of supply, when suppliers' priority is to produce maximum volumes by increasing output. Such an approach only works effectively when a business operates in very high growth markets when goods and services sell easily, in other words, a sellers' market. It is generally accepted that, for Europe and the US, the production orientation was the dominant manufacturing business philosophy from the beginning of capitalism until the mid 1950s, during which time there was a shortage of manufactured goods relative to demand.

For the conference industry in Europe and the UK, this era lasted longer as the demand for conference venues and other services continued to exceed supply into the 1980s.

Sales orientation

A sales orientation tends to be used when supply out-paces demand, leading to a buyer's market, in which there may be a downward pressure on prices. In these market conditions, businesses concentrate on persuading customers to buy the available stock, using selling, pricing and promotion strategies. However, little attention is paid to customers' needs and wants. Economists trace the beginning of the sales orientation era for the manufacturing sector to the mid 1950s, by which time supply was starting to outpace demand in many industries. This arose as a consequence of converting industrial plant from wartime production to the production of consumer goods at the end of the Second world war.

But it may be argued that the supply of conference facilities and services did not exceed demand until the beginning of the 1990s, when a global recession coincided with the first conflict in the Gulf. These events dealt a severe blow to venues of all types, who found themselves with an enormous amount of spare capacity at the same time as buyers were negotiating from a position of power not previously witnessed in the conference market.

Marketing orientation

In the 21st century, the marketing orientation firmly prevails in most sectors of the economy in most parts of the world – including the world-wide conference industry. This is an approach that allows the wants and needs of customers and potential customers to drive all of an organization's strategic decisions, so that its entire corporate culture is systematically committed to creating customer value. This is also an approach that requires the full support of the entire organization – not only its marketing department.

The rationale behind adopting a marketing orientation is that the more an organization understands and meets the real needs of its consumers, the more likely it is to have satisfied customers who bring it repeat business and/or recommend the organization's products and services to others. In this way, this process can entail the fostering of long-term relationships with customers. In order to determine customer wants and needs, the organization usually needs to conduct market research, which, if carried out correctly, may provide the company with a sustainable competitive advantage.

Recognizing the way in which marketing had evolved, the American Marketing Association in 2004 announced a new definition of marketing (this was only the second time that the AMA's official definition had been changed by the association since 1935):

Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

The conception of marketing as a process (or set of processes) is maintained, as is the emphasis on delivering customer satisfaction and on the benefits to the organization undertaking the marketing. But there is a new emphasis on the use of marketing to manage customer relationships, as well as the need to bring benefits to the organization's stakeholders more broadly.

Customer relationship management is an important theme of this book, and it will be considered in detail in Chapter 5. But the question of bringing benefits to stakeholders is particularly relevant to the destination marketing that is undertaken by CVBs.

It has been stated earlier in this chapter that CVBs work on behalf of the suppliers in the city or region or country. However, as bodies in receipt of public funding, they also have a wider responsibility to the host community – those who live and work in the territory covered by the CVB – as well as to the natural environment of the destination. All members of the host community, therefore, may be regarded as important stakeholders whose general well-being should be taken into account by the organization that is responsible for the marketing of the place where they are located.

When a CVB, a venue, or indeed any organization, accepts this wider responsibility to the welfare of the community and to the protection of the natural environment and takes these into account in its approach to its marketing, it may be said that it is adopting a *societal marketing orientation*, a fourth level in the hierarchy of the evolution of marketing approaches. Kotler *et al.* define this concept as:

The idea that an organization should determine the needs, wants and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the consumer's and society's well-being.

(2003: 882; emphasis added)

Clearly, for organizations adopting a societal marketing orientation, the marketing orientation, as described above, is maintained; but a new, broader, responsibility to stakeholders is introduced at this fourth level.

Pike (2004: 13) elaborates on this definition of societal marketing and emphasizes its relevance to the tourism (and, by association the conference) sector. He states that the societal marketing approach adheres to a marketing orientation

but [is] operationalized in a way that also considers the well-being of society and the environment. DMOs, as representatives of a host community and natural environment as well as commercial tourism services, have such a wider societal obligation.

However, even when the societal marketing orientation is, explicitly or implicitly, adopted by a CVB or by an individual venue in its programme of promotional activities, there is no guarantee that all stakeholders at the destination will benefit from the positive impacts that the conference industry can bring to a destination. Neither is this approach to marketing a way of ensuring that all stakeholders will be protected from the negative impacts that can be created by conference activity.

These positive and negative impacts are the subject of the final section of this chapter.

The impacts of the conference industry

All industries and all human activities have impacts, which can be positive or negative. These impacts may be seen primarily in changes to the state of the economy, to the natural and built environment, and to people's quality of life and the culture of society in the widest sense.

For each impact, a number of different stakeholders may be affected, positively or negatively. In this section, the principal impacts of the conference industry are reviewed.

Economic impacts

One of the primary motivations for a community developing any industry are the economic benefits expected to result from that industry. It is generally accepted that the conference sector is a high-yield, year-round market, and it is the possibility of reaping substantial economic gains that represents the main motivating factor that has spurred so many destinations to pursue proactively the conference market. However, as well as economic benefits, there may be also considerable costs incurred by any community targeting this sector.

Many commentators have acknowledged that a continuing problem for conference destinations is that of *quantifying* the benefits and costs associated with this market. For example Dwyer (2002: 21) points out that:

little hard data are available upon which to estimate the precise magnitude of these effects. This is unfortunate because decisions about resource allocation by both private and public sector stakeholders greatly depend on accurate information regarding potential gains.

Nevertheless, a number of government statistical agencies, tourist boards, CVBs and industry associations are engaged in the attempt to estimate the economic impacts of the conferences that are held within the territories they cover. One such attempt to quantify the economic contribution of the conference industry is undertaken on an annual basis by the Convention Industry Council, in the US (see Figure 1.1).

The main economic impacts are reviewed below.

Positive economic impacts

Foreign exchange earnings

Smith (1990: 68) quotes a US city mayor who extols the economic benefits of the conference industry as follows:

When we have a convention in town, it is as if an airplane flew overhead dropping dollar bills on everyone.

When these conference dollar bills are spent by visitors to the city, this means that 'new' spending is coming into local businesses such as shops, restaurants, entertainment centres and taxis. Furthermore, when a proportion of the delegates originate from abroad, their spending represents a boost in foreign exchange earnings for the destination.

For nations dependent on attracting foreign income, a single international conference can make a substantial impact on the national economy. For example, the six-day International Bar Association Conference, an event attended by international lawyers, held in New Zealand in 2004, injected almost \$NZ20 million into the economy, according to a report by Horwath Asia Pacific Ltd. The report also shows that 65% of delegates participated in pre- or post-tour options, spending \$NZ407 each per day during this time.

Contribution to government revenues

Conference-related spending results in benefits, not only for individual companies, but also local and national governments. Government revenues from the conference sector can be categorized as either direct or indirect contributions. *Direct* contributions are generated by taxes on incomes from employment in the conference industry, taxes on the profits of businesses operating in this sector, and by direct levies on conference delegates such as airport departure taxes. *Indirect* contributions are those originated from taxes and duties levied on goods and services supplied to delegates, such as VAT (value added tax) charged on the champagne consumed at a conference reception.

In the US, the Convention Industry Council (CIC) has as its members over 15 000 companies and venues involved in the conference and business events industry. Formed in 1949 to provide a forum for member organizations seeking to enhance the industry, the CIC has as one of its roles the educating of the general public on the economic impact of this industry.

The CIC's 2004 Economic Impact Study, which provides a macroeconomic analysis of the industry's direct spending and contribution to employment in the US, claims that the conference and business events industry generated \$122.31 billion in total direct spending in 2004, making it the 29th largest contributor to the US gross national product. That situated the industry above the pharmaceutical and medicine manufacturing sector and only slightly below the US nursing and residential care facilities industry.

The impacts from the industry's spending and tax revenue were felt in many sectors of local economies, from restaurants and transportation to retail stores and other services, and supported 1.7 million jobs in the US. According to the CIC Study, the conference and business events industry generated more than 36% of the hotel industry's estimated \$109.3 billion in operating revenue, and its attendees accounted for nearly 17% of the air transportation industry's operating income.

The industry's total direct spending in 2004 was \$122.31 billion. Direct Employment Impact, the number of full-time equivalent (FTE) jobs supported by the direct spending of the industry, was 1 710 000 jobs. And Direct Tax Impact rose to \$21.40 billion.

Association-sponsored events accounted for two thirds, or \$81.94 billion, of the direct spending industry total. Corporate-sponsored events (including incentive travel) accounted for the remaining one third, or \$40.37 billion.

The largest share of the spending on conferences and business events (35%) was spent in hotels and other facilities. The rest was widely distributed throughout local economies. After air transportation (24%), the next principal beneficiaries of spending were: restaurant and outside catering food and beverage outlets (14%) and business services (12%).

Source: CIC, 2005

Figure 1.1 The Convention Industry Council's 2004 Economic Impact Study.

Employment generation

A wide range of employment is created by a thriving conference industry. As a service-sector, this industry can be labour-intensive, and is responsible for sustaining a significant proportion of the jobs found in the hotel and transport sectors, for example, as well as the specialist conference-related professions represented by all of the suppliers and intermediaries discussed earlier in this chapter. Although conference-related employment is often amalgamated, in statistical analyses, with the jobs generated by tourism and leisure, it tends to demonstrate slightly different patterns, notably in its less seasonal nature.

Stimulation of investment

The development of a conference industry can induce national and local governments to make infrastructure improvements such as better water and sewage systems, roads,

electricity supply, telephone and public transport networks, all of which can improve the quality of life for residents as well as facilitate the expansion of the conference industry at the destination. Other industries may also be attracted by the improved infrastructure, leading to the type of inward investment so desired by many economies.

Negative economic impacts

While the positive economic impacts of conferences are generally visible – and increasingly proclaimed by the conference industry itself, there can also be significant hidden costs to developing and operating a conference industry, which can have a number of unfavourable economic effects on the host community.

Infrastructure costs

The development of the infrastructure necessary for the operating of a significant conference industry can cost national and local governments (and, by extension, taxpayers), a great deal of money and can require a substantial outlay of funds long before the first conference arrives in the destination. In order to equip the destination to receive large numbers of delegates, governments may have to improve airports, roads and other elements of the infrastructure. They may also have to provide tax breaks, investment incentives and other financial advantages to conference centre and hotel developers, for example.

This type of government spending may bring with it a significant 'opportunity cost', since public resources spent on subsidised infrastructure or tax breaks can reduce government investment in other critical areas such as education and health.

Promotional costs

In a competitive world, destinations must vie with one another to attract conferences and other business events. Promotion is generally undertaken by the types of destination marketing organizations discussed earlier in this chapter. A destination promoting itself to conference buyers and intermediaries may do so in tandem with its promotion of itself as a leisure destination; or it may create a separate entity. Either way, the vast majority of countries and cities around the world have some form of tourism organization or convention bureau that undertakes this task.

The costs of establishing and maintaining such organizations can be a considerable drain on the public resources of some countries, particularly when, as is often the case, offices must be maintained in key overseas markets. The Netherlands Board of Tourism & Conventions, for example, promotes that country as a conference destination through its offices in London, New York, Paris, Brussels, Stockholm, Milan, Madrid, Cologne and Tokyo. For a developing country, supporting such a network of offices in foreign cities would be a significant financial burden, and yet many do exactly that, in their efforts to attract conferences to their cities.

Leakage

Developed nations are often better able to profit from being a conference destination than are poor ones. One of the reasons for this is the developed nations' ability to retain a high proportion of the expenditure arising from the conferences that take place within their territory.

Dwyer (2002) emphasizes the importance of recognizing that not all conference-related expenditure is retained within the destination hosting the conference. 'Leakage' is the term given to income that is lost to the host destination because it 'leaks out' to other regions or to other countries. This can take several forms. For example, a significant amount of the economic benefits arising from the spending of delegates attending

international conferences can go to foreign airlines and to international hotel chains based outside the host nation, when delegates use these instead of locally owned accommodation and the national airline of the host country. Similarly, nations that need to import goods from other countries, in order to service their conference sector, also experience leakage of the economic benefits. For example, a country that needs to import building materials and hotel equipment and furnishings in order to build a conference facility is automatically losing some of the gains accruing from its conference industry.

Large, developed nations with advanced and varied economic sectors suffer least from leakage, as they are able to produce most of what is required to establish and maintain a viable conference industry. The consequence is that while the least developed countries may have the most urgent need for the income, employment and rise in the general standard of living that can be generated by the conference industry, they are often the destinations that are least able to realize these benefits.

Environmental impacts

The quality of the environment, both natural and man-made, is important to the successful functioning of the conference and business events industry. Delegates expect a clean, attractive locality, and this is particularly true when there is a motivational element to the conference, as in the case of an incentivized meeting. However, the conference industry's relationship with the environment is complex, bringing both positive and negative impacts.

Positive environmental impacts

At the most basic level, towns and cities hosting conferences need to ensure that the physical environment is maintained in a clean, tidy and healthy condition, in just the same way that certain standards of housekeeping are required when receiving guests in one's home.

Knowing that delegates expect conference localities that are at least as clean and attractive as they find in their home towns, no conference planner would knowingly choose to hold an event in a destination in which the environment was degraded and unhygienic.

Beyond creating the need for municipalities to maintain the quality of their built and natural environment, the conference industry also has the potential to create beneficial effects on the environment of destinations by contributing to environmental enhancement and conservation. For example, many urban regeneration programmes throughout the world have been based on the construction of new conference centres in neglected and often derelict areas. For example, the Edinburgh International Conference Centre, which opened in 1995, was the showpiece of the regeneration of that city's Exchange Business District, a previously run-down area of Edinburgh, now entirely revitalized with the iconic EICC as its flagship development. Similarly, the Hilton San Diego Convention Center Hotel, located across from the San Diego Convention Center, is built on the site of the former Campbell Shipyard, which fell into disuse and extreme contamination before being cleared for hotel development, as part of its regeneration programme.

The conference industry has also contributed in no small measure to urban conservation initiatives, notably through the re-conversion into conference centres of buildings that might otherwise have been demolished. From private mansions to palaces and factories, countless examples of architecturally valuable buildings have been saved by their conversion into conference facilities. Ottawa's Government

Conference Centre is an outstanding example of this type of conservation, being converted from that city's former Union Train Station, which was designed in the Beaux-Arts style with a former monumental waiting room that was copied from the great thermal baths of Rome.

Negative environmental impacts

On first impressions, the conference industry, as a modern 'knowledge industry', would appear to be one that makes very little negative impact on the environment. After all, it has no factory smokestacks, releases no chemicals into the water and soil, and only uses, for its functioning, machines such as computers and photocopiers that account for a relatively modest proportion of energy consumption.

But on closer examination it becomes clear that the conference industry can indeed have a number of adverse environmental effects. Some of these impacts are linked with the construction of the infrastructure necessary for the hosting of events, and there are examples throughout the world, from Niagara Falls Convention Center in New York State to the Spanish city of San Sebastian's Kursaal Conference Centre (see Chapter 5), of venues that have been controversial in their design or in their location, or both.

Conferences may also be criticized at times for their use of natural resources, notably paper. For example, the paper required in order to present each of 500 delegates with a conference pack of information (the conference programme, list of delegates, print-offs of presenters' notes, etc.) can represent a substantial use of natural resources. Aware of the potential for this, and other forms of wastage, some venues have taken the initiative of offering advice to conference planners on how to minimize this (see Figure 1.2).

However, the most damaging impact made by the conference industry on the natural environment is now widely believed to be the energy use and the emissions associated with travel to meetings, in particular to international events. Most travel to international conferences uses air transport, and the negative environmental impacts from movements in the upper atmosphere are considerably greater than for movements at ground level. Globalization of the economy has greatly increased the volume of travel to international corporate events, and this situation has been mirrored in the growth of international and regional associations whose annual events also contribute significantly to the amount of air travel mobility around the globe.

Høyer and Næss (2001: 467) have expressed their concern over this issue in unambiguous terms:

The increase in travel to international meetings forms one of the environmentally most worrying changes in the mobility of post-industrial society. It is a paradox that the consequences to global environmental problems from local transport have gradually been put higher on the environmental agenda, while there is virtually no focus on the long job-related journeys. For the individual conference participant, one such trip usually represents an amount of transportation larger than the total mobility for all other purposes during a whole year.

While it is certainly true that the volume of travel for leisure purposes, such as holidays and visits to friends and relatives, far exceeds business- and conference-related travel, this fact by no means absolves the international conference industry from being a major contributor to the current and growing threat to the state of the global climate.

As an indication of how public concern over the impact of conference-related travel on global warming has grown, the UK Government decreed that the G8 Summit held in Gleneagles, Scotland, in June 2005 would be 'climate neutral'. The

The EICC website offers conference planners a number of ideas through which they can make their events more environmentally-friendly:

Pre event

- When producing literature for your event, use recycled and chlorine-free paper. Ensure paper is genuinely made from recycled stock – check for the NAPM approved logo.
- Give delegates information on the most efficient routes to both the conference destination and venue.
- Give consideration to the transportation of delegates around the city – use public transport and, if possible, organize a low-emission bus.
- When planning exhibitions, give consideration to how exhibition materials can be reused or recycled.
- During the organization of your event, use environmentally friendly methods of communication and promotion, such as e-mail and websites.
- When planning your refreshments, consider offering drinks in aluminium cans or glass bottles. These can then be sorted and collected for recycling.
- EICC can also provide water in recyclable plastic cups.
- Consider offsetting the carbon dioxide emissions created by your event.

During the event

- Remember the 3Rs – Reduce, Reuse and Recycle.
- Consider your energy use in the building – for example, switch off lights when rooms are not in use.
- EICC can recycle your non-contaminated paper and cardboard waste. Please remember to ask your Event Planner about this.

Some ideas from your organizer's office

- Photocopy double sided
- Photocopy/fax on used paper
- Do not print out e-mails unnecessarily
- Print drafts and internal documents on used paper
- Make your own note pads using scrap paper cut up and stapled together
- Only print when necessary
- Ensure you have done a spell check to avoid printing mistakes
- Make sure you don't print blank pages by mistake
- Make sure there is a recycling box near the printer/photocopier
- Make sure you know how to stop a print run if you do make a mistake
- Ensure you know how to cancel a job on the photocopier if you make a mistake when copying, especially during a large run
- Use a smaller font size where possible if you are printing

Source: www.eicc.co.uk

Figure 1.2 Edinburgh International Conference Centre's tips for greening an event.

government undertook to compensate for all of the greenhouse gases produced by delegates' travel to the G8 by investing £50 000 in green projects in Africa, to offset the environmental cost of the Summit.

Reconciling the demand for air travel to international conferences with the need to conserve energy use and prevent the further deterioration of the global climate will undoubtedly continue to be one of the major challenges facing the conference industry in the years ahead.

Social and cultural impacts

By definition, most conferences involve the influx of groups of people from other localities to the destination where the event is held. During the conference, therefore, two populations may come into contact with each other: the 'host' population (the local residents) and the 'guests' (the delegates themselves). In many cases, the delegates may be indistinguishable from the local people in terms of their physical appearance, manner of dress and visible level of prosperity, as well as their beliefs and general level of education. In that case, the social and cultural impacts can be minimal. However, a considerable gulf often exists between the different ways of life of host and guest, leading to the possibility of both positive and negative effects on both sides.

Positive social and cultural impacts

The rich literature on the social and cultural impacts of tourism demonstrates that many benefits can arise from the encounter of two different populations, and the conference industry offers many of the same advantages. The open and equal interaction between 'hosts' and 'guests' can generate a useful exchange of ideas and greater mutual understanding. Exposure to different traditions can be a progressive and liberating experience when, for example, the inhabitants of developing countries see female delegates interacting on an equal basis with their male colleagues.

Moreover, the very nature of most conferences, at which ideas are presented and discussed by those in attendance, lends itself to the sharing of views and the production of new intellectual capital. These are among the important yet intangible benefits of this industry, which ought never to be taken for granted.

Negative social and cultural impacts

Nevertheless, the negative impacts of the influx of large groups of people into host communities are also well documented.

These problems tend to be most exacerbated when there is a marked contrast in the standard of living between host and guest. It must be remembered that many conferences and other business events take place in destinations where a significant proportion of the local population is living in relative poverty in close proximity to the luxury hotels and palatial conference centres that provide the venues for such events.

Local people may easily come to perceive delegates to be privileged incomers who throw their own deprivation and hardship into sharp focus. And this is particularly true when the group of delegates is large and visible. Incentive groups are particularly vulnerable to being observed in this way. Davidson and Cope (2003: 183) note that:

In the case of travel for conference or trade fair attendance, visitors spend most of their time indoors, engaging in activities that are related to their work. By comparison, the lavishly funded and occasionally frivolous activities indulged in by incentive travel award-winners run the risk of contrasting severely with the lifestyles and values of those living in some of the destinations chosen for incentive trips.

Sharp inequalities between the host and the temporary guest populations can produce a climate in which crime and exploitation can thrive, for the duration of the event. In unfamiliar surroundings, delegates can be the victims of such crime, suffering at the hands of pickpockets, muggers and fraudsters, for example. They can also exploit their own superior financial status over local people, and the relative anonymity that being in a new destination for a few days offers. The link between

Sex pros get ready for party

By Jose Martinez, *New York Daily News*, June 28, 2004

With thousands of Republicans set to invade the city this summer, high-priced escorts and strippers are preparing for one grand old party. Agencies are flying in extra call girls from around the globe to meet the expected demand during the Aug. 30–Sept. 2 gathering at Madison Square Garden.

'We have girls from London, Seattle, California, all coming in for that week,' said a madam at a Manhattan escort service. 'It's the week everyone wants to work.'

Charging from \$300 to upwards of \$1000 for an hour of companionship and a whole lot more, escorts said they can always count on conventioners for big business.

Political conventions have long been a boon for the sex industry.

While many escort agencies operating on the sly out of Manhattan hotels and apartment buildings welcome the influx of potential customers, others are wary of increased police attention.

Tracy Quan, author of the autobiographical novel, *Diary of a Manhattan Call Girl*, said she worries cops will crack down on the most visible sex workers: 'I get depressed whenever there's a big political convention because I know the street girls are going to be hassled, arrested and treated like criminals. All in the name of "cleaning up" our city for these people from out of town.'

The players on the legal end of the city's sex industry have no such worries – and strip club owners are salivating at the prospect of crowds equipped with bunches of big bills. Clubs have started booking private parties for delegates anxious to ogle topless beauties after a day of watching fully clothed politicians boast about family values.

Figure 1.3 New York prepares for the 2004 Republican Convention.

conferences and prostitution is well established and is at its most evident in the case of political conventions, as suggested in the press article reproduced in Figure 1.3.

Summary

This chapter has introduced the conference industry in all its complexity. It has been shown to be a relatively young area of economic activity, involving a complex and broad range of stakeholders, some of whom – such as transport operators – depend only partly on conference business for their income. The extraordinary diversity of demand for conferences and meetings is matched by a wide range of suppliers providing facilities and services for the hosting and organizing of these events. In many cases, a destination marketing organization takes responsibility for promoting the destination as a whole and bringing together suppliers with buyers.

Marketing techniques themselves change over time, and current practices include focusing on the well-being of consumers and of society as a whole, not only on suppliers and their shareholders. But the conference industry, like all sectors, has a

range of negative as well as positive impacts on the economy, the environment and on the lives of those working and living at the destinations where such events take place. A truly successful conference industry is one that is managed in such a way that the needs of all stakeholders are satisfied to the greatest extent possible.

Case Study 1.1

Access 2005, Vienna

The Austrian capital, Vienna, is a well-established and highly successful destination for conferences. In the ranking of the world's most popular conference cities published in 2005 by ICCA (International Congress and Convention Association), Vienna was in second place, after Barcelona and before Singapore, Berlin and Hong Kong. According to the UIA (Union of International Associations) league table for the same year, Vienna also sat in second place – after Paris, but just before Brussels and Geneva. But Austria itself is successful as a conference destination in its own right, appearing in the world top ten countries in the league tables of both ICCA and the UIA in 2005. It is estimated that conference travel to, and within, Austria generates an added value, for that country, of about one billion euro a year. In 2004, in Vienna the conference industry counted 1633 events which generated 888 000 overnights, amounting to 10.5% of the total overnights in Vienna, and generated 456 million euro.

Against this background of success as an international conference destination, the annual trade show for the conference sector took place in the prestigious setting of the Hofburg Congress Centre in Vienna on 3 and 4 October 2005. This was the second year that this event had taken place, and it once again brought together thousands of key stakeholders in the Austrian and international conference and incentive travel industry.

The event held particular significance in 2005, as Austria was due to take over the EU Presidency in the first six months of 2006. Linked to Austria's holding of the EU Presidency, 130 conferences and workshops were expected to take place in Austria according to current planning (MTS, 2005).

The annual Access event is an initiative taken by five partner organizations with an obvious interest in Austrian cities and towns being selected as destinations for conferences:

- ABCN (Austrian Business and Convention Network), the business tourism branch of the Austrian National Tourism Office
- the Austrian Convention Bureau (ACB)
- Austrian Airlines
- the Round Table Conference Hotels marketing consortium (RTK)
- the Vienna Convention Bureau (VCB).

Bringing together, in one venue for two days, both buyers and suppliers in the conference sector, Access aims to provide corporate and association buyers with information on Austrian cities and venues that are in the market for the hosting of national and international meetings. As well as being a forum for the stimulating of new business transactions, this event also offers suppliers exhibiting at the event a unique setting for networking and establishing new contacts with other destinations and venues in the conference industry, as well as meeting new potential customers while nurturing more long-standing business relationships at the same time.

A wide range of stakeholders

At Access 2005, 189 Austrian exhibitors including conference centres, convention hotels, CVBs and other suppliers and intermediaries in the conference industry (such as interpreters, equipment providers, and destination management companies) met more than 1300 trade visitors. These buyers included international visitors from 17 countries. With 150 participants, the largest foreign visitors contingent came from the German market, which is highly important for the Austrian inbound conference industry.

Included in the 1300 trade visitors were more than 300 hosted buyers and media representatives from 16 countries, who travelled to Vienna as the guests of the trade show. Russia and Hungary were two countries participating for the first time in the hosted buyer programme in 2005.

For the purposes of Access 2005, a trade visitor was defined as a professional who:

- organizes
- plans
- consults on, or takes decisions

in the fields of:

- conferences
- conventions
- incentive trips/programmes
- international congresses
- product launches and presentations
- staff training
- business trips, special events, etc.

Acceptance on to the Access hosted buyer programme entitled buyers to an all-expenses-paid programme, including airfare (sponsored by Austrian Airlines), hotel accommodation in Vienna, education and networking sessions and meetings with a number of selected Austrian suppliers at the trade show.

An important and successful part of Access 2005, organized for the first time as a means of knowledge transfer within the industry, was the Access Academy, a series of presentations, seminars and workshops at which industry representatives, university professors and other experts discussed a range of stimulating ideas. Under the title of 'Brand not bulk – how to position events successfully', these speakers discussed the basic steps of the brand formation process from a practical point of view. The keynote speech by the Chief Organizing Officer of the World Economic Forum, Geneva and Davos, André Schneider, attracted particular acclaim.

A social and entertainment programme arranged around the trade show created an effective environment for networking between professional visitors and exhibitors. An 'Austrian Welcome' evening was held in the magnificent rooms of the Schönbrunn Palace and a sumptuous Austrian buffet awaited the guests at the Orangerie.

The lively 'Access night' at the venue Arcotel Wimberger had the guests dancing until the early hours to jazz entertainers Mat Schuh and the Max-Hagler Orchestra. The faultless planning of these two evenings clearly proved the efficiency of the domestic congress and event industry to Access 2005 visitors.

Following the success of the first two years of Access, this trade show will continue to be the leading event for national and international decision-makers in the Austrian conference industry.

PUBLICATION 16

What Does Generation Y want from Conferences and Incentive Programmes?

By Rob Davidson
May 2008

Summary

This article examines the particular characteristics of Generation Y, such as their high expectations, their desire for ongoing education and their technological aptitude. It investigates the ways in which conferences and incentive programmes can be designed in such a way that they appeal to this youngest, but fastest-growing, segment of employees. Approaches include effective use of technology, involvement at the design stage, consideration of CSR and sustainability and effective use of speakers.

The recommendations will be of interest to all intermediaries and suppliers in the conference and incentive travel industry, including convention bureaux and other destination marketing organisations, destination management companies, professional conference organisers and incentive travel houses, venues and speakers.

Introduction

All businesses must adapt their products and services to meet the changing needs of their customers, and the conference and incentive travel industry is no exception. It must constantly evolve in order to ensure that the business events it offers effectively meet the needs and aspirations of each new generation of participants.

Conferences and incentive trips play a key role in fostering communication between members of the same profession or the same organisation and achieving greater business results. Most of the end-users of such events, those who invest their time in participating in conferences and incentive programmes, are men and women in some form of employment. For them, such business events can play a key role in their careers, as important sources of information, motivation and networking opportunities.

Today, for the first time in history, there are four generations in the global professional and managerial workforce:

- The **Traditionalists**, born between 1925 and 1942. Most, but by no means all of these, have retired or entered semi-retirement.
- The **Baby Boomers**, born between 1943 and 1960. The oldest of these have begun retiring from employment.
- **Generation X**, born between 1961 and 1976. Many of these are already established in management positions.
- **Generation Y**, born between 1977 and 1995. These form the latest cohort to enter the global workforce.

(Note: there are various definitions of the generations above, which vary slightly in terms of the years they span. See [Defining Generation Y](#) below.)

This article examines the particular characteristics of Generation Y and investigates the ways in which conferences and incentive programmes can be designed in such a way that they appeal to this youngest, but fastest-growing, segment of employees. The recommendations will be of interest to all intermediaries and suppliers in the conference and incentive travel industry, including

convention bureaux and other destination marketing organisations, destination management companies, professional conference organisers and incentive travel houses, venues and speakers.

Defining Generation Y

Authors focusing on the most recent generation to enter professional employment use a variety of terms to describe this cohort. While most refer to 'Generation Y', alternative phrases include: Generation Next, Echo Boomers, Digital Natives, the Millennium Generation or Millennials. There is also some variety of opinion among authors as to the exact years of birth which define Generation Y, with some commentators putting the qualifying date as early as 1976 and others defining it as beginning in 1980.

For the purposes of this study, we will use Hira's^[1] span of birthdates of 1977-95, as this is the most widely accepted. We will refer collectively to the cohort under consideration as 'Generation Y', and the term 'Y-er' will be used to denote an individual member of Generation Y.

The characteristics of Generation Y

A thorough understanding of the values, tastes and preferences of the youngest generations of employees is vital to the success of any industry targeting them with its products and services. In many ways, today's twenty- and thirty-somethings differ considerably from previous generations of employees. And they are gradually accounting for a greater percentage of the workforce.

2008 is a critical year for the inter-generational balance of power. This year, for the first time, Generations X and Y collectively will be able to out-vote Baby Boomers. As these two generations are increasingly represented in business, the media, and public life, their values, attitudes and lifestyles are gradually replacing those of the previous generations.

Cossetted but independent

The salient characteristics of Generation Y may be summed up in one author's description of them as the 'most coddled, well-informed, open-minded to diversity, technically-enriched generation'.^[2] The parents of Y-ers are widely portrayed as having nurtured their offspring with a programme of activities since they were toddlers and as continuing their hands-on involvement well into their children's early adulthood.

However, many authors are at pains to point out that despite this parental cossetting, most Y-ers may be characterised as being independent and confident in outlook. Neither does the indulgence of Y-ers' parents appear to have produced a generation particularly characterised by selfishness. Indeed, the majority of commentators list tolerance, concern with equality and fairness and a deep-seated social consciousness as major attributes for this generation.

High expectations

There is widespread agreement among commentators that, having been encouraged, since birth, to feel special by their parents and the media, Y-ers tend to have high expectations of themselves and are tenacious and questioning, as well as highly vocal and full of energy and innovative drive.

Many specialists in inter-generation differences focus on the fact that members of Generation Y have, above all, high expectations that life should be fun and therefore place higher priority on their personal life and leisure time, than previous generations ever did.

Desire for ongoing education

Nevertheless, there is little evidence to suggest that, as a whole, this generation shows signs of being hedonistic or indolent. On the contrary, Y-ers tend to demonstrate a deep-seated desire for

ongoing education, which they regard as the key to success in professional life. Some commentators have described them as 'lifelong learners', for whom education and training is perceived as the norm rather than the exception.

Technologically adept

Predictably, Generation Y's acquaintance and aptitude with technology in all of its forms, from an early age, considerably sets it apart from previous generations. It has been said that Y-ers regard electronic devices as 'extra limbs', and one source encapsulates them as 'a multimedia generation learning to juggle many more ideas simultaneously than their parents did'.^[3] This is the first demographic to grow up with the internet and it is clear that they view the Web as a two-way communications tool.

Their high level of technological skills and their preference for instant communication and social networking tools have made Generation Y into efficient multi-taskers. But persistent exposure to high-tech tools is also cited by several commentators as a contributory factor behind the phenomenon of Generation Y appearing to desire everything on demand – anytime, anyplace – with a pronounced tendency towards the need for instant gratification and a markedly shorter attention span than previous generations.

Adapting conferences and incentive programmes to Generation Y participants

Although there has been comparatively little research carried out into the attitudes of Generation Y towards their participation in conferences and incentive travel, much can be deduced from what is already known from investigations into their experience of education and working-life in general. Table 1 summarises the key differences in these respects, between Baby Boomers and subsequent generations.

Baby Boomers	Generations X and Y
Structure	Flexibility
Worker as instrument	Worker as a human resource
Work as labour intensive	Work as knowledge intensive
Hierarchical structures	Participatory structures
Education completed	Lifelong learning

Adapted from Ramsborg and Tinnish ^[5]

These differences mean that the needs and expectations of Generation Y, in particular, regarding participation in conferences and incentive trips, are in many ways very distinct from those of previous generations. The rest of this article reviews those differences and suggests ways of creating business events that will appeal to this latest cohort of employees.

Effectively communicating conferences and incentive programmes to Generation Y Y-ers respond to communication that understands their uniqueness, their particular way of receiving and processing information. The use of too many words in marketing messages is a guaranteed turn-off for Generation Y. The key to effective communication with Y-ers is to use as few words and as many strong images as possible. Generational marketing expert Ann A. Fishman believes that this age group think differently: they think in text-messaging format, so very short, efficient copy is required.

Another commentator emphasizes the use of images:

'Generation Y depends on visual learning. All their lives, they were raised on graphics, games, the Internet and online games. This is a generation whose marketing has been pictorial and graphic ... to attract them, you need to be dynamic in your use of graphics and pictures.'

[6]

Effective use of technology

This generation expect more – and better – use of technology in every aspect of conference and incentive planning. They expect all information about the event to be online – in an attractive, easy-to use format. They are highly unimpressed by clunking, complex, poorly-designed websites. Fishman advises meetings planners who have any doubts about how their conference websites shape up for younger generation attendees to have their own employees in that age group analyse those websites and adapt them to Generation Y. [8]

Incentive programme 'teasers' can be sent to younger participants using their preferred means of communication: the mobile telephone. Indeed, according to US commentators Ramsborg and Tinnish:

'The full capabilities of technology must be exploited before, during, and after a meeting. Blogs, mobile phones, YouTube, Facebook, MySpace, podcasts, virtual meeting environments, RSS feeds, videos, widgets, mashups, wikis, moblogs, and social networking sites ... Learners who use these technologies every day expect technology to be seamlessly interwoven into learning situations, i.e., meetings'

[7]

Effective design of conferences and incentive programmes for Generation Y

More involvement at the design stage

Generation Y is an interactive generation that is used to being consulted for feedback on almost everything that affects them, from their level of satisfaction with their educational courses to their experiences of the products they use. As a result, they are used to interacting with service providers of all kinds.

Conference and incentive travel planners targeting this age group are advised to involve them, from the earliest stage, in the design of the programme, choice of activities, and even the selection of speakers, so that they feel a sense of ownership of these events.

Fishman suggests that ...

'the meeting planner can ask early registrants if they have special concerns [they can just email them to you] which will enable you to see if the meeting will meet the younger audience's needs or if the meeting needs to be tweaked a little. Taking that extra step ... can make a big difference.'

[8]

Corporate Social Responsibility and environmental issues

At EIBTM (the global meetings and incentives exhibition) in 2007, Andy Besent of the InterContinental Hotels Group identified a greater concern for CSR and the need to have some interaction with the local community at the conference/incentive destination as two of the most distinguishing characteristics of Generation Y as participants in such events. Arguably, much of the impetus towards 'greener' meetings and incentive trips is being driven by this youngest generation of participants, who are far less tolerant of waste and the negative impacts of such events on the natural environment.

They also appear to care more about the human environment, and are uneasy about the apparent elitist aspect of many business events, particularly when these take place in destinations marked by widespread poverty and disadvantage. Progressive conference and incentive planners respond to these concerns by giving their participants the opportunity to take time out to interact with the local

community during the event and to 'give something back' – by, for example, raising funds for a local charity or playing football with the local children.

Such activities hold great appeal for Y-ers, who regard them as an ethically sound antidote to the conspicuous consumption and elitism that can characterise business events.

More effective use of speakers

It is often said that Y-ers' short attention spans make them a difficult audience, at any conference. But all of the psychological research indicates that for delegates of any age, attention levels drop dramatically after the first 20 minutes of any presentation. The drive towards shorter, more interactive sessions will intensify as Y-ers account for an increasingly large proportion of participants in business events.

Generation Y participants expect interaction, in real time, with each other and with speakers, through having the opportunity, for example, to text-message their questions to a big screen during sessions.

Having grown up with computers at home and an abundance of TV channels, multi-tasking Y-ers expect and thrive on constant change and stimulation. What do they expect from speakers?

Fishman believes that they want the following. [8]

- Substantive information that can help them advance in their current jobs or become better prepared when they move on. Motivational speakers don't motivate them.
- Information they cannot get from the Internet or a book. They don't like to waste their time.
- To hear from speakers who are in a position of power. They want to know how the game is played.
- PowerPoint to be used correctly:
 - slides only when necessary;
 - no 'laundry list' of multiple points the speaker is about to make;
 - few words on each slides.

Above all, speakers need to deliver their material in a way that combines education and information with entertainment – edutainment and infotainment are what Y-ers expect from all of their experiences. As Ramsborg and Tinnish put it:

'The adult learners of today expect "infotainment," the delivery of information in an entertaining format. Even the most serious programming on television, the news, is created now with graphics, music, lighting, and special effects. Sports arenas now have giant television screens to show instant replays and powerful sound systems for commentary and music. There aren't many places that people go where they are not treated to a "show" – and meetings are no exception.'

Conclusion

The continuing success of the conference and incentive travel industry depends upon achieving a firm understanding of Generation Y's needs from meetings and incentive programmes and communicating with Y-ers on their terms. If such events do not adapt to meet the needs of this generation, Y-ers will vote with their feet and stay away from association conferences and refuse to participate in incentive programmes that do not motivate them.

The future of face-to-face business events (and the businesses and destinations that depend on them) rests on all stakeholders achieving an accurate understanding of how conferences and incentives must be designed and run in such a way that they hold a significant appeal for

Generation Y participants – while, at the same time, not alienating any of the members of older generations in the workforce.

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About the author

Rob Davidson is a Senior Lecturer in Events Management at the University of Greenwich in London. His latest book, *Marketing Destinations and Venues for Conferences, Conventions and Business Events* (2006) was co-written with Tony Rogers of the British Association of Conference Destinations. In February 2005, he was nominated Meetings and Incentive Personality of the Year 2005, at the Meetings & Incentive Travel Awards ceremony in London. For the past 5 years, he has been included in *Conference & Incentive Travel* magazine's 'Power 50' – the 50 most influential people in the UK conference industry.

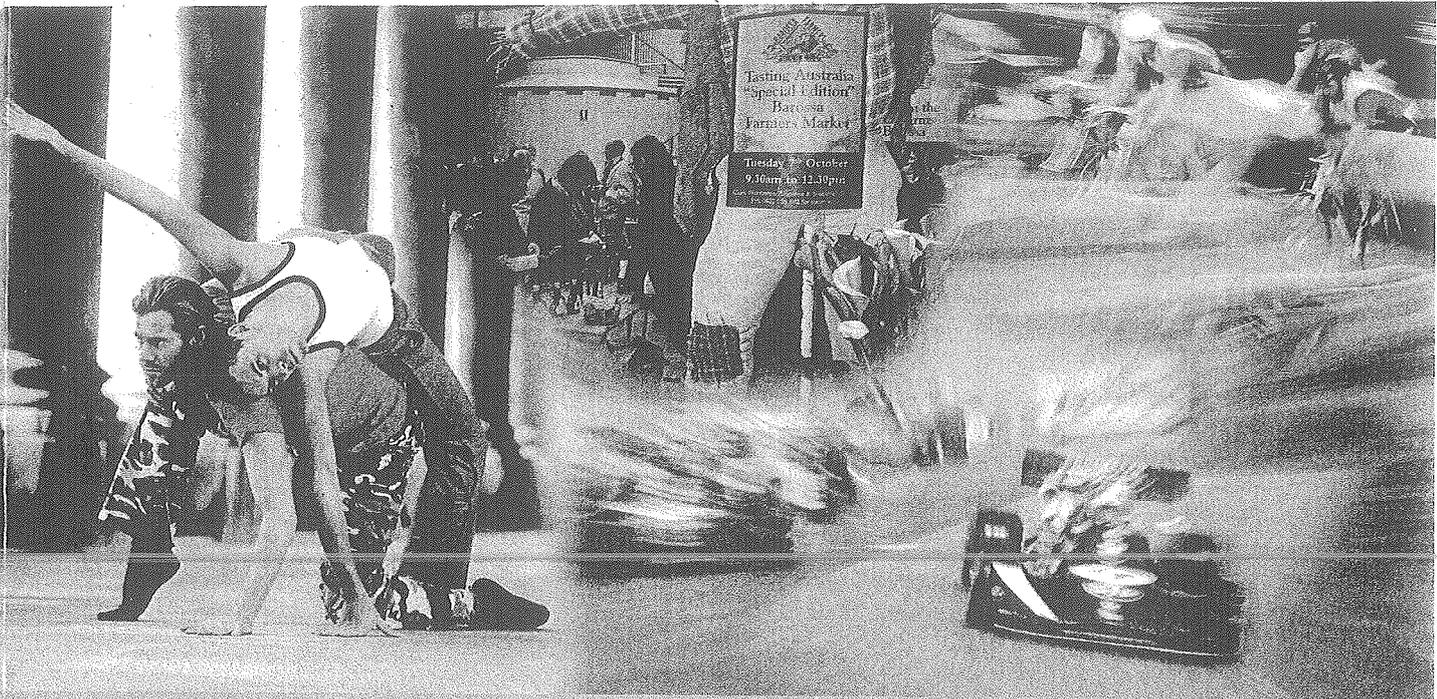
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ADVANCES IN TOURISM RESEARCH SERIES

International Perspectives of Festivals and Events

Paradigms of Analysis

12



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Human Resources in the Business Events Industry

Krzysztof Celuch and Rob Davidson

Introduction

The extent to which any city or country may be successfully branded, positioned and promoted as an events destination depends largely on the availability of a wide range of resources within the destination itself. These may include infrastructural, natural and cultural resources. However, increasingly, attention is focusing on *human* resources as a critical success factor in the events industry in general and the business events sector in particular. The dedication, expertise and creativity of all events professionals operating in any destination are clearly of great importance in determining that destination's level of success in this industry. But while this has been widely acknowledged in the case of the men and women who conceive, plan and deliver the actual events (with job titles such as events managers, events planners and events coordinators), far less attention has been paid to the human resources element represented by those professionals who are responsible for marketing their destinations as attractive places in which to hold events. As competition to 'win' events of all types intensifies worldwide, it is becoming clear that the degree of success of any city or country in attracting such events depends partly on recruiting and retaining professionals of the right calibre into these key destination marketing positions. Destinations that are eager to succeed as places that host highly lucrative business events such as conventions and incentive trips need to attract and retain professional staff capable of using their initiative and innovative skills to secure these types of events for their particular city or country.

Nevertheless, despite the widely acknowledged importance of the role played by marketing professionals in attracting events to their destinations, very little is known about how these vital stakeholders are educated and trained for, as well as recruited into, such positions. This chapter therefore explores the issue of the education and career backgrounds of professional staff in destination marketing organisations, with particular emphasis on those who are responsible for attracting business events to their destinations. It examines the extent to which the educational community is contributing to preparing young people for employment in these organizations, and investigates the career paths that currently lead to this particular occupation.

International Perspectives of Festivals and Events

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Literature Review

Business Events

Also commonly known as the MICE (Meetings, Incentives, Conferences and Exhibitions – or Events) sector, *business* events represent a major element of the events portfolio of many destinations. Some of these may be qualified as business-to-business events, when they involve company employees meeting with employees of other companies in order to conduct business of some kind, as in the case of, for example, trade shows and exhibitions; others may be designated as corporate events, when all of the participants are employed by a single company, for instance incentive trips, management conferences or off-site staff training sessions; and other types of business events – often the largest events and therefore those of most interest to destinations – comprise the meetings of professional or trade associations, local, regional, national or international, for their annual conferences.

When considered as a form of tourism activity, business events such as these have been called the 'blue chip' (McCabe et al., 2000) segment of the tourist market, due to the economic benefits they bring to the destinations in which they are held. Many authors (Davidson and Cope, 2003; Davidson and Rogers, 2006; Dwyer and Forsyth, 1997; Dwyer et al., 2000) have highlighted the tangible and intangible benefits that business events bring to the destinations in which they are held, emphasising in particular the valuable economic contributions that corporate and association conventions bring to the destinations in which they are held.

Destination Marketing Organisations

These economic benefits explain, in part, why growing numbers of destinations worldwide are investing in promoting themselves to win those business events that may be described as 'discretionary', in other words, those that are mobile and therefore capable of being held in a different destination each time they take place. Crouch and Weber, in Weber and Chon (2002, p. 57), state that: 'The attractiveness of convention tourism has spurred destinations to proactively pursue the meetings and conventions market. Modern, sophisticated marketing techniques are now being used by destinations to serve this segment'.

Destination marketing organisations (DMOs) play a key role in securing large conferences and exhibitions for the countries and cities they represent. Destination marketing for the purpose of attracting business events occurs at various geographic levels, from the local to the national (Rogers, 1998); and the structures created for this purpose may be operated under the title of Convention and Visitor Bureau (CVB) or of other organisations, such as National Tourism Offices or city Tourist Boards. They may be funded publicly or privately, or using a combination of both types of funding.

Authors have emphasised the essential role of DMOs in attracting business events (Davidson and Cope, 2003; Davidson and Rogers, 2006; McCabe et al., 2000) and the wide range of tasks they undertake in this respect. Gartrell (1994, p. 16) identified the CVB as 'the single most important marketing organisation for a community, projecting an image for that destination into the various target markets', and describes their primary purpose as 'to solicit and service conventions and other related group business and to engage in visitor promotions which generate overnight stays for a destination, thereby enhancing and developing the economic fabric of the community' (Gartrell, 1994, p. 21).

From creating an attractive brand for the destination, to lobbying and leading the bidding process, DMOs play a crucial part in the decision-making process that lies behind the choice of destination for business events. Yet very few academic studies have focused on these structures (Weber, 2001), and even less is known about the human resources element of DMOs.

In particular, there has been very little systematic and comprehensive research into the education and training backgrounds of the professional-level staff of DMOs or the career paths that they have taken, leading them to such employment. This is a significant gap in our knowledge of this element of destination marketing, since it may convincingly be argued that the skills, knowledge and creativity of those charged with the promotion of their destinations for business events are a critical success factor for countries and cities that are competing in this market.

Education and Career Paths in the Business Events Industry

While research into the specific area of the career paths and education and training backgrounds of DMO professionals is practically non-existent, some light may be shed upon this topic from the studies of human resources issues in the business events industry in general. Yet even these are extremely rare. Yoo and Weber (2005), in their analysis of the content of 115 articles with a convention-related theme and published in 14 leading hospitality and tourism journals from 1983 to 2003, found that only 5 out of 115 of those articles had focused on human resources issues in the field of business events. Over half of the articles focused on the area of marketing in this sector.

Nevertheless, authors investigating human resources issues in the business events industry in general (Schreiber and Beckmann, 1999; McCabe, 2006; MacLaurin in Weber and Chon, 2002) have identified a number of common themes. Prominent among these is the fact that management positions in the business events industry are frequently taken up by people from other related industries with individuals moving between industry sectors in order to achieve their overall career objectives. McCabe's (2006) research presents evidence of the strategies used by individuals in their career planning and development in the business events industry as a whole: professional conference organisers, those employed in purpose-built convention and exhibition centres, venues and hotels, and those working for CVBs. CVB staff represented 10% of her sample.

There was ... evidence of extensive intra-sectorial, inter-sectorial and inter-industry mobility. For example, intra-sectorial mobility where individuals currently employed in professional conference organizations indicated that they had previously worked in the 'venue' sector, 'other' MICE suppliers and 'purpose-built convention and exhibition centres,' whilst those in 'government' and 'convention and visitor bureaus' may have previously been employed in 'venues', 'other MICE organisations' and 'professional conference organisations'... There was also evidence of inter-industry mobility with over one third of all respondents indicating that they had been employed in 'other' areas outside the convention and exhibition industry at some time in their careers. What was apparent was that an individual may have entered the convention and exhibition industry after a number of jobs in an unrelated industry or as a young or new employee' (McCabe, 2006, p. 63).

A further theme of the research into this topic is the absence of specific education and training opportunities to prepare individuals for employment in the business events sector. MacLaurin in

Weber and Chon, 2002, p. 79 argues that although 'the (global business events) industry has grown rapidly in recent decades, supported by tremendous infrastructure and technology advancements, ... the improvements in education and professional development programs were, if evident at all, only sporadic and ad hoc'. The same author, as well as Rogers (1998) and McCabe et al. (2000) provide examples of the limited provision of university courses that have business events as their focus of study. In the absence of widespread provision of such courses, entrants to the business events industry are often recruited for their generic skills (Schreiber and Beckmann, 1999) which means that they have to learn about the industry 'on the job'.

Linked to the lack of educational provision for the business events sector is another issue commonly acknowledged to be a characteristic of human resources in this industry, the absence of a recognised career path for professional staff. Rogers (1998) maintains that clear career structures should be introduced, to ensure that experience and expertise are retained within the industry. He thus suggests a direct connection between the absence of a recognised career path and the high level of staff mobility rates and turnover in this industry, an issue also identified by McCabe (2006). This appears to be compounded by a further characteristic of employment in this sector, relatively at low remuneration rates. Martin Kinna, former Dean of Meetings Professionals International's Certificate in Meetings Management programme (CMM), is quoted by MacLaurin in Weber and Chon (2002) as noting that in addition to clear career progression opportunities, an attractive reward system must also be in place to prevent employees from leaving.

A final area of agreement between commentators on this topic is the perceived lack of public awareness of career opportunities in the business events industry (Rogers, 1998, MacLaurin in Weber and Chon, 2002). Unlike that sector of the industry comprising 'public' events such as those in the realm of sports and culture, business events are generally the reserve of those in employment – and mainly employment at the managerial/professional level. Consequently, young people's direct experience of business events as consumers is severely limited. This lack of public awareness may be aggravated by a lack of knowledge of the business events sector as a career option on the part of those who are responsible for guiding young people towards vocational training, a choice of university subject or job opportunities – high school and university careers counsellors. An exploratory research project by Beaulieu and Love (2004), examining the characteristics of the *meetings planning* sector of the business events industry, overwhelmingly concluded that high school careers counsellors in the United States were not making students aware of opportunities in that sector. It is highly likely that the same situation pertains in the case of the business events industry more widely, including the field of destination marketing.

Methodology

The primary objective of the research project was to investigate the education and career backgrounds of professional staff employed by DMOs responsible for attracting business events to their destinations, while a secondary objective was to determine to what extent these people were satisfied by the jobs they currently hold.

In order to identify suitable subjects for this research, data collection was undertaken through a survey of members of ICCA (the International Congress and Convention Association), a global association of business events professionals established in 1963. ICCA operates through a series of eight discrete categories representing different sectors supplying services to the business events industry. The full list of ICCA Membership Categories appears in Table 16.1.

Table 16.1: ICCA Membership Categories.

Congress travel and destination management companies	A
Airlines	B
Professional congress, convention and/or exhibition organisers	C
Tourist and convention bureaux	D
Meeting information and technical specialists	E
Meetings hotels	F
Convention and exhibition centres	G
Honorary members	H

By definition, any member of ICCA, in whichever category, is involved in the business events sector in some capacity. As Category D members are employed in organisations that are active in promoting their destinations as places where conventions, incentive trips and trade exhibitions may be held, they formed a ready-made, self-selected target group for this research project's survey.

Quest, the web-based survey tool regularly used by ICCA to conduct surveys of its membership, was used to host the online questionnaire for this study. One advantage of this method was the fact that ICCA members were already familiar with using Quest, a tool they closely associated with ICCA itself. Along with the message e-mailed to Category D members by the researchers, explaining the aims of the study, ICCA also sent a message endorsing this research project and encouraging members to participate. The survey was posted from 30 August until 15 September 2006.

In terms of data collection, therefore, the survey used non-probability, convenience, heterogeneous sampling. It may be considered a heterogeneous sample due to the fact that the views and attitudes of all of those destination marketing managers who took part in the survey were included.

Regarding the design of the survey, it included 32 questions, with response options ranging from multiple-choice and fill in the blank to a 1–4 Likert scale. The questions were developed using the literature review and were grouped by different areas: the respondent's employing organisation; their education and career background and their attitudes towards their future career progression in the destination marketing profession.

Results and Discussion

In all 113 usable responses were received, a response rate of 18.5%; 21 of the respondents were employed by DMOs representing entire countries – national DMOs, 21 were employed by DMOs representing regions within countries and 71 worked for DMOs representing individual cities. There were 69 female respondents and 44 male respondents, reflecting the balance of the gender bias prevailing in the business events sector overall.

In order to identify the geographical spread of the DMOs employing the respondents, the latter were asked to indicate the country in which they were operating. In all, 30 countries were represented, although in the vast majority of cases, there were only one or two respondents from each of those countries. The United Kingdom, with its abundance of DMOs at the individual city level, was the country which returned the greatest number of questionnaires. The United States, the country with the most comprehensive network of state-level and city-level DMOs may have been expected

to have returned more than one questionnaire. However, an explanation for the low rate of return is almost certainly the fact that ICCA membership in the United States is comparatively low, due to the fact that another professional association, Destination Marketing Association International (formerly the International Association of Convention and Visitor Bureaus) is based in the United States and has an extensive North American membership base. Nevertheless, the wide range of countries represented is a strong indication of the extent to which different destinations around the world are now actively engaged in this market and competing to win discretionary business events Table 16.2.

The responses given in answer to the question, 'How long has your DMO existed?', indicated that the sample included representatives from DMOs that were established less than five years preceding the date of the survey as well as representatives from DMOs created more than 15 years before the survey. The figures confirm that new DMOs which focus on the marketing of their destinations for business events are still being established. Whereas in the middle of the last century, the vast majority of international conventions were held in the cities of Europe and North America, the trend since then has been for increasing numbers of countries and cities in other world regions to enter the market as destinations for business events (Davidson and Rogers, 2006; Spiller in Weber and Chon, 2002). The figures shown in Table 16.3 indicate that a high proportion of the respondents were operating in DMOs created within five years preceding the survey date.

In response to the question, 'What is your highest educational qualification?', 45 respondents indicated that they had a university bachelor degree; 38 had gained a university masters degree; for 20 respondents, a school certificate was their highest educational qualification; while only 1 had a

Table 16.2: Location of DMOs.

Australia 5	Finland 5	Malaysia 1	South Africa 2
Austria 7	France 5	Mexico 3	South Korea 2
Bahrain 1	Germany 5	Netherlands 6	Spain 8
Belgium 5	Greece 1	New Zealand 1	Sri Lanka 1
Brazil 2	Hungary 2	Norway 2	Sweden 2
Canada 2	Ireland 1	Poland 5	Switzerland 7
Croatia 1	Israel 1	Portugal 2	Thailand 1
Denmark 1	Italy 4	Singapore 1	Turkey 1
Ethiopia 1	Japan 3	Slovenia 1	United Arab Emirates 1
			United Kingdom 13
			United States 1

Table 16.3: Age of the DMO.

When was the DMO established?	Number of responses
0-5 years ago	35
6-10 years ago	22
11-15 years ago	18
Over 15 years ago	38

doctorate degree. Those without graduate or postgraduate degree tended to be drawn from the older age-groups of the sample. Of the 20 respondents in this category, 15 were aged over 40 at the time of the survey. In addition, respondents with school certificates as their highest educational qualification tended to be those that had the longest periods of service in their DMOs, suggesting that professional employment in DMOs is now overwhelmingly considered to be a graduate-level and postgraduate-level occupation.

For those respondents who went to university, the subjects most commonly studied by them are shown in Table 16.4.

The prominence of economics/business-related subjects is evident, and these reflect to a great extent the generic skills that are useful for effective performance in DMO employment. The same economics/business-related subjects are often included in courses in Tourism and Hotel Management, the two industry sectors most studied by this sample. However, only two respondents had majored in a subject specifically linked to the business events industry (entitled 'Business Tourism' in both cases). This is unsurprising, given the relatively slow pace at which the provision of specific undergraduate and postgraduate courses in business events related subjects has grown, worldwide.

In response to a question about their experience of specific education and training in destination marketing, 50 respondents, just under half of the total, reported that they had received this in some form; 16 had studied this subject as one element in their university courses and 26 had taken an in-service training course in destination marketing after joining their DMO (two had taken both types of course). The most widespread example of such in-service training was the annual ICCA course for DMOs' and venues' sales and marketing staff (13 responses). Training courses offered by other business events industry associations were also mentioned: provision by the European Federation of Conference Towns (7); Meeting Professionals International (3); and the International Association of Professional Conference Organisers (3). MacLaurin in Weber and Chon (2002) confirms the key role played by the business events industry associations in providing education programmes for this sector and outlines the range of in-service provision offered by the largest and most powerful associations. Given the rapid pace of change in this industry and the constant emergence of unforeseen challenges and new opportunities, it is likely that even if university provision of business events related courses increases, the industry associations will continue to play a vital role in offering education programmes to update their members' knowledge and skills, and to make them aware of key trends and issues affecting this sector.

Table 16.4: Subjects studied at university.

Subject	Responses
Economics	18
Tourism	16
Hotel management	13
Business studies	13
Languages	12
Marketing	11
Communication	8
Political sciences	6

Table 16.5: Previous employment (non-DMO).

Sector	Responses
Marketing	49
Hotels (not marketing)	36
Travel trade	26
Teaching	15
National government	13
Local government	10
Conference planning/DMC	07
Venue management	03

Focusing on the respondents' experience of work prior to joining the DMO, 54 out of the 113 (48%) respondents had no previous experience of employment in such an organisation; and the remaining 52% had previously worked for a CVB or a tourist board in some capacity. Of the other types of work previously experienced by the respondents, marketing, with 49 responses, was the most commonly mentioned occupation. When asked the question, 'Marketing *what?*' of the most frequently mentioned categories, hotels came first with 11 responses, followed by conference venues (7); transport (predominantly airlines) (5); food and beverages (5) and other consumer products (4).

Other types of employment that had preceded the respondents' work in destination marketing were: architecture, interior design, banking, librarianship and the mining industry.

It is perhaps unsurprising that marketing emerges as the occupational activity most commonly engaged in by respondents, prior to their DMO employment. But it is worthy of note that the vast majority of respondents with marketing work experience had been marketing services and facilities closely linked to the business events sector. There was very little evidence of individuals moving from the marketing of manufactured goods, for example, into a career in destination marketing.

The close association between employment in DMOs and work experience in the hospitality and travel industry is evident from the figures in Table 16.5, supporting McCabe's (2006) contention that career development in the business events sector is characterised by a high occurrence of inter-industry movement; while the incidence of work experience in conference venues and, to a lesser extent, conference planning and destination management companies illustrates that individuals are also progressing their careers by moving intra-sectorally.

In order to gauge respondents' level of commitment to their continuing employment in DMOs, they were asked: 'How probably is it that you would change career and move to a completely different profession?'

Responses to this question were balanced only slightly in favour of a commitment to continuing in the field of destination marketing, as shown in Table 16.6.

Finally, those choosing to answer the open question, 'What would be the most likely reason for you moving to a completely different profession?' gave two main reasons for their dissatisfaction with their present employment, as shown in Table 16.7.

It should not be surprising that the outstanding reason for dissatisfaction with DMO employment is the lack of opportunity for promotion. The vast majority of DMOs focusing their activities on the business events market are relatively small in size, and characterised by very flat hierarchies,

Table 16.6: Likelihood of changing profession.

Probability of leaving the profession	Responses
Very probable	8
Probable	40
Improbable	56
Never	8
No response	1

Table 16.7: Reasons for discontentment.

Reason	Responses
Lack of opportunity for promotion	24
Salary too low	18
Too much stress	8
Too much time spent away from home	2

typically consisting of two layers of management – on the one hand, a Director who sets strategic goals and oversees the operations of the DMO; and on the other hand, his/her managers who undertake the professional tasks of the organisation, aided by a number of support/administrative staff members. Given the typical structure of a DMO, it is clear that opportunities for promotion within the organisation are generally limited to moving one step higher when, and if, the Director vacates his/her position. The frustration felt by ambitious DMO managers seeking to progress in their careers is undoubtedly a factor contributing to the high degree of intra- and inter-sectoral movement highlighted by McCabe (2006) in the case of the wider business events industry in general.

The relatively low wages and salaries paid in the business events industry have been discussed by authors such as MacLaurin in Weber and Chon (2002), who partly explains this phenomenon through the close association of this industry with the tourism and hospitality sectors, which are often characterised by comparatively modest levels of remuneration. The increasing number of women working in business events related work (McCabe et al., 2000) may also partly explain why average salaries in this industry appear to be a source of dissatisfaction for so many, as even in countries with equal pay legislation, there often exists a sizeable gap between men's average salaries and those of women.

Given the investment in staff training and the valuable work experience that managers accumulate in their time spent in employment in a DMO, the dissatisfaction with salary levels must remain a cause for concern, if it is adding to the rate of staff turnover in DMOs.

Conclusions

The findings of this exploratory research project have several implications for the ways in which people who market destinations for business events are prepared, by the education system, for such

employment and for how they progress through their careers in destination marketing. The results of the project indicate that, in common with other types of business events related occupations such as conference planning, there is no such thing as a standard route into employment in destination marketing of this type. Rather, in common with many types of work in the events industry overall, jobs in business events are largely unregulated, with low barriers to entry.

Those professionals who have the responsibility for attracting business events to their destinations appear to take up such employment either directly from higher education or after following a wide variety of educational and occupational routes. Although much of the prior work experience of DMO professionals was found to be in sectors or occupations with some bearing on the role of destination marketing, such as hotels and venue marketing, other types of previous work experience, such as teaching and government work, indicated a more circuitous route into DMO employment.

The results strongly suggest that the vast majority of people who took part in the survey entered the destination marketing profession by chance, whether directly from education or after years in other types of employment.

Further research on these issues should focus on the role of the education system in preparing young people for employment in marketing destinations for business events. In conclusion to their research into the meetings planning profession, Beaulieu and Love (2004, p. 120) stated that 'The industry needs to grow from being an occupation that people just "fell into" or "learned on the job" to one that has formalised training'. Is there also an argument for specific educational provision focusing on the marketing of destinations for the types of business events that a growing number of countries and cities are eager to win? Is the task of marketing those countries and cities as destinations for business events sufficiently distinct to promoting them as destinations for leisure tourism and sports and cultural events to warrant specialised educational provision for this sector? And if so, to what extent should the curriculum combine sector-specific content with generic business and communications skills, in order to effectively prepare students for a career in marketing destinations for business events?

Future research should also investigate the level of general awareness of business events and the occupation of promoting destinations for the hosting of these. The somewhat circuitous routes taken by many professionals into DMO work suggest that awareness of this occupation in the population in general is relatively low, with very few people making a deliberate and informed choice to enter this field of work directly after higher education. Given the economic importance of business events for a growing number of destinations, a convincing argument may be made in favour of conducting a survey among those counsellors who are responsible for guiding students in their career choices in schools and universities, to determine the extent to which they understand this sector and the skills, attitudes and knowledge that people require to function effectively within it. In the event that careers counsellors' awareness of destination marketing is found to be lacking, a strategy for disseminating to them occupational information on this sector could be devised.

A considerable degree of dissatisfaction, among DMO professional staff, with their opportunities for career progression in this sector was also identified as an issue of concern in this research project. The standard DMO structure is that of a very flat pyramid – a small team of professional staff led by one director. As such structures offer little scope for promotion, DMOs must recognise that in order to retain talented and ambitious individuals, they need to provide ample opportunities for the nurturing and development of their staff to prevent them from moving to another organisation in order to continue to widen their experience. This is particularly the case since professional staff employed by DMOs are very often highly mobile in terms of their employment prospects within the wider business events industry exactly because they have experience of DMO work. Rosvi Gaetos,

former Secretary General of the Asian Association of CVBs acknowledges this in his statement that 'NTOs and CVBs are the best places to train new entrants into the industry, with both entities providing a broad insight into the industry' (MacLaurin in Weber and Chon, 2002).

The findings of this exploratory project confirm other researchers' conclusions that there is a high degree of intra-sectorial and inter-sectorial mobility within the business events industry. But how many people are simply lost to the business events industry after a few years because they leave to join other industries unrelated to this field? A future study could further explore the question of staff turnover by investigating the career destinations of staff when they leave employment in a DMO to work in another sector or when they leave the business events industry altogether.

Clearly, attracting and retaining people of talent with initiative and creative skills are crucial to the future of the business events industry as a whole and to the effective marketing of destinations in particular. Given the considerable economic benefits of hosting business events and the growing competition for these, a case may convincingly be made for strategic intervention in this issue, along similar lines to that of Australia's national strategy for its business events industry. That strategy highlights several key priorities in human resource development, including: 'Career paths and opportunities designed to develop the expertise of personnel and encourage their retention in the industry', and 'Industry-specific education so that the industry is able to meet the demand for qualified and trained professionals' (Commonwealth Department of Tourism, 1995).

As competition for business events intensifies, and destinations increasingly recognise that having the right human resources is just as important for success in this sector as being equipped with the right infrastructural resources, it may be expected that other countries follow Australia's example in this regard.

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International Perspectives of Festivals and Events addresses contemporary issues concerning the potential of festivals and events to produce economic, social, cultural and community benefits and disbenefits. Incorporating a range of international perspectives, the book provides the reader with a global look at current trends and topics, which have until now been underrepresented by current literature.

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Stage image: istockphoto.com/Tracy Whiteside
Wine festival image: courtesy of Graham Brown

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Business Tourism: Providing a Social Legacy

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Summary

This article examines initiatives that meetings and incentive travel planners can include in their programmes to leave a lasting legacy of community improvements in destinations which host business tourism events. It considers the advantages of adding a social legacy dimension to a meeting or incentive trip, as well as the challenges and pitfalls. Finally, a case study of a recent UK conference describes in detail how corporate social responsibility (CSR) initiatives were included and highlights examples of best practice.

Introduction

Many people within the new generation of participants in business tourism events (essentially, meetings and incentive trips) are uncomfortable with the type of conspicuous consumption that often characterises such events. This is particularly the case when lavishly-funded meetings and incentive trips take place against a background of disadvantaged communities or in developing countries.

Consequently, one of the main differences between 20th-century and 21st-century business tourism events is the current widespread desire – particularly among younger, Generation Y, participants (usually defined as those born between 1977 and 1995) – to somehow make a difference and give something back to the communities where their corporate meetings and incentive trips take place. This is becoming known as the social legacy of business tourism, and it is one of the key trends driving the design of such events today.

Social legacy relates to the People aspect of the triple bottom line of CSR (People, Planet and Profit) and, as such, goes far beyond the simple greening of business tourism events. While the planet-centred greening of events involves practices such as recycling materials, hosting paperless meetings, choosing meetings destinations served by public transport and building green clauses into contracts with suppliers, social legacy also takes into account how a meeting or incentive trip impacts upon the people and economy of the local community.

Social legacy elements encompass community initiatives and the raising of social awareness among meetings and incentive travel participants. This aspect of business tourism events is closely linked to the growing interest, especially among members of Generation Y, in volunteerism (or 'volun-tourism') as a form of community service that promotes goodwill and provides personal fulfillment. For many attendees, social legacy has also become an essential part of the experiential dimension of a meeting or incentive trip.

Social legacy initiatives for business tourism

Donations to charities

In his book, *Conferences and Conventions: A Global Industry*, Tony Rogers notes that:

'A successful business event can be marked with a 'legacy' initiative, for example with a corporate donation to a sustainable project, or by fundraising among delegates, possibly with top-ups by the venue, agency and other suppliers.'

This is one of the most common ways in which business tourism events can leave a legacy in destinations where they take place. Participants may be invited to donate to a local charity or another worthy cause at the time of registering for the event or, more commonly, at the conference or incentive trip gala dinner, possibly after viewing a video presentation describing how their contributions will be used.

From the point of view of the event organiser, the appeal in this approach to leaving a social legacy lies in its relative simplicity and its minimal impact on the time taken out of the principal focus of the business event.

Construction/renovation projects

For longer events, where there is less pressure on participants' time, a more hands-on approach to leaving a social legacy

can be used: participants take a day or half-day out of the event's proceedings to work directly on a project. This can range from landscaping the garden of a local retirement home to constructing a library in a nearby village school.

Instruction/renovation projects may even be included in the event's actual programme, as seen in the example of Swedish communications and events company, Inspiration. They arranged for participants at one of their events to assemble new park benches for the Stockholm City Mission, over pre-dinner drink and canapés.

Outreach activities

Many participants in business tourism events are more motivated by outreach activities, which give them the opportunity to meet and interact directly with local people. This approach works particularly well when part of the objective is to raise participants' awareness of social issues impinging on the local community.

An example of this was seen in the 2008 'Greening the Hospitality Industry' Conference, held in Vancouver, where the organisers made a commitment to do something that would directly benefit the community. In addition to selecting a carbon offset programme, they partnered with the Vancouver Food Bank and participated in their volunteer programme. Attendee volunteers toured the food bank and learned about the various local groups who benefit from its work. They then sorted and separated food and household items, weighed and measured items, and arranged goods into boxes for disbursement. In one hour, 31 attendee volunteers from around the globe assisted 1,600 people with meals in the Vancouver Metro area.

If attendees include a number of VIPs, another valuable outreach activity can be included where they take time out to share their knowledge and skills with people in the local community.

Martin Sirk, CEO of ICCA, the International Congress and Convention Association, has suggested that delegates attending international association conferences can offer a direct benefit to local communities, for example when:

- visiting world-leading surgeons conduct master classes in local hospitals
- delegates who are high-profile business leaders visit local schools to talk to young people about, for instance, the skills needed for success in today's globalised workplace
- eminent specialists in their field give free public lectures to complement their conference presentations.

Advantages of adding a social legacy dimension

It is generally accepted that, when used effectively, this form of community investment can create a profound impact on the lives of people living and working in business tourism destinations. And this is clearly something that applies to **all** destinations where a section of the population suffers from some form of social or economic disadvantage, not only developing countries.

Conversely, including social legacy activities in meetings and incentive trips can also considerably enhance the image of individual companies and the business tourism industry as a whole, by demonstrating their social awareness and desire to make a difference. This is particularly important at a time like the present, when the economic climate means that media and company shareholders are alert to corporate events that appear to be too lavishly funded.

However, it is not only corporations that stand to benefit from association with social legacy activities. Martin Sirk of ICCA believes that by articulating and promoting the social benefits of events, international associations can also:

- improve the way they are perceived
 - › win greater support from the destinations which host their congresses
- increase their negotiating position vis-à-vis suppliers, and
- energise their various stakeholders.

He has stated that the political debate is shifting from direct economic impact alone to the CSR impact of international meetings, and this is where international associations can make some powerful arguments:

'Politicians like to hear about how international events can create a social 'legacy' in their communities.'

Including social legacy activities can also be a highly effective way of creating a meaningful bond between delegates, boosting the quality and quantity of team spirit generated. Jonas Bodin, CEO of the Swedish company Inspiration has noted that:

'It [including social legacy activities] bolsters the group in a deeper sense than if it were done through games. An activity becomes a social process and the group gels ...'

Challenges and pitfalls

Encouraged by a growing body of evidence that CSR has a positive impact on businesses' economic performance, more and more companies are engaged in integrating CSR into all aspects of their business, including their corporate events.

But CSR is not without controversy. While it is often presented as an enlightened approach by corporations eager to demonstrate their corporate philanthropy, it is sometimes criticised as a public relations cover for 'business-as-usual' or,

worse, a collection of initiatives that are designed to distract consumer and watchdog attention away from business practices that are actually detrimental to communities.

'CSR washing'

'Greenwashing' is a term used to criticise a manufacturer or service provider that makes a claim about the environmental benefits of its product/service without foundation. Companies that incorporate social legacy activities into their business events need to avoid having similar accusations levied against them.

A recent article on this topic written by Michael Pinchera for Meetings Professionals International, highlights this risk and offers the following precautionary advice:

- 'To avoid 'CSR washing,' [organisations should] tie [efforts] into their own organisational goals, mission and vision. This shows that the organisation is serious.
- CSR efforts should also be long-term. Community activities or investments that don't have any staying power are obviously headline-driven.
- The biggest warning sign is a company that aggressively boasts its activities. Most corporations that are truly committed to CSR practices understand that CSR is an evolution and all companies are far from CSR-perfect. So, you don't often see these companies bragging about what they do, they tend to share stories and their best practices but also focus a lot on what they can do better.'

Social legacy activities are most effective and convincing when they take place within the wider context of the company's existing CSR policy. This lends coherence and continuity to such activities, focusing, where they exist, on the company's established contacts and the causes that it already supports.

Sensitivity to local communities

Sensitivity to local communities' plight is another factor to be respected when planning social legacy activities. While the desire to engage in outreach activities and make actual contact with local people is commendable, it is vital to avoid any impression that the event participants are 'slumming' in any way, or motivated by voyeuristic curiosity. As Jonas Bodin of Inspiration notes: 'It's important not to go and see people in misery because it leaves a bad taste in the mouth. Rather like shanty-town tourism in South Africa, and that's not pleasant'.

Choice of social legacy recipients

Finally, where the company has no established contacts with charities or other worthy causes, the choice of the recipient or recipients of its social legacy activities must be handled carefully. Meetings and incentive planners may have very limited knowledge of the local situation, and they therefore need to work in close partnership with destination stakeholders who can identify the most deserving causes and recognise what can be achieved in the limited time available.

Many charities, for example, complain that one-off actions of the type favoured by some corporate groups are actually time-consuming and disruptive to their own activities, creating more problems than they solve.

In their role as 'honest brokers' at the destination, Convention Bureaux (CVBs) can play a valuable part in bringing together meetings and incentive planners with local agencies representing charitable causes. As interest in offering social legacy activities as an add-on element of business events grows, a growing number of CVBs are taking on the role of key intermediary, bringing together interested parties.

Melbourne Convention and Visitors Bureau

An outstanding example of this is seen in the activities of the [Melbourne Convention and Visitors Bureau \(MCVB\)](#). In 2009 MCVB won an award from Australia's leading industry body, Meetings and Events Australia (MEA) for its record number of green initiatives and its contribution to instituting lasting legacies from business events held in Melbourne and Victoria. This included significant fundraising initiatives for local charities.

The MCVB offers the following CSR tools and advice for those planning a business event in Melbourne and Victoria.

1. **Leaving a lasting legacy.** They work with organisations to make a lasting contribution to the community through education and information sharing, particularly through public forums, allowing visiting experts to engage with local community groups. MCVB has also initiated a corporate donation system, whereby meeting planners or event VIPs and guest speakers can choose a charity or environmental protection agency from MCVB's list to receive donations made on behalf of the organisation or association.
2. **Support with major fundraising initiatives.** They offer assistance with creative fundraising initiatives, benefiting both delegates and local charities. Recently MCVB worked with a major multinational corporation to raise over \$57,000 for Melbourne children's charity, Berry Street, by hosting a Health Run for delegates during the corporation's Melbourne-held incentive programme.

Case study: Summer Eventia 2009

The fourth annual conference of Eventia – the official trade body of the events and live marketing industry in the UK – was held in the Holiday Inn Brighton-Seafront on 6 and 7 July 2009. The Summer Eventia was attended by 220 events and live marketing professionals, predominantly UK-based.

As an association with a reputation for providing leadership to the industry it represents, Eventia takes its corporate responsibilities extremely seriously. It is conscious of its role in showcasing the type of CSR initiatives that conference participants could incorporate in to their own events. For Eventia, the definition of CSR most definitely includes community-based activities. And one of its key priorities is to ensure that the association's annual conference strictly observes issues of sustainability.

This case study analyses the four initiatives selected by the organisers of the 2009 Summer Eventia – none of which had a cost-implication, other than some initial organisational time.

CSR initiative 1: Car sharing and public transport use

Eventia's first CSR initiative for this conference was instigated long before the event began. It is Eventia's policy to encourage the use of public transport and car sharing by attendees and by the conference team, so attendees were informed of this and encouraged to log their chosen transportation mode through the registration process for the Summer Eventia 2009. This data was in turn sent to the Carbon Trust for analysis, in order to track the transportation carbon footprint element of the event.

CSR initiative 2: St Bartholomew's Church of England Primary School

Before describing this community-based initiative it is important to recognise Eventia's principal motivations in offering this activity – it was not to encourage team-building, but rather to give delegates a break from conference proceedings and the opportunity to network in an original manner in a part of Brighton that most of them would not have otherwise visited. There were also important time constraints, as no more than two and a half hours out of the two-day event was available for this activity.

The idea for this community initiative was one of several suggested by an organisation called the Brighton and Hove Business Community Partnership (BCP), a local partner of VisitBrighton. The BCP is a not-for-profit organisation that brings together commercial, community and voluntary sector organisations to support community development and encourage social entrepreneurship. In that role, the BCP identified a number of projects for Eventia to consider, and this was the idea that appealed most to the Eventia conference team.

St Bartholomew's Church of England Primary School is commonly considered to be one of the most disadvantaged schools in Brighton, with pupils from 24 different nationalities being taught there. The dreary, grey school playground, looking more like a concrete car park than a children's recreational area, was identified by the BCP as being in particular need of enhancement.

The plan to improve the appearance of the school playground by painting the walls white was agreed through consultation between Eventia and the BCP, who supplied the actual paint and protective overalls for the participants to wear. The wall-painting activity was to be included as one of the activities in an organised outing for the participants that would also feature a treasure hunt around Brighton and dinner on Brighton Pier.

The activities were scheduled for the period from 17.30 to 20.00, at the end of the first day of the conference. As it would be extremely difficult for all participants to paint the school playground at the same time, they were divided into four groups, each with a different slot during the two-and-a-half-hour period. By 20.00 the four grey walls of the St Bartholomew's School playground had been freshly transformed into sparkling white, one of them featuring the Summer Eventia conference logo.

CSR initiative 3: Donations to charity shops

The wall-painting activity was not the only community-legacy activity to feature in the 2009 Eventia Summer Conference. At the association's 2008 conference, participants had been invited to make cash donations to a local charity. But the organisers of the 2009 event realised that, in recessionary times, requesting contributions of participants' cash was not as likely to succeed as well as the previous year.

Consequently, a few days before the conference was due to take place, participants were advised that there would be a number of containers located close to the registration area where they could deposit any unwanted items that would be useful to the local hospice or for Brighton charity shops to sell. By the time registration was completed the success of this initiative was clear – the containers were full of saleable items brought by participants, ranging from unwanted clothes to children's toys.

CSR initiative 4: Pledging money or time

The final social-legacy initiative taken at the Eventia conference was to invite participants to pledge, in writing, either a sum of money or (again, reflecting the current economic climate) an amount of their time, to be used in support of 'Meetings Industry – Meeting Needs', a registered charity founded by leading figures in the UK meetings and events industry to raise funds for worthy causes in the UK and overseas.

The pledges were clearly written for all to see on the 'Pledge Wall', the white backdrop to the stage in the main conference room. By the end of the two-day event, £1300 in cash and 550 hours of participants' time had been pledged. Meetings Industry – Meeting Needs have taken responsibility for the allocating money and participants' hours of voluntary work to suitable projects in need of financial support or expertise.

Conclusion

The Eventia case study illustrates a number of examples of best practice in adding social legacy activities to an event.

- There were clear objectives for each initiative.
- Each initiative was carefully planned well in advance.
- The initiatives were coherent and consistent with Eventia's ongoing approach to CSR.
- The organisers of the Eventia conference made use of the local contacts provided by VisitBrighton, the local destination marketing organization.
- The chosen initiatives dovetailed with the core activities of the conference and were carefully designed to suit the limited timeframes available for CSR actions.

It is clear that, despite the global economic downturn, interest in the CSR aspect of business events is still growing fast – and increasingly focusing not only on green issues but on the social legacy that such events can leave behind. Indeed, it may even be argued that by adding a social legacy dimension to business events, organisers are provided with a valuable opportunity to avoid the accusation that meetings and incentives programmes are a wasteful and extravagant use of company resources, solely of benefit to a privileged and cosseted few.

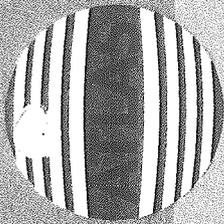
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About the author

Rob Davidson is a Senior Lecturer in Business Travel and Tourism at the University of Westminster in central London. His latest book, 'Marketing Destinations and Venues for Conferences, Conventions and Business Events' was co-written with Tony Rogers in 2006. In February 2005, he was nominated Meetings and Incentive Personality of the Year at the Meetings and Incentive Travel Awards ceremony in London. In 2006, 2007 and 2008, he was included in Conference & Incentive Travel magazine's 'Power 50' – the 50 most influential people in the UK conference industry. In 2009, he was awarded a medal by the Polish government for outstanding services to business tourism in Poland.

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Human resources in the business events industry

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Introduction

The extent to which any city or country may be successfully branded, positioned and promoted as an events destination depends largely on the availability of a wide range of resources within the destination itself. These may include infrastructural, natural and cultural resources. However, increasingly, attention is focusing on human resources as a critical success factor in the events industry in general and the business events sector in particular. The dedication, expertise and creativity of all events professionals operating in any destination are clearly of great importance in determining that destination's level of success in this industry. But while this has been widely acknowledged in the case of the men and women who conceive, plan and deliver the actual events (with job titles such as events managers, events planners and events coordinators), far less attention has been paid to the human resources element represented by those professionals who are responsible for marketing their destinations as attractive places in which to hold events. As competition to 'win' events of all types intensifies worldwide, it is becoming clear that the degree of success of any city or country in attracting such events depends partly on recruiting and retaining professionals of the right caliber into these key destination-marketing positions. Destinations that are eager to succeed as places that host highly lucrative business events such as conventions and incentive trips need to attract and retain professional staff capable of using their initiative and innovative skills to secure these types of events for their particular city or country.

Nevertheless, despite the widely-acknowledged importance of the role played by marketing professionals in attracting events to their destinations, very little is known about how these vital stakeholders are educated and trained for, as well as recruited into, such positions. This chapter therefore explores the issue of the education and careers backgrounds of professional staff in destination marketing organizations, with particular emphasis on those who are responsible for attracting business events to their destinations. It examines the extent to which the educational community is contributing to preparing young people for employment in these organizations and investigates the career paths that currently lead to this particular occupation.

Literature Review

Business events

Also commonly known as the MICE (Meetings, Incentives, Conferences and Exhibitions – or Events) sector, *business events* represent a major element of the events portfolio of many destinations. Some of these may be qualified as business-to-business events, when they involve company employees meeting with employees of other companies in order to conduct business of some kind, as in the case of, for example, trade shows and exhibitions; others may be designated as corporate events, when all of the participants are employed by a single company, for instance incentive trips, management conferences or off-site staff training sessions; and other types of business events – often the largest events and therefore those of most interest to destinations – comprise the meetings of professional or trade associations, local, regional, national or international, for their annual conferences.

When considered as a form of tourism activity, business events such as these have been called the 'blue chip' (McCabe et al, 2000) segment of the tourist market, due to the economic benefits they bring to the destinations in which they are held. Many authors (Dwyer and Forsyth, 1997; Dwyer, Mellor et al, 2000; Davidson and Cope, 2003; Davidson and Rogers, 2006) have highlighted the tangible and intangible benefits that business events bring to the destinations in which they are held, emphasizing in particular the valuable economic contributions that corporate and association conventions bring to the destinations in which they are held.

Destination marketing organizations

These economic benefits explain, in part, why growing numbers of destinations worldwide are investing in promoting themselves to win those business events that may be described as 'discretionary', in other words, those that are mobile and therefore capable of being held in a different destination each time they take place. Crouch and Weber, in Weber and Chon (2002:57), state that: 'The attractiveness of convention tourism has spurred destinations to proactively pursue the meetings and conventions market. Modern, sophisticated marketing techniques are now being used by destinations to serve this segment'.

Destination marketing organizations (DMOs) play a key role in securing large conferences and exhibitions for the countries and cities they represent. Destination marketing for the purpose of attracting business events occurs at various geographic levels, from the local to the national (Rogers, 1998); and the structures created for this purpose may be operate under the title of Convention and Visitor Bureau (CVB) or of other organisations, such as National Tourism Offices or city Tourist Boards. They may be funded publicly or privately, or using a combination of both types of funding.

Authors have emphasized the essential role of DMOs in attracting business events (Davidson and Rogers 2006; Davidson and Cope, 2003; McCabe et al, 2000) and the wide range of tasks they undertake in this respect. Gartrell (1994:16) identified the CVB as 'the single most important marketing organisation for a community, projecting an image for that destination into the various target markets', and describes their primary purpose as 'to solicit and service conventions and other related group business and to

engage in visitor promotions which generate overnight stays for a destination, thereby enhancing and developing the economic fabric of the community' (Gartrell, 1994:21). From creating an attractive brand for the destination, to lobbying and leading the bidding process, DMOs play a crucial part in the decision-making process that lies behind the choice of destination for business events. Yet very few academic studies have focused on these structures (Weber, 2001), and even less is known about the human resources element of DMOs.

In particular, there has been very little systematic and comprehensive research into the education and training backgrounds of the professional-level staff of DMOs or the career paths that they have taken, leading them to such employment. This is a significant gap in our knowledge of this element of destination marketing, since it may convincingly be argued that the skills, knowledge and creativity of those charged with the promotion of their destinations for business events are a critical success factor for countries and cities that are competing in this market.

Education and career paths in the business events industry

While research into the specific area of the career paths and education and training backgrounds of DMO professionals is practically non-existent, some light may be shed upon this topic from studies of human resources issues in the business events industry in general. Yet even these are extremely rare. Yoo and Weber (2005), in their analysis of the content of 115 articles with a convention-related theme and published in 14 leading hospitality and tourism journals from 1983 to 2003, found that only 5 out of 115 of those articles had focused on human resources issues in the field of business events. Over half of the articles focused on the area of marketing in this sector.

Nevertheless, authors investigating human resources issues in the business events industry in general (Schreiber and Beckmann, 1999; MacLaurin in Weber and Chon 2002; McCabe, 2006) have identified a number of common themes. Prominent among these is the fact that management positions in the business events industry are frequently taken up by people from other, related industries, with individuals moving between industry sectors in order to achieve their overall career objectives. McCabe's (2006) research presents evidence of the strategies used by individuals in their career planning and development in the business events industry as a whole: professional conference organizers, those employed in purpose-built convention and exhibition centres, venues and hotels, and those working for CVBs. CVB staff represented 10% of her sample.

There was ... evidence of extensive intra-sectorial, inter-sectorial and inter-industry mobility. For example, intra-sectorial mobility where individuals currently employed in professional conference organizations indicated that they had previously worked in the 'venue' sector, 'other' MICE suppliers and 'purpose-built convention and exhibition centres,' whilst those in 'government' and 'convention and visitor bureaus' may have previously been employed in 'venues', 'other MICE organisations' and 'professional conference organisations'... There was also evidence of inter-industry mobility with over one third of all respondents indicating that they had been employed in 'other' areas outside the convention and exhibition industry at some time in their careers. What was apparent was that an individual may have entered the convention and exhibition

industry after a number of jobs in an unrelated industry or as a young or new employee.' (McCabe, 2006:63).

A further theme of the research into this topic is the absence of specific education and training opportunities to prepare individuals for employment in the business events sector. MacLaurin in Weber and Chon, 2002:79 argues that although 'the (global business events industry) has grown rapidly in recent decades, supported by tremendous infrastructure and technology advancements, ... the improvements in education and professional development programs were, if evident at all, only sporadic and ad hoc'. The same author, as well as Rogers (1998) and McCabe et al (2000) provide examples of the limited provision of university courses that have business events as their focus of study. In the absence of widespread provision of such courses, entrants to the business events industry are often recruited for their generic skills (Schreiber and Beckmann, 1999) which means that they have to learn about the industry 'on the job'.

Linked to the lack of educational provision for the business events sector is another issue commonly acknowledged to be a characteristic of human resources in this industry, the absence of a recognized career path for professional staff. Rogers (1998) maintains that clear career structures should be introduced, to ensure that experience and expertise are retained within the industry. He thus suggests a direct connection between the absence of a recognized career path and the high level of staff mobility rates and turnover in this industry, an issue also identified by McCabe (2006). This appears to be compounded by a further characteristic of employment in this sector, relatively low remuneration rates. Martin Kinna, former dean of Meetings Professionals International's Certificate in Meetings Management programme (CMM) is quoted by MacLaurin in Weber and Chon (2002) as noting that in addition to clear career progression opportunities, an attractive reward system must also be in place to prevent employees from leaving.

A final area of agreement between commentators on this topic is the perceived lack of public awareness of career opportunities in the business events industry (Rogers, 1998, MacLaurin in Weber and Chon, 2002). Unlike that sector of the industry comprising 'public' events such as those in the realm of sports and culture, business events are generally the reserve of those in employment - and mainly employment at the managerial/professional level. Consequently, young people's direct experience of business events as consumers is severely limited. This lack of public awareness may be aggravated by a lack of knowledge of the business events sector as a career option on the part of those who are responsible for guiding young people towards vocational training, a choice of university subject or job opportunities - high school and university careers counsellors. An exploratory research project by Beaulieu and Love (2004), examining the characteristics of the *meetings planning* sector of the business events industry, overwhelmingly concluded that high school careers counsellors in the US were not making students aware of opportunities in that sector. It is highly likely that the same situation pertains in the case of the business events industry more widely, including the field of destination marketing.

Methodology

In order to investigate the education and careers backgrounds of professional staff employed by DMOs responsible for attracting business events, data collection was undertaken via a survey of members of ICCA, the International Congress and Convention Association, a global association of business events professionals established in 1963. ICCA operates through a series of 8 discrete Categories representing different sectors supplying services to the business events industry. The full list of ICCA Membership Categories appears in Table 1.

Table 1: ICCA membership categories

Congress Travel & Destination Management Companies	A
Airlines	B
Professional Congress, Convention and/or Exhibition Organisers	C
Tourist and Convention Bureaux	D
Meeting Information & Technical Specialists	E
Meetings Hotels	F
Convention & Exhibition Centres	G
Honorary Members	H

By definition, any member of ICCA, in whichever Category, is involved in the business events sector in some capacity. As Category D members are employed in organizations that are active in promoting their destinations as places where conventions, incentive trips and trade exhibitions may be held, they formed a ready-made, self-selected target group for this research project's survey.

Quest, the web-based survey tool regularly used by ICCA to conduct surveys of its membership, was used to host the online questionnaire for this study. One advantage of this method was the fact that ICCA members were already familiar with using Quest, a tool they closely associated with ICCA itself. Along with the message e-mailed to Category D members by the researchers, explaining the aims of the study, ICCA also sent a message endorsing this research project and encouraging members to participate. The survey was posted from 30 August until 15 September 2006.

In terms of data collection, therefore, the survey used non-probability, convenience, heterogeneous sampling. It may be considered a heterogeneous sample due to the fact that the views and attitudes of all of those destination-marketing managers who took part in the survey were included.

Regarding the design of the survey, it included 32 questions, with response options ranging from multiple-choice and fill-in-the-blank to a 1 - 4 Likert scale. The questions were developed using the literature review and were grouped by different areas: the respondent's employing organisation; their education and career background; and their attitudes towards their future career progression in the destination marketing profession.

Results and discussion

In all, 113 usable responses were received, a response rate of 18.5%. 21 of the respondents were employed by DMOs representing entire countries – national DMOs; 21 were employed by DMOs representing regions within countries, and 71 worked for DMOs representing individual cities. There were 69 female respondents and 44 male respondents, reflecting the balance of the gender bias prevailing in the business events sector overall.

In order to identify the geographical spread of the DMOs employing the respondents, the latter were asked to indicate the country in which they were operating. In all, 30 countries were represented, although in the vast majority of cases, there were only 1 or 2 respondents from each of those countries. The UK, with its abundance of DMOs at the individual city level, was the country, which returned the greatest number of questionnaires. The US, the country with the most comprehensive network of state-level and city-level DMOs may have been expected to have returned more than 1 questionnaire. However, an explanation for the low rate of return, is almost certainly the fact that ICCA membership in the US is comparatively low, due to the fact that another professional association, Destination Marketing Association International (formerly the International Association of Convention and Visitor Bureaus) is based in the US and has an extensive North American membership base. Nevertheless, the wide range of countries represented is a strong indication of the extent to which different destinations around the world are now actively engaged in this market and competing to win discretionary business events.

Table 2: Location of DMOs

AUSTRALIA 5	FINLAND 5	MALAYSIA 1	S. AFRICA 2
AUSTRIA 7	FRANCE 5	MEXICO 3	S. KOREA 2
BAHRAIN 1	GERMANY 5	NETHERLANDS 6	SPAIN 8
BELGIUM 5	GREECE 1	NEW ZEALAND 1	SRI LANKA 1
BRAZIL 2	HUNGARY 2	NORWAY 2	SWEDEN 2
CANADA 2	IRELAND 1	POLAND 5	SWITZERLAND 7
CROATIA 1	ISRAEL 1	PORTUGAL 2	THAILAND 1
DENMARK 1	ITALY 4	SINGAPORE 1	TURKEY 1
ETHIOPIA 1	JAPAN 3	SLOVENIA 1	U.A.E. 1
			U.K. 13
			U.S. 1

The responses given in answer to the question, 'How long has your DMO existed?', indicated that the sample included representatives from DMOs that were established less than 5 years preceding the date of the survey as well as representatives from DMOs created more than 15 years before the survey. The figures confirm that new DMOs which focus on the marketing of their destinations for business events are still being established. Whereas in the middle of the last century, the vast majority of international conventions were held in the cities of Europe and North America, the trend since then has been for increasing numbers of countries and cities in other world regions to enter the market as destinations for business events (Davidson and Rogers, 2006; Spiller in Weber and Chon, 2002). The figures shown in Table 3 indicate that a

high proportion of the respondents were operating in DMOs created within 5 years preceding the survey date.

Table 3: Age of the DMO

When was the DMO established?	Number of responses
0-5 years ago	35
6-10 years ago	22
11-15 years ago	18
Over 15 years ago	38

In response to the question, 'What is your highest educational qualification?', 45 respondents indicated that they had a University bachelor degree; 38 had gained a University masters degree; for 20 respondents, a school certificate was their highest educational qualification; while only 1 had a doctorate degree. Those without graduate or postgraduate degree tended to be drawn from the older age groups of the sample. Of the 20 respondents in this category, 15 were aged over 40 at the time of the survey. In addition, respondents with school certificates as their highest educational qualification tended to be those that had the longest periods of service in their DMOs, suggesting that professional employment in DMOs is now overwhelmingly considered to be a graduate-level and postgraduate-level occupation.

For those respondents who went to University, the subjects most commonly studied by them are shown in Table 4.

Table 4: Subjects studied at University.

Subject	Responses
ECONOMICS	18
TOURISM	16
HOTEL MANAGEMENT	13
BUSINESS STUDIES	13
LANGUAGES	12
MARKETING	11
COMMUNICATION	8
POLITICAL SCIENCES	6

The prominence of economics/business-related subjects is evident, and these reflect to a great extent the generic skills that are useful for effective performance in DMO employment. The same economics/business-related subjects are often included in courses in Tourism and Hotel Management, the two industry sectors most studied by this sample. However, only 2 respondents had majored in a subject specifically linked to the business events industry (entitled 'Business Tourism' in both cases). This is unsurprising, given the relatively slow pace at which the provision of specific undergraduate and postgraduate courses in business events-related subjects has grown, worldwide.

In response to a question about their experience of specific education and training in destination marketing, 50 respondents, just under half of the total, reported that they had received this in some form. 16 had studied this subject as one element in their University courses; and 26 had taken an in-service training course in destination marketing after joining their DMO (2 had taken both types of course). The most widespread example of such in-service training was the annual ICCA course for DMOs' and venues' sales and marketing staff (13 responses). Training courses offered by other business events industry associations were also mentioned: provision by the European Federation of Conference Towns (7); Meeting Professionals International (3); and the International Association of Professional Conference Organisers (3). MacLaurin in Weber and Chon (2002) confirms the key role played by the business events industry associations in providing education programs for this sector and outlines the range of in-service provision offered by the largest and most powerful associations. Given the rapid pace of change in this industry and the constant emergence of unforeseen challenges and new opportunities, it is likely that even if University provision of business events-related courses increases, the industry associations will continue to play a vital role in offering education programs to update their members' knowledge and skills and to make them aware of key trends and issues affecting this sector.

Focusing on the respondents' experience of work prior to joining the DMO, 54 out of the 113 (48%) respondents had no previous experience of employment in such an organization; and the remaining 52% had previously worked for a CVB or a tourist board in some capacity. Of the other types of work previously experienced by the respondents, marketing, with 49 responses, was the most commonly mentioned occupation. When asked the question, 'Marketing what?', of the most frequently mentioned categories, hotels came first with 11 responses, followed by conference venues (7); Transport (predominantly airlines) (5); food and beverages (5); and other consumer products (4).

Table 5: Previous employment (non-DMO)

Sector	Responses
Marketing	49
Hotels (not marketing)	36
Travel trade	26
Teaching	15
National government	13
Local government	10
Conference planning/DMC	07
Venue management	03

Other types of employment that had preceded the respondents' work in destination marketing were: architecture, interior design, banking, librarianship, and the mining industry.

It is perhaps unsurprising that marketing emerges as the occupational activity most commonly engaged in by respondents, prior to their DMO employment. But it is worthy of note that the vast majority of respondents with marketing work experience had been marketing services and facilities closely linked to the business events sector. There was

very little evidence of individuals moving from the marketing of manufactured goods, for example, into a career in destination marketing.

The close association between employment in DMOs and work experience in the hospitality and travel industry is evident from the figures in Table 5, supporting McCabe's (2006) contention that career development in the business events sector is characterised by a high occurrence of inter-industry movement; while the incidence of work experience in conference venues and, to a lesser extent, conference planning and destination management companies illustrates that individuals are also progressing their careers by moving intra-sectorally.

In order to gauge respondents' level of commitment to their continuing employment in DMOs, they were asked: 'How probably is it that you would change career and move to a completely different profession?'

Responses to this question were balanced only slightly in favour of a commitment to continuing in the field of destination marketing, as shown in Table 6.

Table 6: Likelihood of changing profession

Probability of leaving the profession	Responses
Very probable	8
Probable	40
Improbable	56
Never	8
No response	1

Finally, those choosing to answer the open question, 'What would be the most likely reason for you moving to a completely different profession?' gave two main reasons for their dissatisfaction with their present employment, as shown in Table 7.

Table 7. Reasons for discontentment

Reason	Responses
Lack of opportunity for promotion	24
Salary too low	18
Too much stress	8
Too much time spent away from home	2

It should not be surprising that the outstanding reason for dissatisfaction with DMO employment is the lack of opportunity for promotion. The vast majority of DMOs focusing their activities on the business events market are relatively small in size, and characterized by very flat hierarchies, typically consisting of two layers of management – one the one hand, a Director who sets strategic goals and oversees the operations of the DMO; and on the other hand, his/her managers who undertake the professional tasks of the organization, aided by a number of support/administrative staff members. Given the typical structure of a DMO, it is clear that opportunities for promotion within the organization are generally limited to moving one step higher when, and if, the

Director vacates his/her position. The frustration felt by ambitious DMO managers seeking to progress in their careers is undoubtedly a factor contributing to the high degree of intra- and inter-sectoral movement highlighted by McCabe (2006) in the case of the wider business events industry in general.

The relatively low wages and salaries paid in the business events industry has been discussed by authors such as MacLaurin in Weber and Chon (2002), who partly explains this phenomenon through the close association of this industry with the tourism and hospitality sectors, which are often characterized by comparatively modest levels of remuneration. The increasing number of women working in business events-related work (McCabe et al, 2000) may also partly explain why average salaries in this industry appear to be a source of dissatisfaction for so many, as even in countries with equal pay legislation, there often exists a sizeable gap between men's average salaries and those of women.

Given the investment in staff training and the valuable work experience that managers accumulate in their time spent in employment in a DMO, the dissatisfaction with salary levels must remain a cause for concern, if it is adding to the rate of staff turnover in DMOs.

Conclusions

The findings of this exploratory research project have several implications for the ways in which people who market destinations for business events are prepared, by the education system, for such employment and for how they progress through their careers in destination marketing. The results of the project indicate that, in common with other types of business events-related occupations such as conference planning, there is no such thing as a standard route into employment in destination marketing of this type. Rather, in common with many types of work in the events industry overall, jobs in business events are largely unregulated, with low barriers to entry.

Those professionals who have the responsibility for attracting business events to their destinations appear to take up such employment either directly from higher education or after following a wide variety of educational and occupational routes. Although much of the prior work experience of DMO professionals was found to be in sectors or occupations with some bearing on the role of destination marketing, such as hotels and venue marketing, other types of previous work experience, such as teaching and government work, indicated a more circuitous route into DMO employment.

The results strongly suggest that the vast majority of people who took part in the survey entered the destination marketing profession by chance, whether directly from education or after years in other types of employment.

Further research on these issues should focus on the role of the education system in preparing young people for employment in marketing destinations for business events. In the conclusion to their research into the meetings planning profession, Beaulieu and Love (2004:120) stated that 'The industry needs to grow from being an occupation that people just "fell into" or "learned on the job" to one that has formalized training'. Is there also an argument for specific educational provision focusing on the marketing of destinations for the types of business events that a growing number of countries and

cities are eager to win? Is the task of marketing those countries and cities as destinations for business events sufficiently distinct to promoting them as destinations for leisure tourism and sports and cultural events to warrant specialized educational provision for this sector? And if so, to what extent should the curriculum combine sector-specific content with generic business and communications skills, in order to effectively prepare students for a career in marketing destinations for business events?

Future research should also investigate the level of general awareness of business events and the occupation of promoting destinations for the hosting of these. The somewhat circuitous routes taken by many professionals into DMO work suggest that awareness of this occupation in the population in general is relatively low, with very few people making a deliberate and informed choice to enter this field of work directly after higher education. Given the economic importance of business events for a growing number of destinations, a convincing argument may be made in favour of conducting a survey among those counselors who are responsible for guiding students in their careers choices in schools and universities, to determine the extent to which they understand this sector and the skills, attitudes and knowledge that people require to function effectively within it. In the event that careers counselors' awareness of destination marketing is found to be lacking, a strategy for disseminating to them occupational information on this sector could be devised.

A considerable degree of dissatisfaction, among DMO professional staff, with their opportunities for career progression in this sector was also identified as an issue of concern in this research project. The standard DMO structure is that of a very flat pyramid – a small team of professional staff led by one director. As such structures offer little scope for promotion, DMOs must recognize that in order to retain talented and ambitious individuals, they need to provide ample opportunities for the nurturing and development of their staff to prevent them from moving to another organization in order to continue to widen their experience. This is particularly the case since professional staff employed by DMOs are very often highly mobile in terms of their employment prospects within the wider business events industry exactly because they have experience of DMO work. Rosvi Gaetos, former Secretary General of the Asian Association of CVBs acknowledges this in his statement that 'NTOs and CVBs are the best places to train new entrants into the industry, with both entities providing a broad insight into the industry' (MacLaurin, in Weber and Chon, 2002).

The findings of this exploratory project confirm other researchers' conclusions that there is a high degree of intra-sectorial and inter-sectorial mobility within the business events industry. But how many people are simply lost to the business events industry after a few years because they leave to join other industries unrelated to this field? A future study could further explore the question of staff turnover by investigating the career destinations of staff when they leave employment in a DMO to work in another sector or when they leave the business events industry altogether.

Clearly, attracting and retaining people of talent, with initiative and creative skills are crucial to the future of the business events industry as a whole and to the effective marketing of destinations in particular. Given the considerable economic benefits of hosting business events and the growing competition for these, a case may convincingly be made for strategic intervention in this issue, along similar lines to that of Australia's national strategy for its business events industry. That strategy highlights

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What Does Generation Y Want from Conferences and Incentive Programmes? Implications for the Business Tourism Industry

Rob Davidson

Objectives

The purpose of this chapter is to provide the reader with an understanding of:

- ◆ The sectors and distinguishing characteristics of business tourism
- ◆ The four generations currently to be found in the global workforce
- ◆ The salient characteristics of Generation Y
- ◆ How the design of conferences and incentive trips may be adapted, in order to appeal to members of Generation Y
- ◆ The challenges involved in identifying the business tourism destinations that most motivate members of Generation Y.

Introduction

Business tourism – principally, travel for commercial, professional and work-related purposes – represents the major non-leisure form of tourism, and business tourists are widely recognised as the highest-spending category of travellers. It is generally agreed (for example, Swarbrooke and Horner, 2001; Davidson and Cope, 2003; Rogers, 2003) that modern-day business tourism includes four principal forms of travel: journeys for the purpose of attending conferences and other types of meetings; journeys to attend an exhibition or trade fair; individual business trips; and incentive trips or incentive travel. While most forms of business tourism are self-explanatory, incentive travel is the name given to the travel, usually in groups, of employees who have been awarded a luxury trip, entirely paid for by their company, as a prize for high achievement at work. This is widely recognised as one of the most effective management tools for encouraging employees to be more productive and to make a greater contribution to their company's profitability. In the vast majority of cases, therefore, each category of business tourism is in some way linked to the traveller's professional life or to their role in the commercial processes that underpin much of modern business life.

It is clear that conferences and incentive trips play a key role in fostering communication between members of the same profession or the same organisation and achieving greater business results. Most of the end-users of such events – those who invest their time in participating in conferences and incentive programmes – are people in some form of employment. For them, participating in these forms of business tourism can significantly contribute to their career development, as they represent important sources of information, motivation and networking opportunities.

All businesses must adapt their products and services to meet the changing needs of their customers, and the conference and incentive travel sectors of the business tourism industry are no exception. They must constantly evolve in order to ensure that such business events effectively meet the needs and aspirations of each new generation of participants. This chapter examines the particular characteristics of Generation Y as business tourists and investigates how conferences and incentive programmes can be designed in such a way that they appeal to this youngest, but fastest-growing, segment of employees. The recommendations will be of interest to all intermediaries and suppliers in the conference and incentive travel sectors, including convention bureaux and other destination marketing organisations; destination management companies; professional conference organisers; incentive travel houses, venues and speakers.

Defining Generation Y

Authors focusing on the most recent generation to enter professional employment use a variety of terms to describe this cohort. While most refer to 'Generation Y', alternative phrases include: Generation Next, Echo Boomers, Digital Natives, the Millennium Generation or Millennials. There is also some variety of opinion among authors as to the exact years of birth which define Generation Y, with some commentators put the qualifying date as early as 1976 (Tapscott, 1998). However, most commentators (for example Howe and Strauss, 2000; Lancaster and Stillman, 2002; Oblinger and Oblinger, 2005) define this generation as comprising people born in 1981 or 1982 through to the late 1990s.

Lancaster and Stillman (2002) propose the following definition of the four generations:

- ◆ Traditionalists: born 1900–1945
- ◆ Baby Boomers: born 1946–1964
- ◆ Generation X-ers: born 1965–1980
- ◆ Generation Y: born 1981–1999

These generational definitions are adopted and the cohort under consideration will be collectively referred to as 'Generation Y', and the term 'Y-er' will be used to denote an individual member of Generation Y.

The General Characteristics of Generation Y

A thorough understanding of the values, tastes and preferences of the youngest generations of employees is vital to the success of any industry targeting them with its products and services. In many ways, today's 20- and 30-somethings differ considerably from previous generations of employees. And they are gradually accounting for a greater percentage of the workforce. The year 2008 was a critical one for the inter-generational balance of power. That year, for the first time, Generations X and Y were collectively able to out-vote Baby Boomers. As these two generations become increasingly represented in business, the media, and public life, their values, attitudes and lifestyles are gradually replacing those of the previous generations.

The salient characteristics of Generation Y may be summed up in Bryan's (2007) concise description of them as being the most coddled, well-informed, open-minded to diversity, technically-enriched generation. Members of Generation Y came into the world at a time when children and family were 'fashionable' and received high levels of attention from their parents, who are widely portrayed as having nurtured their offspring

with a programme of activities since they were toddlers and as continuing their hands-on involvement well into their children's early adulthood. However, many authors are at pains to point out that despite this parental cosseting, most Y-ers may be characterised as being independent and confident in outlook. Neither does the indulgence of Y-ers' parents appear to have produced a generation particularly characterised by selfishness. Indeed, many commentators (for example, Tulgan and Martin, 2001; Cui *et al.*, 2003; Cone, 2007) list tolerance, concern with equality and fairness and a deep-seated social consciousness as major attributes for this generation.

There is also widespread agreement among commentators that, having been encouraged since birth to feel special by their parents and the media, Y-ers tend to have high expectations of themselves and are tenacious and questioning, as well as highly vocal and full of energy and innovative drive. Many specialists in inter-generational differences focus on the fact that members of Generation Y have, above all, high expectations that life should be fun and therefore place higher priority on their personal life and leisure time, than previous generations ever did.

At the same time, there is little evidence to suggest that this generation, taken as a whole, shows significant signs of being easily categorised as hedonistic or indolent. On the contrary, Y-ers tend to demonstrate a deep-seated desire for ongoing education, which they regard as the key to success in professional life. A number of commentators have described them as 'lifelong learners', for whom education and training is perceived as the norm rather than the exception. For example, Henry (2006: 2) states that: 'Amongst the top five motivators of both generations X and Y] are access to learning and development, effective and inspiring leadership and a work life balance, which involves flexibility'. Since a significant proportion of corporate conferences are held with the primary objective of training staff, this willingness of the youngest generations of workers to invest in their own development is of direct relevance to the business tourism industry.

Predictably, Generation Y's acquaintance and aptitude with technology in all its forms, from an early age, considerably sets it apart from previous generations. It has been said that Y-ers regard electronic devices as 'extra limbs', and Rushkoff (1997: 12) encapsulates them as 'a multimedia generation learning to juggle many more ideas simultaneously than their parents did'. This is the first demographic cohort to grow up with the Internet and it is clear that they view the Web as a two-way communications tool. Their high level of technological skills and their preference for instant communication and social networking tools have made Generation Y into

efficient multi-taskers. However, a number of commentators, including Freeland (1990), Garry (1996) and Manuel (2002), have suggested that constant exposure to the growing abundance of these different forms of external stimuli may have also had the effect of reducing the average attention span of this generation taken as a whole – although convincing empirical evidence of this is difficult to find.

Adapting Conferences and Incentive Programmes to Generation Y Participants

Although there has been comparatively little research carried out into the attitudes of Generation Y towards their participation in conferences and incentive travel, much can be deduced from what is already known from investigations into their experience of education and working life in general. The key differences in these respects, between Baby Boomers and subsequent generations are (after Ramsborg and Tinnish, 2008a):

Baby Boomers	Generations X and Y
Structure	Flexibility
Worker as instrument	Worker as a human resource
Work as labour-intensive	Work as knowledge-intensive
Hierarchical structures	Participatory structures
Education completed	Lifelong learning

These differences mean that the needs and expectations of Generation X and Y, regarding their participation in conferences and incentive trips, are in many ways very distinct from those of previous generations. The rest of this chapter reviews those differences, with particular focus on Generation Y, and suggests ways of creating business events that will appeal to this latest cohort of employees.

Effective Ways of Communicating Information about Conferences and Incentive Programmes to Generation Y

The first step in motivating Y-ers to take notice of opportunities to participate in conferences and incentive programmes is to catch their attention. They respond to communication that understands their uniqueness, their particular way of receiving and processing information. The use of too many words in marketing messages is a guaranteed turn-off for Generation Y. Commentators agree that the key to effective communication with

Y-ers is to use as few words and as many strong images as possible. For example, generational marketing expert Fishman (2007) believes that people in this age group think differently: they think in text-messaging format – short, very short, efficient copy is required. Lynch (2006) emphasizes the use of images, claiming that Generation Y depends on visual learning, because they were raised on graphics, games, the Internet and online games. He maintains that since this is a generation whose marketing has been pictorial and graphic, in order to attract them, it is necessary to be dynamic in the use of graphics and pictures.

As a growing proportion of conference and incentive travel planners are drawn from Generation Y, destinations and venues hoping to attract business tourism events will need to adapt the marketing communications techniques they use to reach the people who choose the places where conferences and incentive trips take place. The traditional media are not necessarily the most effective channels for communicating with media-savvy Y-ers. Consequently, marketers and communications managers need to be progressive in their approach to reaching this market. New channels of communication must be utilised, strategies such as experiential marketing, buzz marketing, and social networking sites such as MySpace and Facebook. Getting the message across to Generation Y conference and incentive travel planners and to potential participants relies on creativity and clarity. Clear messages in a creative format, are the key to succeeding in communicating with this cohort.

Effective Use of Technology

This generation expect more, and better, use of technology in every aspect of conference and incentive planning. They expect all information about the event to be online, in an attractive, easy-to use format. They are highly unimpressed by clunking, complex, poorly-designed websites. Fishman (2007) advises meetings planners who have any doubts about how their conference websites shape up for younger generation attendees to have their own employees in that age-group analyse those websites and adapt them to Generation Y.

Incentive programme 'teasers' can be sent to younger participants using their preferred means of communication: the mobile telephone. Indeed, according to US commentators Ramsborg and Tinnish (2008b: 32):

The full capabilities of technology must be exploited before, during, and after a meeting. Blogs, mobile phones, YouTube, Facebook, MySpace, podcasts, virtual meeting environments, RSS feeds, videos, widgets, mashups, wikis, moblogs, and social networking

sites...Learners who use these technologies every day expect technology to be seamlessly interwoven into learning situations, i.e., meetings.

Effective Design of Conferences and Incentive Programmes, for Generation Y

More involvement at the design stage

Many commentators agree (for example, Kipnis and Childs, 2004, Spiro, 2006, Terjesen *et al.*, 2007) that Generation Y is a generation that is accustomed to being consulted for feedback on almost everything that affects them, from their level of satisfaction with their educational courses to their experiences of the products they use. As a result, they are used to interacting with service providers of all kinds. Conference and incentive travel planners targeting this age group are advised to involve them, from the earliest stage, in the design of the programmes, choice of activities, and even the selection of speakers, so that they feel a sense of 'ownership' of these events. Fishman (2007: 3) suggests that:

the meeting planner can ask early registrants if they have special concerns...which will enable you to see if the meeting will meet the younger audience's needs or if the meeting needs to be tweaked a little. Taking that extra step ... can make a big difference.

More concern for environmental issues and corporate social responsibility

Arguably, much of the 21st century impetus towards 'greener' meetings and incentive trips, as described by, among others, Rogers (2008), is being driven by this youngest generation of participants, who are far less tolerant of waste and the other negative impacts of such events on the natural environment. They also appear to care more about the human environment. Commentators such as Tulgan and Martin (2001), Cui *et al.* (2003) and Cone (2007) agree that Generation Y may constitute the most socially-conscious and civic-minded generation yet. For example, Cone's 2006 Millennial Cause Study (Cone, 2007) found that 68% of Y-ers would refuse to work for a company without a strong corporate social responsibility (CSR) track record. In fact, the study showed that 74% of Y-ers will pay more attention in general to companies that do practise sound CSR policies. Consequently, members of Generation Y tend to be uneasy about the apparent elitist aspect of many business events, particularly when these take place in destinations marked by widespread poverty and disadvantage. Conference and incentive planners can respond to these

concerns by giving their participants the opportunity to take time out from the conference or incentive trip to interact with the local community during the event and to 'give something back' – by, for example, raising funds for a local charity, helping with community construction/renovation projects or playing football with the local children. This is known as the 'social legacy' of business events, which Davidson (2009a: 123) has described as follows:

Social legacy elements encompass community initiatives and the raising of social awareness among meetings and incentive travel participants. This aspect of business tourism events is closely linked to the growing interest, especially among members of Generation Y, in volunteerism (or 'volun-tourism') as a form of community service that promotes goodwill and provides personal fulfillment. For many attendees, social legacy has also become an essential part of the experiential dimension of a meeting or incentive trip.

Social legacy activities as add-on elements of conferences and incentive trips hold great appeal for Y-ers, who regard them as an ethically-sound antidote to the conspicuous consumption and elitism that can characterise some sectors of business tourism.

More effective use of speakers

It is often said that Y-ers' short attention spans make them a difficult audience, at any conference. But much psychological research (for example, Bridges, 1960; Stuart and Rutherford, 1978; Pollio, 1984) indicates that for delegates of any age, attention levels drop dramatically after the first 20 minutes of any presentation. The drive towards shorter, more interactive sessions will intensify as Y-ers account for an increasingly large proportion of participants in business events. Generation Y participants expect interaction, in real time, with each other and with speakers, through having the opportunity, for example, to text-message their questions to a big screen on the conference stage, during sessions.

Having grown up with computers at home and an abundance of TV channels, multi-tasking Y-ers expect, and thrive on, constant change and stimulation. What do they expect from speakers? Fishman (2007) believes that they want:

- ◆ Substantive information that can help them advance in their current jobs or become better prepared when they move on. Motivational speakers don't motivate them.
- ◆ Information they cannot get off the Internet or from a book. They don't like to waste their time.

- ◆ To hear from speakers who are in a position of power. They want to know how the game is played.
- ◆ PowerPoint to be used correctly: Slides only when necessary; no 'laundry list' of multiple points the speaker is about to make; few words on each slides.

Above all, speakers need to deliver their material in a way that combines education and information with entertainment – edutainment and infotainment are what Y-ers expect from all of their experiences. As Ramsborg and Tinnish (2008b: 34) put it:

The adult learners of today expect 'infotainment', the delivery of information in an entertaining format. Even the most serious programming on television, the news, is created now with graphics, music, lighting, and special effects. There aren't many places that people go where they are not treated to a 'show' – and meetings are no exception.

Business Tourism Destinations for Generation Y

Perhaps one of the most fundamentally important decisions in the planning of any conference or incentive trip is the choice of the destination selected for the event. This is particularly the case when one of the objectives of the event is to motivate/reward the participants or when potential delegates must be encouraged to attend. Clearly, in the case of incentive trips, the destination must be highly motivational and aspirational in order to motivate potential participants to work hard in order to win a place on the trip. However, the choice of destination for conferences, particularly those for which there is no obligation for potential delegates to attend, can also be a crucial factor in determining the success or otherwise of that conference. This is the situation in the case of most association conferences. The vast majority of professional associations rely upon the profit they make from their conferences to fund the running costs of the association itself. Along with members' fees, revenue from conferences represents one of the major sources of income for most associations. Under no particular obligation to attend (and usually funding their attendance out of their personal funds), association members must be motivated to invest their time and money in participating in their association's conferences. And a major motivating factor is known to be the image (together with other key attributes such as accessibility, cost, geographical location) of the destination selected for the event (Oppermann and Chon, 1997; Witt *et al.*, 1995). The choice of a destination with the wrong image or unsuitable attributes can lead to a fall in delegate registrations which in turn can mean the difference between the association making a profit or a loss on the event.

Although there have been a great number of studies (for example, Echtner and Ritchie, 2003; Sirakaya and Woodside, 2004) of the role played by destination attributes in the tourism decision-making process, the vast majority of these have been conducted from the perspective of the leisure tourist. Relatively few academic authors have focused their research on the role played by destination attributes from a business tourist perspective. And while Oppermann (1996) Crouch and Louviere (2004) and Hankinson (2005) have conducted valuable research into the importance of meeting planners' perception of destinations' images and other attributes for the events they organize, much less is known about the significance of destination attributes for the ultimate customer – the actual participants in conferences and incentive trips – in the decision-making process on whether to attend, or not, a specific business event. Only a few notable exceptions, such as Oppermann and Chon's (1997) research into the conference participation decision-making process on the side of the potential attendee.

However, there can be no doubt that, just as has been frequently demonstrated in the case of leisure tourism (for example, Woodside and Lysonski, 1989; Beerli and Martin, 2004; Ibrahim and Gill, 2005), one of the most important determinants of business tourism destination image formation will be the age of the event planners and the age of the actual participants in conferences and events. Any future research agenda for this topic must include an examination of the role played by this key demographic characteristic, exploring issues that include:

- ◆ The extent to which the perceptions of business tourism destinations differ, in general, from perceptions of the same destinations as locations for leisure activities;
- ◆ The extent to which the destination preferences of conference and incentive travel planners and participants belonging to Generation Y differ from the preferences of older generations;
- ◆ The extent to which the destination preferences of Generation Y conference and incentive travel planners differ from the preferences of Generation Y participants themselves.

Implications for the Future of Tourism

Business tourism represents a major source of income generation and employment creation for a great number of destinations around the world, both in the developed world and in the emerging economies. On the supply-side, investments in business tourism infrastructure, such as

conference venues, have continued apace throughout the world, despite the global economic turmoil witnessed towards the end of the first decade of the 21st century (Davidson, 2009b). And on the demand side, participation in business tourism events is increasingly recognized as a key element in knowledge transfer and the so-called 'experience economy'.

However, the business tourism sector operates in a marketplace in which the competition for the time and the financial resources of potential consumers – conference delegates and incentive travel participants – is growing progressively fiercer. And, as in most markets, there exist alternative products and services that are capable of achieving similar outcomes; videoconferencing technology, for example, is improving in quality extremely rapidly; while viable alternatives to incentive travel include a range of non-travel motivational rewards such as profit-related pay schemes and cash bonuses.

The continuing success of the conference and incentive travel sector of the tourism industry depends upon achieving a firm understanding of Generation Y's particular needs from meetings and incentive programmes and effectively communicating with Y-ers, about business tourism events, on their own terms. If such events do not adapt to meet the needs of this generation, Y-ers will vote with their feet and stay away from conferences and refuse to engage with incentive programmes that do not motivate them. The future of face-to-face business events – and the businesses and destinations that depend on them – rests on all stakeholders achieving an accurate understanding of how conferences and incentives must be designed and run in order to appeal to Generation Y participants, while, at the same time, not alienating any of the members of the other three generations that are currently active in the workforce.

The business tourism industry as a whole, including suppliers of venues, accommodation, transport and other facilities essential to the operations of this sector, must invest in determining what this youngest, but fastest-growing, segment of employees wants from business events. And that knowledge must be used to drive imaginative innovation in this market. The hospitality industry has already begun to do this, and a number of hotel brands specifically designed with the needs of Generation Y business travellers in mind have been launched since 2000. Van Dyk (2008) describes how hotel chains are increasingly responding to the particular tastes of younger business travellers with a range of branded products such as Starwood's Aloft, which specifically targets Generation Y business guests. She notes that even familiar chains such as Wyndham, Hyatt, Marriott's Courtyard and Hilton's Garden Inn are getting wired for Generation Y with their own 'lifestyle' hotel brands. The design of these

accommodation products is based on the research findings of consultants such as the Y Partnership, who, according to Van Dyk (2008) claim that the needs of this new generation of travellers include casual food available at any time, free Internet, self-service check-in/checkout and regional flavour rather than standardisation.

The business tourism industry as a whole must face the challenge of achieving a sound understanding of what will motivate Generation Y to follow earlier generations in terms of widely participating in business events.

Summary

Business tourism is a high-spend, high-yield, all-year-round sector of the tourism industry, comprising a number of types of business events including conferences, incentive trips, exhibitions and individual business travel.

Based on what is already known about Generation Y, this chapter has explored how the design of conferences and incentive trips may be adapted in a way which aligns these business events more closely with the tastes and preferences of this generation.

Much may be deduced from what is known about this generation's needs from professional life, including their wishes for access to learning and development, effective and inspiring leadership and a flexible work-life balance.

Communicating with Generation Y, about business events such as conferences and incentive programmes, is most effectively achieved through the use of new channels such as experiential marketing, buzz marketing, and social networking sites.

Generation Y expects the full capabilities of technology to be exploited in the planning and the execution of business events. They expect to be involved in the design of the business events they attend; they like to leave a 'social legacy' behind, at the business tourism destination; and they are extremely demanding of conference speakers.

This chapter has proposed a research agenda that could achieve a better understanding of those destinations that most motivate Generation Y participants in and planners of business events.

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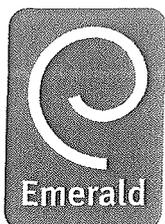
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Web 2.0 as a marketing tool for conference centres

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Abstract

Purpose – The paper aims to provide an overview of how UK conference centres have incorporated Web 2.0 applications, such as LinkedIn, Facebook and Twitter, into their marketing communications strategies.

Design/methodology/approach – Following an analysis of the impacts of Web 2.0 applications on purchase decision-making processes in general, the market environment within which conference centres promote themselves was examined. The results of a questionnaire-based survey of UK conference centres' marketing communications strategies were then analysed.

Findings – The paper's findings suggest that while some UK conference centres have comprehensively adopted Web 2.0 applications into their marketing communications programmes, others have yet to harness the potential of these new promotional tools. A few serious barriers to wider adoption remain.

Research limitations/implications – The extent to which the results may be generalised beyond the geographical parameters of this study may be limited, therefore further research is required, to test the findings across a broader range of locations. In addition, the insights provided by this study need to be complemented by research into the use of Web 2.0 applications by those who are responsible for selecting venues.

Practical implications – The paper considers the consequences of venues using Web 2.0 applications in their marketing communications strategies. These include potential loss of control of the venues' marketing messages, resource issues and the need to evaluate the effectiveness of these tools.

Originality/value – This study therefore takes a first step towards achieving an understanding of how venues are using the opportunities and dealing with the challenges created by the availability of Web 2.0 applications as potential and actual elements in their marketing communications programmes.

Keywords Marketing, Social networks, Communication technologies, Conferences

Paper type Research paper

Introduction

The ultimate goal of marketing, and of the relationship marketing approach in particular, is winning new customers and keeping existing customers (Armstrong *et al.*, 2009; Payne *et al.*, 2003; Severt and Palakurthi, 2008). In order to achieve this, marketers use various tools to transmit messages about their products, including advertising, direct marketing, sales promotion, personal selling and public relations. The methods employed by marketing professionals have evolved over time to incorporate an array of technical innovations, including the opportunities offered by the internet.

However, consumers receive messages about products from a variety of sources beyond those originating from marketers. The emergence of the category of online applications commonly described as Web 2.0 presents marketers with a range of new opportunities but also a number of considerable challenges.



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The fast-growing importance of Web 2.0 applications is increasingly attracting attention in academic journals, and the purpose of this research is to contribute to that body of literature by providing an overview of how UK conference centre marketers have incorporated the use of Web 2.0 applications into their marketing strategies.

Specifically, the research addresses the following objectives:

- (1) Review the roles of Web 2.0 applications in the marketing communications process and the opportunities and challenges that these create.
- (2) Analyse the extent to which a range of UK purpose-built conference centres have already integrated these applications into their marketing mix.
- (3) Analyse examples of best practice in the use of these applications as well as barriers to their adoption by UK purpose-built conference centres.

This study therefore takes a first step towards achieving an understanding of how venues are using the opportunities and dealing with the challenges created by the availability of Web 2.0 applications as potential and actual elements in their marketing communications programmes.

Literature review

Sources of marketing messages

Wells *et al.* (2000) divided the various sources of messages that consumers can receive about an organisation's products into three major categories: the "planned" or "controlled", the "uncontrolled", and the "often unconsidered".

The sources of messages included in the "planned" category are those that constitute the organisation's marketing communications mix: advertising, promotion of sales, public relations, direct marketing, etc. The primary role of marketing communication is to "support the overall marketing plan by sending messages to the target audience that an organisation's products or services are simply better than those of its competitors" (Burnett, 1993, p. 241). With the planned sources, the marketer has full control over the message content, when and how the message will be delivered and to whom it will be delivered. By way of contrast, the unplanned (and therefore "uncontrolled") sources of messages (word-of-mouth, gossip, internet chat-rooms, etc.) can be more influential than the planned sources (Bone, 1995). Finally, the "often-unconsidered" sources of messages are those related to the remaining elements of the marketing mix, namely distribution, product and price.

The medium of the World Wide Web (WWW) created an unprecedented marketing opportunity for firms (Hoffman and Novak, 1996), and the internet has been enthusiastically embraced by marketers as a means of allowing them to transmit planned messages about the products and services they promote to consumers. But information has increasingly become more freely available to consumers, who now have more opportunities than ever before to gather information about an organisation's products and services. "This information can come from a wide range of uncontrolled sources outside of the organisation, such as databases, newspaper articles or the Internet" (Schultz *et al.*, 1992, p. 38).

Web 2.0

The term Web 2.0 is attributed to Tim O'Reilly and Dale Dougherty (O'Reilly, 2005) and has been described by O'Reilly as a set of principles and practices that include

looking at the web as a “platform” with the aims of “harnessing collective intelligence”. The actual term Web 2.0 has been in use since 2004, but 2006 was the year when it made the leap from being a marketing buzzword to creating a profound revolution in how the internet is used (Riegner, 2007). Even so, despite being now firmly entrenched within the internet lexicon, there is still no generally accepted demarcation of the term. However, few would object to the definition of Web 2.0 offered by Kennedy *et al.* (2007): Web 2.0 refers to a loose collection of “second generation” web-based technologies and services, many of which are designed to facilitate collaboration and sharing between users.

While providing a comprehensive review of the entire Web 2.0 environment is beyond the scope of this paper, there are a number of different categories of applications that authors commonly employ in their classifications of Web 2.0 services (Constantinides and Fountain, 2008; Kennedy *et al.*, 2007; Lai and Turban, 2008):

Blogs. Blogs, short for “Web logs”, are among the fastest-growing categories of Web 2.0 applications. Blogs are customisable personal web sites that allow authors to contribute regular or irregular entries that are displayed on their sites in reverse chronological order. The entries usually provide commentary and personal thoughts on a particular subject and may be combined with *Podcasts* – pre-recorded digital audio/video programmes that can be streamed or downloaded to portable devices. Blogs tend to be interactive in nature and allow readers to post comments.

Social networking services. Social networking services allow users to create and customise a personal web site (aggregated within a larger web site) that presents a profile of the user to others. Users can readily locate other users with similar interests and by linking to them as “friends”. Social networks such as Facebook are consistently among the most visited sites on the WWW.

File-sharing communities. File-sharing communities (peer-to-peer networking sites) are web sites enabling the organising and sharing of particular types of content over a network of peer-to-peer users. For example, the video-sharing web site YouTube and the photos-sharing web site Flickr, etc.

Forums/bulletin board systems. Forums/bulletin board systems (BBSs) are sites that allow users with a specific interest or affiliation to discuss topics with each other and exchange ideas and information usually around special interests such as politics, books, music, movies and TV, for example. Some of these are restricted to members of a group, while others are open to any interested party. Some are company sponsored, but most are independent. Many BBSs include product-review sections where users debate the merits of specific types of products. For example, www.epinions.com

Some sites combine two or more of the above categories. For example, the Twitter web site offers a social networking and (micro)blogging service enabling its users to send and read other users’ messages called *tweets* – posts of up to 140 characters displayed on the user’s profile page.

The general public have been enthusiastic adopters of these applications, increasingly integrating them into their daily lives to communicate and interact with each other, learn, entertain themselves, as well as – crucially, for the purposes of this paper – to inform themselves and each other about products and services prior to making actual purchases.

Web 2.0 in the marketplace

Web 2.0 applications have two interrelated promotional roles in the marketplace. First, they allow organisations to communicate with their customers (business to consumers, B2C) and second, they enable customers to communicate with one another (consumers to consumers, C2C). (They also enable customers to talk to companies, but this aspect is market research related rather than promotion related.)

The marketer's perspective – B2C. Marketers have long used the internet as a promotional tool, with corporate web sites and e-mail blasts being the most obvious manifestations of this. Other internet marketing tactics include banner advertising, sponsorships, pop-ups or – unders, links, paid searches and so forth (Belch and Belch, 2007). But the Web 2.0 environment has provided organisations with a broad range of new tools and strategies for communicating with their customers, and marketers can capitalise on these developments in different ways by actively or passively engaging in the use of these applications as part of their overall marketing strategy. Constantinides and Fountain (2008) suggested how organisations can make use of Web 2.0 applications as a means of reaching and informing customers and online opinion leaders (bloggers, podcasters, etc.) about their products, services and new market offers:

- Advertise in well-selected blogs and popular search engines. This can be an effective way of passing messages through to target markets at a fraction of the costs required by traditional media.
- Actively listen-in to what people are saying about the firm and its products in blogs, podcasts, forums and online communities. This can be a useful source of market research – “people like to exchange experiences about products, services and firms, advising others or even proposing how products can be improved: this is high-quality and low-cost market information” (Constantinides and Fountain, 2008, p. 241).
- Actively encourage communication, interaction and customer feedback by introducing Web 2.0 web sites which encourage social networking and community forming. These sites offer the organisation's customers the possibility of reaching their peers and exchanging information and experiences. According to Mangold and Faulds (2009), consumers feel more engaged with products and organizations when they are able to submit feedback. This may come in the form of criticism, accolade, or helpful suggestions. But taken as a whole, this feedback contributes to a sense of community in which honest, open communications are encouraged and customer engagement is enhanced.
- Launch corporate blogs and podcasts, encouraging customers to interact and freely express their feelings, suggestions or remarks about the company and its products. Schmallegger and Carson (2008) argue that the aim of such blogs is mainly to create more lively and credible content on the web site and to facilitate continuous contact with clients. Increasing traffic to their web sites and improving search engine rankings are additional objectives. They advise that the content of a blog should not be too overtly promotional but clearly different to the content provided in the organisation's conventional marketing information.
- Partner with talented amateurs, who create viral films or TV commercials for the organisation. Messages created by real customers reflect the genuine feelings of product users and as such are more credible and more effective than messages created by advertising agencies (Constantinides and Fountain, 2008, p. 242).

Although many authors emphasise the lower cost of using Web 2.0 applications, when compared with the use of traditional-marketing communications tools such as print or billboard advertising, costs are nevertheless incurred in the form of staff time and training, for example. A major challenge from the marketer's point of view, therefore, is measuring the return on investment from their marketing campaigns making use of Web 2.0 applications. Dwyer (2007), Jones *et al.* (2009), Thackeray *et al.* (2008) and Borges (2009) have highlighted the challenge of evaluating the value of Web 2.0 applications as marketing tools and determining to what extent they can become sources of additional business value. However, a number of solutions have been suggested. Borges (2009), for example, states that the possible metrics for measuring the effectiveness of marketing initiatives based on Web 2.0 applications include the number of web site visitors from social media platforms, as well as the volume of incoming traffic to a company web site. Another possible metric, qualitative rather than quantitative, is the state of public opinion (or "sentiment") towards the company's brand, their products, their staff, etc.). Software tools may be used to measure this, coupled with a degree of logic and common sense.

The consumer perspective – C2C. The advent of Web 2.0 applications has accelerated and intensified the development of online communities within which people can connect personally, professionally and culturally with others. Although online communities have existed for many years, Web 2.0 applications have created fundamental changes in how – and how much – people communicate their ideas and opinions to others. These changes principally arise from the essential role played by *users* of Web 2.0 applications. The user is considered to be a vital factor, not only as a consumer of these applications but mainly as a content contributor. For that reason, the term user-generated content (UGC) is often used to emphasise this distinguishing characteristic of all Web 2.0 applications. Authors such as Gillin (2007) argue that the way in which these applications allow such extensive user input in the form of content contribution and content editing represents the most innovative aspect of Web 2.0 applications. It is widely claimed that, in this sense, the Web 2.0 environment represents a healthy phenomenon, as a new source of consumer creativity, influence and empowerment.

Users' conversations with each other clearly have profound commercial implications when they focus on the qualities of specific goods and services for sale on the open market. Consequently, "Web 2.0 applications have become a major factor in influencing various aspects of consumer behaviour, including awareness, information acquisition, opinions, attitudes, purchase behaviour, and post-purchase communication and evaluation" (Mangold and Faulds, 2009, p. 358). Web 2.0 applications may therefore be considered to be systems for harnessing and disseminating collective intelligence about products and services on the market, and consumer behaviour is increasingly influenced by that collective intelligence and by peer opinions (Surowiecki, 2005).

In some ways, this is nothing new, as consumer rating and product review web sites have been in use for many years. But the key difference is that Web 2.0 applications such as blogs and social-networking services provide a much more informal and less regulated environment for product feedback, and the supply of these has grown rapidly in recent years (Riegner, 2007; Mangold and Faulds, 2009; Constantinides and Fountain, 2007). On these types of sites:

[...] content is relatively unstructured, and content development is not managed by the host organisation. Instead, content is loaded directly on to the websites by users, with varying (usually minimal) levels of moderation (Schmallegger and Carson, 2008, p. 100).

Consumers' heightened ability to communicate with one another directly limits the amount of control companies have over the content and dissemination of information about their products and services. It is this very lack of control that, despite the many positive perspectives, has been the source of a great degree of scepticism surrounding the Web 2.0 environment. For example, Keen (2007) and Zimmer (2008) have argued that the Web 2.0 and specifically applications based on UGC present a real and present danger to the established culture, not only through the abuse of intellectual rights from use of copyrighted material such as music, video, etc. but also by blurring the boundaries between Web users and producers, consumption and participation, authority and amateurism, play and work, data and the network, reality and virtuality. A major problem for organisations is that the comments made on them and their products or services are often made by people who remain anonymous and can be lacking in qualitative credentials.

Moreover, when those comments are negative, the damage to the producer of the product or service can be instantaneous and wide ranging. Gillin (2007, p. 4) notes that:

Conventional marketing wisdom has long held that a dissatisfied customer tells ten people [...] In the new age of social media, he or she has the tools to tell 10 million consumers virtually overnight.

Accordingly, the use of Web 2.0 applications may be regarded as an extension of traditional word-of-mouth communication. But the uniqueness lies in the magnitude and speed of the communication.

It is this new uncontrollable element in the customer decision-making equation that has led many authors (Mangold and Faulds, 2009; Harris and Rae, 2009; Cooke and Buckley, 2008) to conclude that in the Web 2.0 environment customer preferences and decisions are increasingly based on inputs provided by other consumers whose published opinions are increasingly unmediated by marketers.

Marketing managers' control over the content, timing and frequency of information in the marketing-communications process is therefore receding at the same time as blogs, social networks, online forums and other Web 2.0 applications are putting the consumer more in control of how information is generated, created, organised and shared. A key demonstration of this significant shift in the power structures in the marketplace, from producers to consumers, is the growing tendency of the latter to turn away from sources of planned marketing messages, such as the traditional mass media and corporate web sites (Vollmer and Precourt, 2008). Instead, they are gravitating towards, for example, online reviews and other forms of UGC which are becoming increasingly popular as a new digital form of word of mouth offering higher perceived credibility as compared to traditional-information sources (Schmallegger and Carson, 2008).

With the advent of Web 2.0 applications, therefore, the traditional marketing communications paradigm, which relied on the classic, planned, promotional mix of advertising, personal selling, public relations, direct marketing and sales promotion, is gradually being replaced by a new paradigm that also includes all forms of Web 2.0 applications as potential tools in the designing and implementing of organisations'

marketing communications strategies. Marketers appear to be faced with no other option but to embrace the opportunities and face up to the challenges of Web 2.0 applications:

[...] although marketing managers cannot control information disseminated through social media, ignoring the realities of the impact of information transmitted through these forums on consumer behaviour is tantamount to surrendering the communications process to the vagaries of the marketplace. By including social media in the promotion mix, these new communication formats are given a home in standard marketing management practices and theories (Mangold and Faulds, 2009, p. 365).

The market for conference venues

Supply. The conference industry is highly complex, comprising a multiplicity of buyer and supplier organisations and businesses (Rogers, 2008). The suppliers in this market consist of not only venues, but also include accommodation providers, transport companies and specialist contractors. Venues, the key suppliers, come in a variety of forms, from hotels, universities and unusual venues, to those that are the focus of this paper: purpose-built conference centres. As the most visible sign of conference activity in any destination, purpose-built conference centres may be regarded as the flagships of the meetings industry, even though the vast majority of meetings are held in hotels (Davidson and Rogers, 2006).

Digance (2002, p. 54) qualified such venues as:

[...] featuring innovative design and generally located either in or near the central business district. These centres are usually stand-alone buildings that combine convention and exhibition facilities as well as offer large amounts of flexible space, display a service-oriented culture, provide excellent catering facilities with a range of cuisine, house comfortable and spacious facilities, emphasize user friendliness, can host a wide variety of events, and offer organisers the latest technology.

A number of authors (Fenich, 1998; Sanders, 2005; Whitfield, 2007) have emphasised the rapid and continuing growth of purpose-built conference centres, particularly in the USA, where, in the space of one decade, "new public capital spending for convention centers doubled [...] growing from \$1.2 billion in 1993 to an average of \$2.4 billion annually from 2001 through 2003" (Sanders, 2005, p. 2).

The rationale for making purpose-built conference centres the focus of this research lies in their special significance for the destinations in which they are located. New conference centres have often been built due to a government's policy to promote economic regeneration, particularly in deprived areas (Lawson, 2000). Wu and Weber (2005, p. 400) note that:

UK government policy in the 1980s supported economic redevelopment, with government finance funding the construction of numerous large convention centres (e.g. North Wales Conference Centre, Bournemouth International Centre) with the aim of creating jobs and boosting the local economy. The construction of convention centers assisted in the revitalisation of numerous communities and regions, both physically and economically.

But that revitalization does not come automatically, and large conference centres must be successfully promoted, to earn a favourable return on the investment made in them. And the key to prosperity for conference centres and the communities in which they are located lies in making use of effective-marketing strategies in order to maximise their occupancy levels.

Demand. A number of authors (Shone, 1998; Davidson and Rogers, 2006; Rogers, 2008) have highlighted the wide range of stakeholders who influence the decision-making process in the choice of conference destinations and conference venues. These include venue-finding services, destination management companies and the attendees themselves – the end-users, as well as the actual meeting planners who represent the associations, corporations and other organisations that are the initiators of the conferences held.

Meeting planners play a pivotal role in the design and management of conferences, with a wide range of responsibilities including not only site selection but also contract negotiation, registration, event promotion and marketing, invitations, transportation planning, speaker selection and gift selection (Toh *et al.*, 2005; Beaulieu and Love, 2004). Severt and Palakurthi (2008, p. 632) note that the fact that meeting planners interact directly with conference centres means that they exert a great deal of influence on the decision-making process in conferences:

Since the perspective of the meeting planner is crucial to the economic success of convention centres, marketing to the different types of meeting planners with diverse objectives and needs for their events is vital.

For that reason, much of the conference management academic literature has focused on the meeting planner's key role in site selection and the complexity of the decision-making process (Crouch and Ritchie, 1997; Beaulieu and Love, 2004; Hu and Hiemstra, 1996). Compared to consumer purchases, the purchase decision-making process in conferences is more complex, formalised and professional, as it often involves a large budget, complex technical features, economic considerations, and interactions among many people at all levels of the purchasing organization (Kotler *et al.*, 2006). This form of organisational buying typically involves individuals of varying levels of influence in final decisions; but an event planner acts as a gatekeeper of information that is needed by the decision makers (Lewis and Chambers, 2000) and therefore plays a pivotal role.

The complexity of the planner's decision-making process has increased as the range of sources influencing their buying behaviour has been expanded through the advent of Web 2.0 applications. Planners are now able to access information and opinions not only from the conference centres themselves and their immediate colleagues but also from strangers located around the world who have already patronised a particular venue. And the very nature of the conference venue product itself makes the need for comprehensive pre-booking information extremely important to planners. Use of a venue is, in essence, an experience product – a composite of services and experiences which by their nature are difficult to assess prior to purchase. In this way, venues share similar characteristics to tourism products, which cannot be physically presented to individuals for evaluation or at point of sale, but must rather be sold by graphic and verbal representations (Cai *et al.*, 2004).

Meeting planners have therefore been quick to exploit the entire range of Web 2.0 applications, not only to market their conferences to potential attendees, but also to share advice with each other through blogs, social media and online forums. One of the largest and most influential of these is www.i-meet.com, which has 20,000 members from 130 countries around the world to date and which brings "social

networking, Web 2.0 tools, work flow and relationship opportunities, and industry intelligence to its members and suppliers" (i-meet, 2010).

However, much less is known about how conference centres are using Web 2.0 applications in marketing their venues to meeting planners. Although the use of the WWW by those responsible for the marketing of meetings venues has been examined in the academic literature, by, for example, Digance (2002) for convention centres, Gregory *et al.* (2005) for convention hotels, and Davidson *et al.* (2002) for venues as a whole, there is little academic research into the specific use of Web 2.0 applications by marketers of conference centres. This paper aims to take a first step towards filling that gap in our knowledge.

Methodology

The instrument

The survey instrument chosen for this study was a self-completion questionnaire. This was selected partly because of the speed with which it could be administered to the highly dispersed locations of the venues within the UK, and partly because of the convenience that it offered to respondents, who were able to complete the questionnaire at times that most suited them.

The internet-based SurveyMonkey[®] software was used to create and distribute the questionnaire to marketing managers of large purpose-built conference centres in the UK. The link to the questionnaire was sent through e-mail with a covering letter explaining the topic and goals of the research.

The population

The target population of this study was comprised of managers of large UK purpose-built conference centres who had responsibility for, or an overview of, the marketing of their venues. The precise population that was included in this study was the managers of those UK venues that are members of the International Association of Congress Centres (AIPC) – a worldwide industry association for professional convention and exhibition centre managers. Membership of the AIPC is open to those venues that have the capacity to host international events, defined as "having a minimum of 100 participants and which either rotates through or has significant participation from at least three countries" (AIPC, 2010).

Data collection and analysis

The questionnaires were completed over a one-week period, from 8 to 15 September 2010. CEOs, sales managers and marketing managers representing ten out of a total possible population of 12 UK AIPC members returned the questionnaire, completed. Details of each of the venues are provided in Table I.

With the exception of the Central Hall Westminster, all of the other purpose-built conference centres were opened in the past quarter century or so, half of them owned and operated by local government, and the others owned by a combination of national government, charities and partnership arrangements.

Results

The venues' current extent of use of key Web 2.0 applications is shown in Figure 1. Three almost-equally sized categories emerge: three venues who are non-users; four

Venue name	Location	Date opened	Owner	Seated capacity of largest conference room
Aberdeen Exhibition and Conference Centre	Aberdeen	1985	Public sector – local government	2,000 (Boyd Orr Hall)
ACC Liverpool	Liverpool	2008	Public sector – local government	1,350 (BT Convention Centre)
Barbican Centre	London	1982	Public sector – local government	1,943 (Barbican Hall)
Bournemouth International Centre	Bournemouth	1984	Local authority partnership with charitable trust	4,200 (Windsor Hall)
Central Hall Westminster	London	1912	Private sector	2,160 (Great Hall)
Edinburgh International Conference Centre	Edinburgh	1995	Public sector – local government	1,200 (Pentland Suite)
International Convention Centre, Birmingham	Birmingham	1991	Public sector – local government	3,000 (Hall 3)
Queen Elizabeth II Conference Centre	London	1986	Public sector – national government	1,300 (Fleming and Whittle Rooms)
Royal College of Physicians	London	1995	Charity	300 (Wolfson)
Scottish Exhibition & Conference Centre	Glasgow	1985	Combination of public and private sector ownership	10,000 (Hall 4)

Table I.
Survey respondents

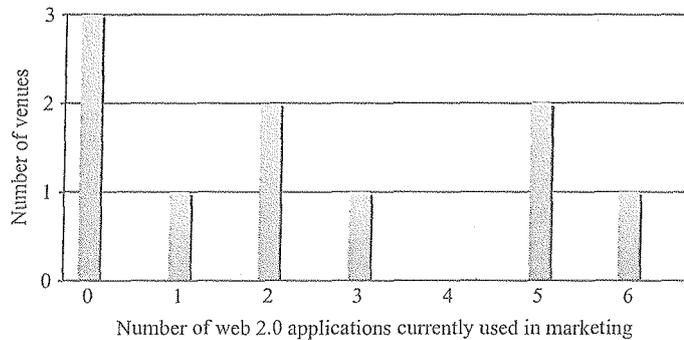


Figure 1.
Extent of Web 2.0 use

venues who are “light users”, using one to three applications; and three “heavy users” of the six applications in question, using five or all six of them.

Perhaps as a consequence of the limited sample, there were few discernable patterns clearly emerging from these three user categories. Non-users, for example, were just as likely to be public sector owned as in the private/charity sector. On the other hand, all three heavy-users were wholly public sector owned.

The venues were asked about their use of specific applications, notably the six most commonly used in the UK: Twitter, Facebook, YouTube, Blogs, LinkedIn and Flickr. The only other Web 2.0 application cited as being in use for professional purposes by a respondent was Four Square, a web and mobile application that allows registered users to connect with friends and update their location. Points are awarded for “checking in” at particular venues. Only one venue used this tool, the others limiting themselves to the use of the six shown in Figure 2, which indicates the venues’ use – and intended use – of the main Web 2.0 applications.

LinkedIn and Twitter are the most popular applications in this sample, already used by six out of ten, with two and one other venues, respectively, considering adopting them into their marketing strategies. Facebook was in use by five venues, followed by YouTube, used by three. Blogs and Flickr had been adopted by only two venues, although the former looked set to grow, with three venues considering using it. These results reflect general use of Web 2.0 applications in the global population as a whole. Facebook, Twitter and LinkedIn are currently the largest of thousands of platforms currently available on the WWW. With more than 200 million people logging on to Facebook daily, their reach is one of the largest in the world (Facebook, 2010). Twitter has over 100 million users (Twitter, 2010). LinkedIn has over 65 million users (LinkedIn, 2010). It is no surprise, therefore, that the widespread popularity of these platforms has attracted marketers’ attention.

The widespread – and growing – use of Facebook, Twitter and LinkedIn specifically for marketing purposes has been highlighted by a number of surveys, including Stelzner (2010) who noted that these three applications, followed by blogs, were by far the tools used most extensively by marketers. Moreover, the dominance of most of the applications listed in Figure 2 shows to be assured for the foreseeable future at least: when marketers in Stelzner’s sample were asked to indicate how they would change their use of such tools in the near future, two-thirds of them responded that they planned on increasing their use of Blogs, Facebook, YouTube, Twitter and LinkedIn (Stelzner,

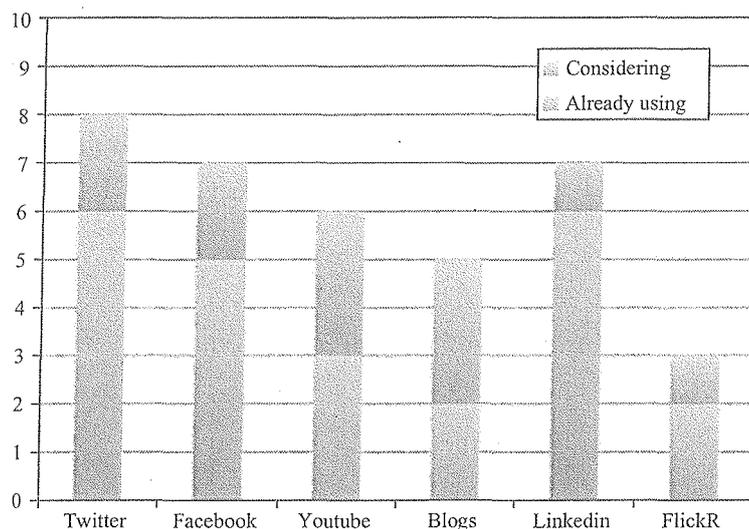


Figure 2. Use of Web 2.0 in marketing

2010, p. 23). Similarly, research conducted by the Center for Marketing Research (2010) showed that in the 12-month period leading up to September 2010, there had been explosive growth in the use of Twitter and Facebook among the 2010 *Fortune 500* companies in the USA.

Regarding how long these tools have been in use, the venues' responses are shown in Figure 3.

Only one venue, an "early-adopter" had been using these five out of six if these applications for over two years. The two venues using blogs had been doing so for less than six months. Over the applications as a whole, the most commonly reported period for their use was from one to two years (eight instances).

In terms of how much time the marketers of these venues spent each week on using the Web 2.0 applications, Facebook and Twitter were reported as consuming most staff time. The averages were 8.1 and 5.5 hours per week, respectively. However, these figures are largely skewed by the response of one venue, a heavy user, which reported that their staff were spending averages of 18 hours on Facebook and 15 hours on Twitter each week. Removing the responses of that particular venue, the averages fell to a more typical weekly 2.6 hours spent on Facebook and 2.3 hours spent on Twitter. Weekly averages for each of the four other applications were in the 1-1.5 hours range. It would be fair to conclude that with the exception of the non-users and the one very heavy user, most venues in the sample were devoting approximately one half-day of manpower per week to their use of Web 2.0.

Regarding the venues' motivations for adopting the use of these applications in general, Table II shows their responses to the question, "What were the principal reasons that led you to begin using Web 2.0 tools in the marketing of your venue?"

Reasonably enough, the most common motivation, and that given most often as the most important reason, was "To embrace the additional marketing opportunities offered by Web 2.0". However, following that motivation was "A member of staff had developed expertise/interest in Web 2.0". The "fear factor" – "Concern that other rival venues were

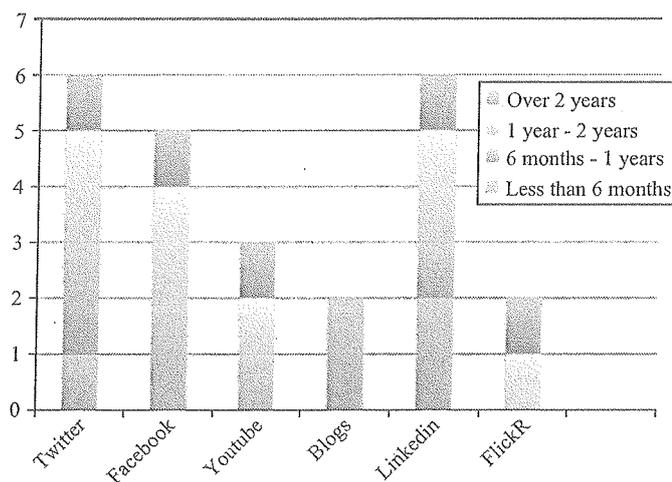


Figure 3.
How long have you been using these Web 2.0 tools in the marketing of your venue?

Web 2.0 as a marketing tool

	Most important factor	Second most important factor	Third most important factor	Responses/6
Concern that other rival venues were using Web 2.0 tools	0	1	2	3
A member of staff had developed expertise/interest in Web 2.0	2	2	1	5
To embrace the additional marketing opportunities offered by Web 2.0	4	1	1	6
To monitor what was being said about your venue	1	0	0	1
To reduce marketing costs	0	2	0	2
Other reason	0	0	0	0

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Table II.
Venues' motivations for adopting Web 2.0

using Web 2.0 tools" was mentioned by three out of the six respondents to this question, although it was not the primary motivating factor for any of those.

In order to determine the venues' goals behind their use of specific applications, they were invited to match the Web 2.0 tools with their precise objectives for each. Table III shows the breakdown of responses.

General public relations, brand awareness and reinforcement and customer acquisition and retention were shown to be the most common objectives for the use of the applications, being matched with five out of six applications (and in the case of general public relations, all six of them). Driving traffic to the venues' web sites was also given a high priority by respondents. Twitter, Facebook and LinkedIn were the applications in which respondents appeared to invest most confidence, regarding all three of these as having something to contribute to all of the objectives offered.

Objectives	Web 2.0 application/number of users					
	Twitter/6	Facebook/5	YouTube/3	Blogs/2	LinkedIn/6	Flickr/2
General public relations (%)	100	80	33	50	67	50
Brand awareness and reinforcement (%)	83	100	100	50	67	0
Customer acquisition (%)	83	80	33	50	67	0
Customer retention (%)	83	80	33	50	100	0
Monitoring what is being said about your venue (%)	100	60	0	0	17	0
Monitoring competitor venues (%)	67	20	0	0	33	0
Providing responses and counter arguments to negative comments (%)	50	20	0	0	17	0
Getting ideas for product development (%)	50	20	0	100	50	0
Drive traffic to our web site (%)	100	80	67	0	50	0
Others	1	1	1	0	1	1

Table III.
Objectives for using specific applications

In terms of additional objectives for using Web 2.0 applications, “other” motivations were “updating people on events at the venue”, “employee engagement and recruitment” and “professional networking”.

Good practice and problems

Venues were invited to give examples of advantages and advice for others, as well as problems encountered in their use of Web 2.0 applications in their marketing. The examples of advantages and advice outnumbered the examples of problems by a factor of 3:1:

- We have used Twitter to join conversations that are already happening on the web – our opinion was that whether we decided to participate or not, people were talking about us already, and it would be foolish not to acknowledge it [...] We went as far as to host a “tweet-up” event, bringing together local businesses to talk about emerging web technologies. We even receive enquiries via Twitter.
- Always use on a business level. I don’t retweet anything particularly “political”. Only tweet or retweet if it is useful or engaging to your followers. We have really raised the profile [...] by working together through social media. It’s a great success and keeps getting better!
- Direct customer interaction allowing response in Facebook language, rather than Council terminology!
- Monitor what is happening on YouTube with your venue – you do not know who is posting what.
- LinkedIn is a great form of media to promote. Join in discussions, make comments and help others. This will deliver great ROI.
- Individual staff members in the sales team use (LinkedIn) as a marketing tool on an individual basis, giving it a more personal feel.

Problems

- The issue we have with Facebook is that as we are primarily a business events venue, we tend to find our stakeholders and clients are not generally in this medium as much as other social media.
- Copyright is lost once videos are uploaded to YouTube, and problems arise when bad language is left on the comments sections.

The non-user and light-user venues were also asked about their reasons for not using Web 2.0, or for not using it more extensively. The barriers to adoption, or to wider adoption, are shown in Table IV.

Two particular barriers stand out from the responses: “concern over loss of control of the venue’s brand messages”, given as the most important reason or second most important reason by half of the sample; and “lack of staff time”, given as the most important reason by half of the sample. Marketers’ loss of control of their brand messages is a recurring theme, as highlighted in the literature review of this paper, and venues appear to be wary of the challenges that can arise when engaging customers through these social networks: how to give away power and control while at the same time avoiding embarrassment to the company.

	Most important reason	Second most important reason	Third most important reason	Responses/6
Staff lack of awareness of Web 2.0 tools	0	1	1	2
Staff lack of expertise in Web 2.0 tools	0	1	1	2
Staff's lack of interest in Web 2.0 tools	1	0	0	1
Concern over loss of control of your brand messages	1	2	1	4
Concern over potential public criticism of your venue through Web 2.0 tools	0	0	1	1
Too difficult to prove a real ROI on Web 2.0 tools	1	0	0	1
Lack of financial resources for this purpose	0	1	0	1
Lack of staff time	3	0	0	3
Use of Web 2.0 is incompatible with our brand	0	0	1	1
We tried using Web 2.0 tools and it was unsuccessful	0	0	0	0

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Table IV.
Three most important reasons for not using Web 2.0 tools in the marketing of the venue

On the issue of “lack of staff time”, one respondent, a non-user, commented:

My overriding view on social media is that there's no point in doing it simply to be seen to do it and that it will backfire if you haven't got the relevant content and resources to keep that fresh, which right now I haven't!

They concluded by saying that as soon as more staff resources were available they would willingly seize the opportunities presented by Web 2.0 applications.

Two venues, both of which host concerts and other consumer events as well as conferences noted that they used Twitter, Facebook and Blogs for the non-conference element of their business only, regarding these applications are more suitable for that segment. One reported:

Our answers now read as if we don't use social technologies in the venue – we do. Social technologies are very heavily used within the venue but not to market the venue to the B2B market place. The principal reason for that is the discrepancy between investment and ROI. Social Technologies are very heavily used for the marketing of *events* [...] and for the ticket business we own [...] It has an important place in the (mass) communication with people who come to the venue as concert and event goers.

In terms of the additional resources invested in their use of Web 2.0 applications, the venues' responses are shown in Table V.

Of the six venues that responded (all of them users of Web 2.0) half had made no additional investment, in terms of manpower or other resources, in their use of these tools. Of course, conference centres are far from being the only types of businesses that are unable or unwilling to match their increased interest in using Web 2.0 tools with adequate new resources to support this form of marketing. Typical findings on this particular issue are the results of the Second Annual “Face of the New Marketer” survey conducted by Coremetrics (2007) which revealed a clear disconnect between the desirability of social marketing for companies and the budgets they allocated to it: 78 percent of respondents saw

Table V.
Additional resources
invested by venues

	Responses as %	Responses/ 6
None. Marketing staff are expected to use the Web 2.0 tools in addition to their previous duties	50	3
We have recruited new staff exclusively to use Web 2.0 tools	16.7	1
We have moved staff from other marketing duties to work with Web 2.0 tools	50	3
We have invested in staff training on the use of Web 2.0 tools	33.3	2
We have employed consultants to advise us on our use of Web 2.0 tools	16.7	1

Note: More than one response possible

social media marketing as a way to gain competitive edge, but only 7.75 percent of total online marketing spend was devoted to it. This compares with an average of 33 percent of spend going to online advertising and 28 percent to online promotion design and implementation.

There were eight answers to the question, "How do you expect your use of Web 2.0 tools to change in the future?" One venue was concerned to maintain the level of their current involvement, following the departure of their dedicated member of staff; three were considering increasing their involvement; and four definitely envisaged increasing their use of these tools – one "significantly". In the last group, one venue remarked that "It's very exciting, and with the advent of this new transparent and communicative era, it's dangerous not to be involved with it"; while another remarked that "social media is definitely changing the way business is done".

Measuring success

Venues were asked to provide evidence of their success in using Web 2.0 applications. Two claimed that it was too early to say:

- (1) As we have only just started to blog – one month ago – we cannot as yet analyse the results.
- (2) Too early to say at the moment. Just started using this tool.

Three other statements were more confident of the efficacy of Web 2.0 applications:

- (1) On a commercial level, we have picked up new business through enquiries from Twitter.
- (2) Through the blogs going out through Twitter, we are reaching out to a really interesting audience.
- (3) I use LinkedIn as a personal/business social media platform. I have really been able to raise my business profile through it. This was the first social media site I used and it's been incredible to develop connections for business.

Others used, as metrics, the tracking of the number of their "followers", "fans" and "friends" on the social media sites. The number of the venues' followers on Twitter covered a very wide range, from 86 to over 10,000. However, only one venue reported having over 1,600. The number of Facebook "friends" specified by the venues ranged from 413 to 5,000, the maximum number allowed by Facebook. Two venues

specified that their Facebook sites had 10,486 and 9,598 “likes” – people who had clicked the “like” button on those venues’ pages.

Web 2.0 as a
marketing tool

Discussion

It is clear, even from the small sample used for this preliminary study, that the rate of adoption of Web 2.0 applications by UK purpose-built conference centres has been uneven, and that those venues that have already adopted the use of these tools for marketing purposes have done so relatively recently. The more committed and convinced venues are routinely using five or six such tools in the marketing communications strategy, and on average, over both user categories, one half-day per week is spent in this activity. The indications from the sample are that intensity and extent of usage of Web 2.0 applications is set to grow among venues, with most of the non-users and light-users considering expanding their use.

There are, however, a number of concerns that may be expressed at this stage in the development of these marketing tools:

- (1) Several venues appear to have been introduced to the marketing potential of Web 2.0 applications by an individual member of staff with expertise/interest in these tools rather than any deliberate strategic decision to move into this area.
- (2) The results of the survey suggested that the absence of a “champion” for Web 2.0 applications could be a reason for a venue not expanding its marketing activities into this domain. Two venues cite the lack of staff interest/expertise as reason for non-adoption.
- (3) From the human resources side, another cause for concern may be that only one venue in the sample reported recruiting a new member of staff to work with these tools, others simply moving existing staff into the role or expecting staff to absorb the use of Web 2.0 tools into their workload.
- (4) Very little sound evidence was produced by respondents to demonstrate successful return on investment in their use of these tools, confirming the view expressed in the literature (Dwyer, 2007; Jones *et al.*, 2009; Thackeray *et al.*, 2008); although several had reverted to the approach suggested by Borges (2009), by citing web traffic volume. General concern over the need to be able to demonstrate the efficacy of Web 2.0 tools used for marketing purposes has been widely highlighted as an issue in the literature on this topic. For instance, Stelzner (2010, p. 9) notes that in the 2010 Social Media Marketing Industry Report, “One in three marketers indicated measuring results and identifying the best practices were their top questions when marketing with social media”.

Nevertheless, tools specifically created to enable the quantifying of return on investment in Web 2.0 tools are increasingly available. As one example, Syncapse (2010) has developed a convincing approach to understanding the financial returns that Facebook fans provide to a business. This is based on the premise that Facebook fan ROI can be understood through a knowledge of key performance indicators that have traditionally led to increased sales and profit in business: product spending, brand loyalty, propensity to recommend, brand affinity and earned media value. More generally, MarketingSherpa (2010) is an example of empirical research that provides benchmark

data to help marketers better understand what can work best in Web 2.0 marketing, as well as a practical method for mapping a strategy for their use of these tools.

It would appear that venues using the Web 2.0 tools discussed here appear mainly to have adopted them simply because they are available, in the same way that marketers wholeheartedly embraced the opportunities presented by the internet – “because it is there”.

However, the results of the data collected indicated a number of misgivings among which concern over public criticism and potential loss of control of the venues’ marketing messages was prominent, illustrating the convictions of many commentators, such as Schmallegger and Carson (2008), for example, that many businesses fear that negative word of mouth on UGC sites could severely damage their reputation. Nevertheless, despite the potential drawbacks, it would seem that venues’ wider adoption of Web 2.0 applications into their marketing communications strategies seems assured, as suggested by the responses of the sample in this study. Nevertheless, we are at an early stage in this process and although marketers appreciate that they will have to learn how to engage with the C2C conversations in the virtual marketplace, methods for shaping those conversations have not yet been fully articulated (Mangold and Faulds, 2009).

Other potentially fruitful sources of guidance and examples of good practice in this field may come from venues that focus more on consumer events such as concerts and other form of entertainment. There were several indications in the data collected that use of Web 2.0 applications was more extensive in (because considered by some to be more appropriate for) the consumer market.

Finally, the meetings industry associations representing meetings venues have an obvious education and training responsibility with regards to their members’ use of these tools. Some have already begun dispensing advice. The International Association of Conference Centres, for example, passed on the following guidelines to its members, regarding their use of UGC tools:

Take advantage of UGC. Read the reviews your property receives at online sites. Read blogs concerning your center and your geographic market. Establish blogs and encourage your customers to post their comments – use them like public-forum comment cards. Send the planner the link to the blog before they arrive for their event. Monitor the feedback [...] use this information to fine-tune your marketing approach. He who has the best customer-generated blog wins. NEVER manipulate information in these forums and NEVER post anonymous comments in an attempt to improve your reviews – you will get burned (IACC, 2007, p. 4).

Conclusion

Its success and wide public acceptance suggest that Web 2.0 is here to stay and that it represents a new step in the evolution process of the internet as a marketing environment. Web 2.0 applications have had a substantial effect on consumer behaviour and have contributed to unprecedented consumer empowerment, the consequences of which are far reaching for businesses of all kinds.

But although the Web 2.0 environment presents businesses with new challenges, it also provides new opportunities for getting and staying in touch with their potential customers and learning about their needs and opinions as well as interacting with them in a direct and personalised way.

Venue owners, whether private sector, public sector or charity owned, are under increasing pressure to provide a reasonable return on investment – at a time when

competition intensifies with every new purpose-build conference centre that opens. In the words of one research analyst for a major US venue: "Convention center management used to be order-takers and now we have to sell, market and serve the convention center customers like never before" (Severt and Palakurthi, 2008, p. 631). In the face of such pressure, venue marketers should consider Web 2.0 applications as marketing tools offering significant potential and learn not only how to incorporate them effectively into their marketing communication strategies, but also to convincingly measure the return on investment in such activities. It will be interesting to monitor venue marketers' progress as they expand their adoption of Web 2.0 tools to connect with their markets in dramatically new ways.

Limitations of the study

The extent to which the results may be generalised beyond the geographical parameters of this study may be limited, therefore, further research is required, to test the findings across a broader range of locations. However, another key limitation of the findings is that this paper is based on a research design that presents a one-sided analysis of the role of Web 2.0 tools in venue marketing, as only the conference centre perspective is investigated. It would be interesting to investigate the extent and nature of the use of Web 2.0 tools by key demand-side stakeholders, notably the meeting planners who are responsible for selecting venues for the events they organize. This would allow observations to be made about the full value of Web 2.0 applications as marketing communications tools in the conference industry.

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About the author

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Krzysztof Celuch CMM, CITE

In 2000, Krzysztof joined the meetings industry working for a number of DMCs before moving into the field of destination marketing. Currently he is a manager for the Poland Convention Bureau, a role he combines with journalism, focusing on the meetings and events industry, and with his positions as vice-dean and lecturer in events management at Warsaw's VISTULA University and pro-rector at the College of Tourism and Recreation, also in the Polish capital. Each year he launches a Poland Meetings and Events Report highlighting current and future developments in the meetings industry in his country.

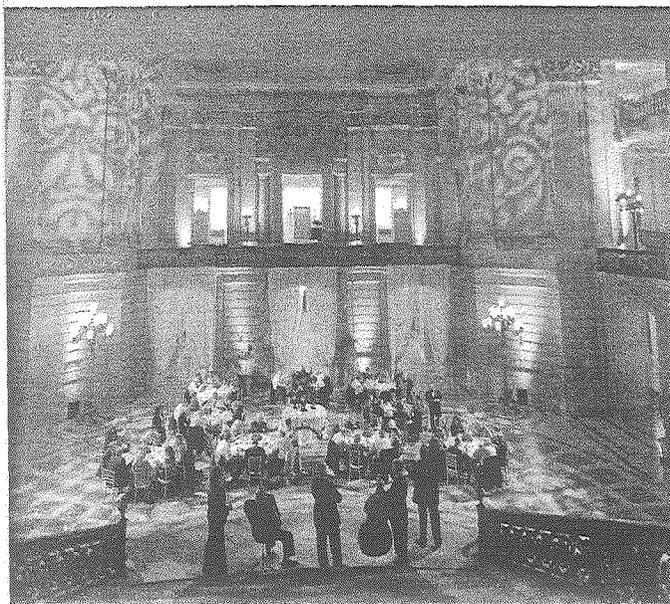
In his capacity as an educator, he organizes an annual student conference: the Future Leaders Forum Warsaw, in cooperation with IMEX. He also plays an active role in meetings industry associations, serving as MPI Poland Club President from 2009-2011 and participating in the Site Academy for Young Leaders. He has achieved the designation Certificate of Incentive and Travel Executive (CITE) and Certificate Meetings Management (CMM).

In 2007 and 2008, Krzysztof was nominated as one of *The Meeting Professional* magazine's '30 people under 30 age currently making an impact on the global meetings community', and in 2010 he won the MPI Rise Award for Young Professional Achievement.



Site

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Better Business Results through Motivational Experiences and Incentive Travel

Krzysztof Celuch & Rob Davidson



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PREFACE

As academics who teach and carry out research in the field of motivational events, we were delighted to be commissioned by Site to write this book of incentive travel case-studies. We believe that our collection of 15 richly detailed examples of incentive programs from around the world fully demonstrates how companies operating in a wide variety of industrial and commercial sectors are effectively using incentive travel rewards to help them achieve business results through increased sales, employee engagement and customer loyalty.

All of the incentive programs featured in the case-studies included in this book took place in the years following the 2008 global financial crisis, demonstrating that even in the current economic situation, enlightened corporate users of incentive travel are still highly committed to this type of experiential reward as a cost-effective way of securing increased sales and productivity over an extended period, through the motivation and engagement of their human resources.

The variety of case-studies featured in the following pages also demonstrates the crucial role played by incentive travel agencies and destination management companies in understanding their clients' own objectives and transforming this understanding into strategically-designed incentive travel programs that result in more original ideas, more creative solutions, and ultimately, more lasting motivation and increased work performance. Time and again in these case-studies, the ingenuity, imagination and problem-solving abilities of incentive travel professionals are clearly highlighted, emphasizing the indispensable part played by these agencies and the suppliers they use.

Finally, these case-studies indicate how incentive programs are successfully adapting to trends in the wider world, for example by harnessing the power of technology or by incorporating the concept of Corporate Social Responsibility to make programs more meaningful and more fulfilling to those who participate in them.

Krzysztof Celuch, Vistula University, Warsaw
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In an ever-changing global business world, the most prized asset remains constant: excellent performance.

The best business leaders recognize and respect change. Never before has the world economic future been as interdependent as it is today. The rapid advancement of technology creates both opportunities and risks that must continually be monitored. The demographic and generational shifts in the global workforce create employee needs, wants and demands that are very different today than they were just a decade ago. Traditional business models that could be counted on in the past have been replaced with a highly matrixed model of outsourced services, external distribution channels, independent contractors and other new scenarios.

Evolution is on our doorstep and in order to be a winning company of the future C suite leadership must stand ready to innovate, motivate, recognize and reward workers and partners who are vital to the positioning and progress of their companies. Enduring success will come to organizations driven by the performance of good people.

Leading-edge companies believe in unleashing human potential through extraordinary motivational experiences.

1 steps Site.

Site believes the highest levels of workplace performance are reached by individuals and teams that are highly motivated. Motivational experiences serve as a powerful business tool to unlock and reward human potential needed to achieve corporate objectives, thus driving forward the world economy. Site's extensive network of professionals offers best-in-class solutions, insights and global connections to maximize the business impact of motivational experiences. Site serves as the source of expert knowledge and personal connections that catapult and sustain professional growth, and help build the value of extraordinary motivational experiences worldwide. Our members in over 90 countries work with the world's business leaders to design, develop and execute motivational programs intended to reward top performers and provide effective ways to enable businesses to grow and be more profitable.

When it comes to the bottom line, Site professionals are dedicated to delivering business results.

This book profiles simple yet impactful case studies related to motivational experience programs. It explores the situational analysis and steps taken by the parties to engage, motivate and reward a specific business audience. We hope that you find value in what you read and that it inspires and guides your future business programs.

The Site International Board of Directors offers a special thank you to our members and the companies who contributed their success stories to this book. We also thank our friends at Travel Alberta for their support in making this book possible.

Thank You



BOMBARDIER RECREATIONAL PRODUCTS

This case-study shows how a product launch event was turned into a valuable networking and teambuilding experience for the participants.

THE AGENCY

MCI is a globally integrated association, communications and event management company, specializing in building community around brands, products, services, companies and institutions. Since it was founded in 1987, MCI has steadily expanded and today has 43 offices in 21 countries offering integrated services for global, regional and local clients. The group is fully committed to mobilizing its collective expertise to create difference and raise performance.

PROGRAM TYPE

Product launch with teambuilding activities.



SITUATION ANALYSIS

Bombardier Recreational Products (BRP) is a world leader in the design, development,

manufacturing, distribution and marketing of motorised recreational vehicles. Built on a 70-year tradition of excellence and headquartered in Valcourt, Quebec, BRP owns manufacturing facilities in Canada, the US, Mexico, Finland and Austria, and has a total workforce of more than 6,000 people. Its portfolio of brands and products includes: Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft and boats, Evinrude and Johnson outboard engines, direct injection technologies such as E-TEC, Can-Am all-terrain and side-by-side vehicles and roadsters, as well as Rotax engines. BRP products are distributed in more than 100 countries by more than 3,500 dealers and distributors.

BRP regularly uses motivational experiences in order to help the company achieve its business goals. On this occasion, the client wanted much more than just a regular product launch. BRP also wanted to motivate its most important EMEA distributors and dealers by inviting them to live a unique, inspirational experience.

OBJECTIVES

The objective was to launch and introduce the company's new product line-up, focusing on their new Can-Am side-by-side vehicle. BRP wanted to mark the occasion with something exclusive and unforgettable that would create awareness and excitement among their key business partners. The client also wanted to provide its key dealers with a unique opportunity to experience and bond with the product, in advance of its mass distribution, in order to ultimately

st sales of its new product line-up. This event had to go beyond a simple opportunity to drive and test the vehicles.

COMMUNICATIONS PROGRAM

BRP invited their key EMEA dealers and distributors and sent them, directly, a teaser regarding the destination and then an invitation with details of the exciting program.

EXPERIENCE

MCI prepared a three-day program, specially adapted for the various key target groups the client had in mind: BRP employees, dealers and distributors, and the press: 100 participants in total. For the destination, they chose Marrakech, also known as the Red City, with its rough terrains and burn-winds forming the gateway to the vast Sahara and providing the perfect setting for off-road experience. Testing out BRP's reputation for the versatility of their off-road vehicles, the exciting landscape gave attendees the opportunity for an exhilarating drive in a private off-road environment.

The three diverse audiences experienced sensations on the program based around a theme. For the employees and the dealers and distributors, strategic meeting sessions were followed by test drives and a journey to the local bazaar for team-building exercises. As for the press, their attention was mainly focused on enjoying the test drive. An intensive adrenaline-fuelled three-hour off-road drive through the rugged terrain of the Middle Atlas Mountains was the perfect opportunity for them to familiarize themselves with the new vehicles.

The test drive took place near the Lalla Torkoust lake, 40 minutes south of Marrakech, where MCI arranged exclusive use

of the venue for this occasion. Tents were erected and the guests enjoyed a gourmet lunch before their departure towards a beautiful restaurant with a swimming pool in the middle of the vast expanse, creating a truly unique and memorable experience.

OUTCOMES

As a direct result of this launch event, BRP was convinced that it succeeded in raising awareness for, and the visibility of, their new product range and managed to give employees, dealers and distributors as well as the press a really exciting hands-on experience, combined with technical insights and an exclusive preview of the new product range. Thoroughly persuaded that through this particular launch event they had fully achieved their objectives and return on investment, BRP commissioned MCI to organise a second event the following year in Italy.



THE AGENCY

AV Business & Communication. A full-service incentive and marketing company, AV Business & Communication is the first company specialized in non-monetary incentives in Argentina, with national, regional and global reach.

PROGRAM TYPE

Distribution sales



SITUATION ANALYSIS

Research in Motion, a global leader in wireless innovation, is the company behind the BlackBerry product line. Founded in 1984, it has its headquarters in Waterloo, Ontario, and offices in North America, the Asia-Pacific and Europe.

RESEARCH IN MOTION (BLACKBERRY)

This case-study shows how a full-service incentive and marketing company utilized a comprehensive communications strategy to stimulate renewed interest and excitement in its client's incentive program.

The penetration of the BlackBerry brand in Latin America has been progressively supported by a combination of marketing activities, including training, consumer promotions, merchandising and incentives aimed at the corporate sales forces.

BlackBerry started their first incentive program for the corporate sales force of Telefonica/Movistar in Latin America in 2007. That first time, a North American incentive company was chosen to manage the fulfillment of different merchandising rewards such as electronics, laptops and digital cameras. But the outcome of that experience was not positive, because these products were distributed from Miami, and due to custom and logistical difficulties, many participants did not receive their rewards. Others got them after a considerable delay - and these issues impacted negatively on the sales forces' perception of BlackBerry.

Following that experience, BlackBerry implemented a bidding process with South American full-service incentive and marketing companies, and AV Business & Communication was chosen to run the 2008 incentive travel program - and subsequent years' programs too. This case-study describes the most recent program organized by AV Business & Communication on behalf of BlackBerry.

OBJECTIVES

The participants were 1100 members of the Telefonica/Movistar sales force, distrib-

over 13 different countries: Argentina, Chile, Peru, Uruguay, Colombia, Ecuador, Venezuela, Panama, Guatemala, Honduras, El Salvador, Mexico. The program had the following business objectives:

To motivate Telefonica/Movistar's sales force to increase the sale of BlackBerry devices.

To stimulate sales of BlackBerry's plans and solutions to companies.

To reach the quantitative sales objectives established for each participant country.

To increase participants' loyalty and enhance networking through a recreational approach where they could be recognized and rewarded.

THE COMMUNICATIONS PROGRAM

As the incentive trip was to Buenos Aires and Bariloche in the Argentina Patagonia, the theme chosen for the program was 'Competencia de Altura' – (Height Competition).

The launch: In the head office of each country participating in the program, goals and rules were explained and the monthly rewards and final incentive trip were showcased to motivate participants to engage in the program. A printed brochure and posters were distributed in all 13 participating countries.

Web-page: Each participant received an email with his/her user name and personal password to access the web-page, where each month they found the latest news and rankings.

Messages: Once the program was launched, the participants received motivational communications items via email. Each

week there was a new item with a motivational message or image.

Chalk: The program used a new communication tool Chalk. Chalk™ Pushcast™ Software, provides a multimedia-rich, trackable, and secure communication channel on BlackBerry® smartphones – for priority training and communications. Surveys, trivia questions and videos related to the program were designed to impact the 1100 participants in 13 countries.

Trivia competitions: there were 3 trivia competitions that tested the participants on their knowledge of BlackBerry models and services. Those participants who answered the questions correctly participated in a monthly raffle, for which the prize was a BlackBerry Presenter - a device that makes it possible to wirelessly present Microsoft PowerPoint presentations from a BlackBerry mobile phone.

Promotional gift: 45 days after the program was launched, 1100 books containing beautiful images from Bariloche and Patagonia were distributed to participants, including a Portuguese version for those in Brazil. This resource was used to differentiate the communicational approach from all



the electronic emails and instant communications that were usually implemented.

THE AWARDS PROGRAM

Another important point for the success of the program was the award fulfillment. AV Business & Communication coordinated this aspect of the program, working with their partners in each participating country, and through this distribution system, all of the participants received their prizes without delay.

In order to provide the participants with a combination of different rewards stages, the monthly rewards were Visa gift cards of different values – between US\$300 and US\$1000. At the end of the incentive program period, the most highly-ranked salesperson of each country qualified for a place on the incentive trip to Buenos Aires and Bariloche.

THE INCENTIVE TRIP

AV Business & Communication was responsible for the design, development and implementation of the incentive trip, an unforgettable, 5-day experience for the 16 best-performing participants in the 'Competencia de Altura'. With the participants coming from 13 different destinations on different flights, they gathered in Buenos Aires for one night before setting off for Bariloche. The welcome dinner took place at 'La Cabrera' where they enjoyed the best Argentinian steaks and wines. The pillow gift for that night was a Columbia polar jacket bearing the program's logo.

The next morning, after a guided tour of the main attractions of Buenos Aires, the participants were due to take their scheduled flight to Bariloche. However, due to a general malfunction of the airport's security system, all national and international flights were

cancelled. AV Business & Communication reacted quickly to secure accommodation for the group at the Melia Hotel in Buenos Aires, and as a result of the agency's quick thinking and resourcefulness, the group's unplanned additional night in that city was turned into an opportunity to experience a marvelous show at 'Esquina Carlos Gardel', where the group enjoyed excellent food, and various traditional and contemporary tango performances.

The following day, after tough negotiations with the airline, the group flew to Bariloche, arriving in the afternoon at the prestigious LLao LLao Hotel (recognized by Conde Nast as one of the best 100 hotels in the world) and immediately received VIP treatment with an exclusive check-in organized in a private meeting room, complemented with hors d'oeuvres and drinks.



Over the next three days, the group discovered the resort's local landscapes and special amenities, including the infinity pool, the spa and the exquisite gardens with great views of the Nahuel Huapi and Moreno lakes. The schedule also included a training session one morning in the hotel, when the BlackBerry and Telefonica managers presented useful information on new services and products.

Other activities included a drive to the top of Cathedral Hill in All-Terrain-Vehicles. After

DULUX GROUP

The challenge for the agency in this case-study was to improve participants' perception of the client's incentive program, so that it more effectively achieved its objectives.

THE AGENCY

212F is the Australian arm of the Extra Mile Group, a full-service, award-winning incentive travel company which encompasses companies in five offices across four countries in the Asia and Pacific region.

PROGRAM TYPE

Distribution sales incentive program.



SITUATION ANALYSIS

DuluxGroup is an Australian-owned, publicly-listed company with its headquarters in Melbourne. The company's origins date back to 1918 when the foundations of the existing business were established in Sydney, Australia. Today, DuluxGroup is Aus-

tralia's largest manufacturer and marketer of products that protect, maintain and enhance the spaces and places in which people live and work. It consists of four business segments: Paints Australia, Paints New Zealand, Selleys Yates Home Improvement & Garden, and Offshore Powder & Industrial Coatings. DuluxGroup employs approximately 2,500 people in Australia, New Zealand, Papua New Guinea, South-East Asia and China.

For their first two years of running an incentive program, DuluxGroup managed the sales program internally and used a corporate travel agent to fulfil the travel reward trips (to New Zealand and to Hong Kong). Feedback was generally positive, however DuluxGroup felt the programs lacked the high quality of professionalism required. The trips were generally considered to be quite basic travel packages and although the programs were somewhat effective in customer engagement, they lacked the WOW! factor that true incentive experiences ought to offer.

Following a tender process, DuluxGroup selected 212F to run its next program, and also the program after that. 212F identified that a number of challenges had to be addressed prior to the launch of the new program:

- Customer engagement levels needed to be increased to stimulate stronger participation.
- Communication visibility, methods and quality needed to be improved to engage over 600 customers across Australia.
- 212F knew that the program needed some 'WOW!' to make it a real incentive

- **To reach the quantitative sales objectives established for each participant country:** the majority of the participant countries reached the pre-established quantitative objectives. Colombia, Brazil, Argentina, Chile, Peru, and El Salvador achieved and exceeded their goals by between 5% and 25%
- **To increase participants' loyalty and enhance networking:** The program was widely agreed to have had a very positive impact on the participants, who demonstrated a heightened level of engagement with the BlackBerry brand.

This incentive program has become a key element in the relationship between the Telefonica/Movistar sales forces and BlackBerry. According to Telefonica/Movistar executives, the two incentive programs in which their sales forces are most motivated to participate are those organized by Nokia and BlackBerry. This is one of the main reasons why BlackBerry believes in the importance of continuing with this initiative. Another key factor is the positive ROI that every year the program generates, according to BlackBerry's own evaluation.

BUDGET

INCENTIVE TRIP FOR 18 PAX	US\$ 90.000
COMMUNICATION AND PRODUCTION	US\$ 30.000
ADMINISTRATION FEES	US\$ 15.000
LOGISTICS AND DISTRIBUTION	US\$ 15.000
MONTHLY AND SPECIAL REWARDS	US\$ 45.000
TOTAL BUDGET	US\$ 195.000

ying the spectacular views of the landscape on the way up the mountain, the participants were surprised with a champagne toast with local delicacies upon reaching the summit. The night ended with a gourmet dinner at 'The Cave'. This exclusive restaurant is generally located in a cave, which has been transformed into a gourmet restaurant. An outdoor activity that received excellent feedback was the rafting expedition on the Iso river, where the participants navigated the river for over three hours, enjoying fantastic views of the Patagonian landscape. They ended their adventure with an inclusive *asado* (barbecue) at a Patagonian estancia, enjoying excellent Argentinian wine and local fruit and vegetables.

Throughout the program, care was taken to observe sustainable principles. For example, only menu options that included local products and ingredients were selected. In addition, as an example of a CSR initiative, only products manufactured in the area were used as gifts and souvenirs for the group.

JTCOMES

All the established objectives were achieved, both quantitative and qualitative. Some of the results even exceeded the pre-established goals:

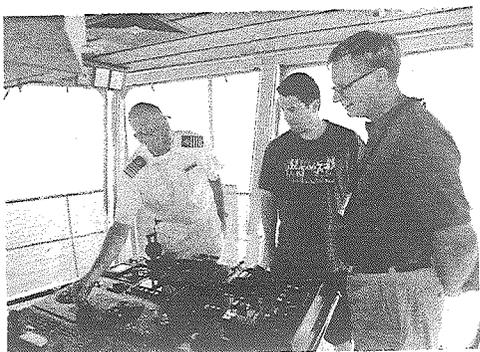
To motivate Telefonica's sales force to increase the sale of BlackBerry devices: the main countries involved in the program increased their sales by up to 30% over the duration of the program.

To stimulate sales of BlackBerry's plans and solutions to companies: as a direct result of the campaign, there was significant growth in the volume of corporate services and solutions sold to BlackBerry's clients.

avel experience that would become talking-point within the channel and something regarded as being aspirational. The opportunity was for 212F to deliver a program that would change the lives of the customers after they experienced the travel experience.

OBJECTIVES

This was a nationwide incentive program, DuluxGroup's retailers within the Danks were retail chain in Australia, and was called the 'Danks All Stars Program'. The primary objective was to bring DuluxGroup a larger share of the Danks retailers' 'wallets'. In this respect, a compelling program needed to be implemented to supplement client's own customer service efforts. A secondary objective was to enhance channel relationships between DuluxGroup and the Danks retailers and to minimise channel conflict with other retailers, by providing retailer incentive as opposed to a consumer-driven promotional program. This requirement drew directly on 212F's expertise in the tactical enhancement of channel relationships, and the agency was consequently engaged to design a program for DuluxGroup that would help increase engagement and encourage the loyalty of the channel to their brands.



Each retailer that registered for the program was provided with individual sales targets for the four DuluxGroup brands - Dulux, Cabots, Selleys and Yates. DuluxGroup set these targets based on their intricate knowledge of individual retailers, their sales targets and program return-on-investment expectations. The individual targets were based on the previous year's purchases, with an expected percentage growth. In order to qualify, the retailers needed to reach their sales targets for each of the four brands. Targets were prepared to engage the entire customer base and to not alienate smaller customers along the way. The first retailers to meet all four business targets were rewarded with the opportunity to become "Danks All Stars".

THE COMMUNICATIONS PROGRAM

Launch: 212F worked closely with DuluxGroup Account Managers to develop a selling tool to launch the program and engage retailers across each of the 4 businesses. A printed brochure was delivered to every Danks hardware store, detailing all program information and inviting the store owner to engage in the program and register on the program website. In addition DuluxGroup business managers supported the launch with a strong physical presence, by visiting stores and talking up the exciting new program with the owners.

Website: 212F's internal IT team developed a fully-customized and branded program website. Participants had 24/7 access to the website to view all program communications including: their targets, sales figures, leader-board and rankings, monthly promotions and bonuses, as well as all program and trip information.

Teasers & Engagers: Once the program was launched, participants received regular teasers and engagers. Promotional teasers, such as a DuluxGroup-branded luggage strap, were sent to all stores to remind them of the trip and to motivate them to achieve and be a part of it. In addition an SMS campaign was launched whereby monthly text messages were sent to retailers to remind them of sales data being uploaded on to the website and prompting them to visit it. All teasers and engagers were designed to increase participation and engagement levels in the program.

Phone Hotline: A dedicated DuluxGroup phone hotline was set up at 212F, enabling participants to call and discuss any program-related questions such as sales figure queries, travel requirements and any other general program queries.

Travel Packs: All store-owners who earned a place on the trip were sent a comprehensive travel pack including DuluxGroup-branded document wallets. They each also received a DuluxGroup-branded backpack. The client wanted to ensure that all participants actually brought their backpacks with them on the trip, for brand exposure. So in order to entice participants to bring the DuluxGroup backpacks instead of their own, 212F developed a competition whereby each backpack had a unique number label attached to it, and - providing all participants brought their backpack along to the welcome night function - there would be a lucky prize draw in which the winner won S\$1000 cash to use as spending money on the trip.

THE INCENTIVE TRIP

The trip had to be aspirational, provide plenty of social interaction and have lots

of 'WOW!' - as well as fit into strict budget guidelines. It was, above all, imperative that the program should eclipse any travel incentives provided by the client in the past.

Before proceeding to design the program structure, 212F thought it imperative to first gain insights into the background of DuluxGroup, the industry in which they operate, their client base and the history of their use of incentive programs - in order to fully understand the business environment in which the incentive solution was to be offered. With 212F's considerable experience in strategic program design, they understood the importance of taking into account all critical factors needed for channel success. They interviewed the DuluxGroup executives at length, to gather this information and to ascertain from them exactly what their objectives were, for this program.

Once they had achieved this clear understanding, 212F designed and developed the program structure and travel reward. Their recommendation to DuluxGroup was that the incentive award should be a trip to Singapore incorporating a 3-night Asia Cruise on board the SuperStar Virgo. 212F established the number of qualifier places



available on the trip, based upon the budget allocated by DuluxGroup to this program, and their estimate of the cost-per-capita of

experience that participants would be a part of. Their conclusion was trip should host the owners of the stores plus their partners.

Group of 92 participants attended the Singapore in March 2011, comprising 35 top-achieving store owners and partners, and 22 DuluxGroup staff and reps. They were accompanied by two tour escorts. The DMC Pacific World with 212F to deliver the ground pro-

Participants flew from Australia on varieties to Singapore, and upon arrival transferred to the Conrad Centennial. The welcome dinner took place at the and was themed as an 'Asian Hawker' buffet featuring cuisine from Singapore, Malaysia & India. A Singaporean orchestra provided cultural background instrument.



Participants transferred to the Port of Singapore and boarded the SuperStar Virgo ship via the VIP area. They were greeted with welcome drinks and personally escorted to their upgraded 'Balcony Class'

rooms. Awaiting them in their cabins was a chilled bottle of wine with a welcome letter from DuluxGroup and an invitation to dinner that evening. Pre-dinner drinks were held in the 'Galaxy of Stars' bar, with specially-branded cocktails followed by private dinner in the Bella Vista Restaurant.

DAY 3

The morning was spent enjoying the ship's facilities and relaxing, prior to arriving in Penang. There, participants disembarked and travelled on an exclusive Discovery Tour of Penang, which included visits to the Kek Lok Si Temple and Pinang Peranakan Mansion, as well as a trishaw ride through the backstreets of Georgetown, which has been listed by UNESCO as a World Heritage Site. The tour concluded at the majestic E & O Hotel, with drinks overlooking the harbour. Dinner at leisure was taken onboard in one of the many restaurants. The pillow gift awaiting participants in their rooms was a traditional Malaysian pewter picture frame with a card detailing the following day's events.

DAY 4

Arrival into Phuket, where participants disembarked, serenaded by musicians. After a day of touring in Phuket, which included elephant rides and a quad bike adventure, they returned to ship for a group photo with the ship's Captain on the Grand Staircase. The Captain then hosted the group to pre-dinner 'Captain's Cocktails', which were followed by a Gala farewell dinner. A video production was screened to guests throughout the evening showing photo highlights of the group from 'The Week that Was', while traditional Thai musicians performed. Following dinner, 212F arranged for a private 'after party' to be held for participants in the Deck 13 Taverna.

Upon retreating to their rooms that evening, they each received a pillow gift consisting of a Thai silk elephant and farewell card.

DAY 5

This day was spent at leisure on board the ship, followed by evening disembarkation and transfer to the airport for flights home to Australia.

OUTCOMES

A post-trip survey was conducted. Questionnaires were sent to 35 stores, and 30 responses were received for the Danks All Stars program.

Some key findings:

- 90% of respondents rated the organisation of the trip as excellent or very good
- 95% of respondents felt the trip exceeded their expectations
- 90% of respondents felt that there were good networking opportunities on the trip
- 90% of respondents would aim to actively participate in the following year's program.

Participants' comments included:

- 'One of the greatest trips I have ever had'.
- 'We had an absolute ball and the time of our lives. Our thanks to you for all your help and assistance. It was greatly appreciated'.

In terms of business results, the Danks All Stars incentive program delivered double digit sales growth for the DuluxGroup, of all products within the Danks stores. This is an exceptional result, considering the Australian independent hardware channel in general has experienced a decline over

the past few years. In addition, the program built the engagement of Danks retailers by developing closer relationships between DuluxGroup staff and these retailers, as a direct result of the face-to-face networking that took place on the trip.

Essentially, there was a marked change of perception of DuluxGroup's incentive travel rewards, which are now regarded as a highly desirable money-can't-buy incentive 'experience', and not just a trip, within the customer base across Australia.

As a result of the success of the Danks All Stars Program and outcomes delivered, DuluxGroup endorsed 212F as its preferred supplier to design and implement the next program.

INTERNATIONAL TECHNOLOGY COMPANY

This case-study demonstrates how business sessions can be successfully integrated with the leisure aspects on an incentive program. It also shows how the agency's creative program design enhanced the participants' experience of the destination.

AGENCY

Founded in 2004, Fourth Wall Events is an award-winning New York City-based agency that specializes in creating extraordinary experiences based on a series of high-impact moments, each designed specifically for targeted audiences uniquely connected to the client's brand.

PROGRAM TYPE

Employee recognition program.



CLIENT ANALYSIS

The client for this incentive program was an international technology firm with close to 30,000 employees all over the world. In many years, this company has used incentive programs regularly as a way to motivate and reward employees. They

have found them to be so highly effective in meeting their business goals, that incentive programs have become a key part of the company's culture. This was the inaugural year for this particular incentive program, after a three-year hiatus from using incentive events (driven by the economic climate). The company is well-versed in the power of incentive programs, as demonstrated by the creation of this new recognition program open to each and every employee.

OBJECTIVES

This program was designed as a motivating tool, to increase company morale, and to foster success among the company's employees in all countries in which it operates. This included employees who work in research, development, sales, and various other aspects of the company. The creation of this new incentive program signalled a return to the company's utilization of incentive programs as part of an overall campaign to show its employees that they are valued and appreciated.

THE INCENTIVE TRIP

500 of the company's employees from North America, South America, Europe, Africa, Asia and Australia were honoured through this program. Each employee was allowed to bring a guest of their choice in an effort to reward the family and friends of employees who helped them to succeed on behalf of the company.

The Island of Maui in Hawaii was chosen by the client for several reasons. Primarily, this tropical location was convenient to employees travelling from many destinations – including a large contingent from Asia. It was also chosen because it is perceived as an exciting location. All decisions on destination, timing, and the invited participants were based around the desire to create a high-end, luxurious, rewarding and motivating program for attendees to kick-off the inaugural year of this program and position it for future success.

DAY 1

Participants, their guests and company executives arrived at the Grand Wailea in Maui, Hawaii (although due to the popularity of the destination, many had chosen to arrive several days before the program began). Upon check-in, they were given welcome kits and the many leisure options included in their trip were explained to them. Molokini Gardens, an oceanside lawn venue at the Grand Wailea, was where the Aloha Welcome Dinner took place, to the calming sound of a traditional Hawaiian quartet. From that location, participants and their guests had a front-row seat for their first spectacular Hawaiian sunset.

DAY 2

After breakfast, participants were invited into the Grand Ballroom for the first business session of the program – a mixture of inspiration, information, and motivation – organised by a separate production company. Following the general session of this meeting, a special hospitality lounge was opened for all attendees. This lounge showcased some exciting new technology projects the corporation is working on, celebrated recent com-

pany milestones, and provided a location for further interaction between participants, special guest speakers from the general session and the company's executives. Casual furniture groupings encouraged participants to stay and sit in the lounge and partake of all of the opportunities it offered.

Participants and their guests were able to sign up for one half-day of recreation on either Day 2 or Day 3 of their trip. Options included a zipline tour, a waterfall hike, golf with a personal instructor, tennis, a Snorkel Picnic Sail, a treatment at a world-renowned spa (with time to enjoy the Terme Hydrotherapy Circuit before and after), Hawaiian-style surfing lessons, and Hawaiian cooking lessons. Those who chose to simply relax at the resort were able to use the swimming pools, sit on the beach, or participate in many resort activities including snorkelling, paddle boarding, or kayaking.

That evening, participants and their guests participated in a dine-around at some of the many acclaimed restaurants on the island. This evening also allowed company executives to honour select specialized groups of attendees with special outings.

DAY 3

After the second business session in the Grand Ballroom, participants were again invited to the hospitality lounge to see some of the company's new technology-based projects and to network with guest speakers and company executives. In the afternoon, they were once more able to go to engage in their planned recreational activities or relax at the hotel.

The final evening celebration was hosted at Molokini Gardens. This was the first time that the client had hosted two evening func-

HDI GERLING POLSKA

This case-study shows how, by including CSR activities in an incentive trip, the organizers helped to reflect the client company's own culture and values, as well as providing an unforgettable experience for participants.

THE AGENCY

ICP Group is a full-service incentive travel company based in Warsaw, Poland, with an annual turnover of over 5 million USD and 18 employees.

PROGRAM TYPE

Direct sales incentive program.



SITUATION ANALYSIS

Gerling Polska SA and Aspecta Zycie SA are two major insurance companies active in the Polish market. Since 2008, they have operated under the name of HDI Gerling Polska TU SA. The company is a member of the Talanx Group which is based in the

German city of Hannover. It is the third-largest insurance group in Germany and the eleventh-largest in Europe.

Each year, HDI Gerling Polska recognizes its top performers with an incentive trip. For months, the insurance agents compete with each other to be named among the company's top agents. The winning group is then invited on to the incentive trip. ICP Group had previously organised a number of incentive trips for HDI Gerling Polska staff, to destinations such as Spain, Mexico, Cuba and Thailand.

OBJECTIVES

The trip serves as a reward for the winners' accomplishments, as motivation for them and other employees to achieve even higher sales goals for the following year, and as an opportunity to develop bonding between agents and management. Building company loyalty and strengthening emotional ties between HDI Gerling Polska and its agents were other key objectives of the campaign.

THE INCENTIVE TRIP

Sales targets were set by the Board of HDI Gerling Polska, and, based on individu-

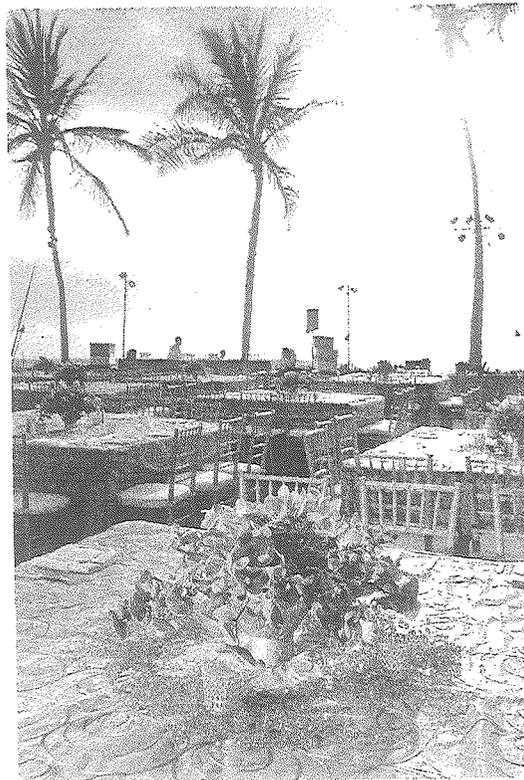
fireworks display, and a dance-band – which did such a good job that executives asked to continue the party for an extra hour.

DAY 4

Most guests departed, but due to the popularity of the destination, many stayed on – some for up to 10 days after the program.

OUTCOMES

The excellent feedback from those who participated in this event persuaded the international technology company that they were entirely right to re-introduce their company-wide incentive program.



he same location, and it was up to the Wall Events team to fully transform the area with inventive scenery and that attendees felt transported to a new theme. The agreed theme was 'Under the Sea' and Fourth Wall Events promised to bring this theme as never-seen-before. The focal point of the Under the Sea celebration were two 25-foot high truss towers centered on the lawn. Each showcased a different theme: arms, approximately 18 feet long, and crystal beads in many sizes and colors, and copper fish in various sizes. The towers looked as if it was a dazzling underwater scene with fish swimming across the event. The height of the towers made sure that the Hawaiian sunset was not obstructed, and provided a sense of awe for attendees. They raised their heads to view the sunset.

The poles were covered in crystal arched palm trees surrounding the lawn. This was accented with a crystal chandelier and. Fifty feet of continuous crystal curtains, framing the large truss structure suspended between palm trees illuminated in the light of the setting sun.

As it became dark, the magic of the lighting took effect. Saturated colors of purples and aquas bounced off of the lit crystals surrounding the entire area and transforming the décor from what it was when attendees arrived.

The stage was transformed by textured lighting that, with lighting, created the effect of rolling waves. The DJ emcee from previous sessions took the stage at the start of the event, introducing a video of photos taken throughout the incentive trip, which enabled guests to relive all their fun moments of the previous three days. This was followed by a five-minute

les results, the company selected its hievers and informed them of their is 6-8 weeks before the trip. The cli-wn Intranet was used to communicate tails of the competition as well as to nce the winners of the 9-day trip.

winner were mainly experienced rs, people who had already visited ourist destinations. There were 73 s in all, ranging from 25-55 years old. male/female.

of the tasks for ICP Group was to se-suitable destination – one that would ant, exotic and somewhat unattain- or the budget of the average Polish . On the one hand, it had to evoke as- ions with prestige and exclusivity and, e other hand, be compatible with the 's profile and the values it represents. er words, it had to be somewhere safe, y and eco-friendly. It was essential to e that the participants' impressions unforgettable and based on something than simply an attractive destination. had to feel exceptional from the very of the trip.



Costa Rica was the choice of destination, ted partly due to its potential to provide articipants with an unforgettable expe-

rience and some well- rned leisure, after their hard work during the period of the com- petition. Costa Rica, known as the Switzer- land of South America, was also a suitable destination due to its strong associations with safety, neutrality and quality – all ele- ments central to HDI Gerling's business.

One of the challenges involved in orga- nizing the trip was complying with the safety policy of the company, which meant that it was not possible to dispatch the 73-member group to the chosen destination in a single flight. The participants were divided into two groups (each flying with an ICP Group guide). The first flew with Lufthansa on 2 different flights, then and on connecting flights with Condor; the second group flew with KLM and Delta Airlines; and there was a separate flight for chairman, who travelled via the US. Therefore, the agency had to find different connections and coordinate the journey in such a manner as to guaran- tee that all groups reached the destination at around the same time. Accommodation was at the Hotel DoubleTree Cariari by Hilton for 3 nights and at the Hotel Paradisus Playa Conchal for 4 nights.

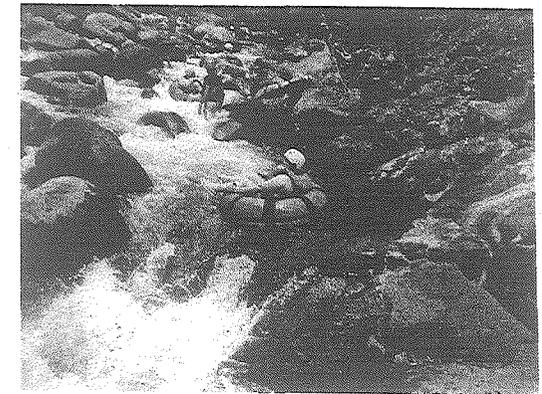
The agency proposed a program that alternated periods of relaxation with a more active schedule of pursuits. Chilling out, sunbathing on the beach, and gentle strolls dominated the first part of the stay, followed by active sightseeing of Costa Rica in the middle section, and then a return to the beach and relaxation at the end. In addition to hanging out on the beach or catamaran sailing in the Pacific Ocean, other forms of relaxation involved tasting *comida tipica*, an example of slow food prepared from natural ingredients often right before the eyes of the guests, or admiring the beautiful and unique vegetation – a source of aesthetic delight.

In Costa Rica, every- ing tends to take place in a slower and more precise manner, with particular attention to each and every detail, taste or view, in contrast to the rhythm of everyday life in most western countries. Taking into account the group's diversity, particularly age-wise, the activities were not too challenging, although they sometimes required that the participants overcome their initial doubts as to their ability to perform them. Attendees went tubing on the river, off-road driving, horseback riding, and took a tour of the rainforest canopy via zip-line. In an impromptu activity, the group traded in the tourist coach for a local truck and drove off for mud and hot-spring baths.

Observing the principles of Corporate Social Responsibility was key to the whole program. Mass clearing of tropical vegeta- tion is a major issue in Costa Rica, causing soil erosion and severely damaging the deli- cate ecological environment. In response to this problem for the natural environment, the attendees traveled into the tropical forest and planted trees. They all received ecologi- cal t-shirts that reinforced the activity's goal and were able to give names to the trees they planted. The enthusiastic response of the participants to planting the trees and learning about the importance of protecting the area's natural flora surprised even the organizers of these activities. These appar- ently less spectacular items on the program certainly had the 'WOW!' effect. This com- ponent had a dual purpose: a voice against environmental devastation and a promise to attach importance to this issue in the future – as well a symbolic sealing of the wish to return subsequently to Costa Rica. Through this small investment in the future of the des- tination, each participant felt that they were leaving something valuable behind. A local company, Costa Rica Top Tours, was used to plan these elements of the trip.

OUTCOMES

During the debriefing meeting between the ICP Group representative and the chairman and sales director of HDI Gerling Polska, it was agreed that the objectives of the program had been met in full, and that the client's sales had been boosted as a re- sult of the program. Sales targets had been achieved, and the incentive program had been funded through part of the increase in sales revenues. HDI Gerling Polska and all the participants were said to be 'thrilled beyond their expectations'. ICP Group's creativity, organization and insight made the Costa Rican adventure a memorable, inspir- ing experience, all within the parameters of the given budget. The activities were found to be engaging for all members of the di- verse group, with the perfect mix of leisure and adventure. The elements of the trip also complemented HDI Gerling Polska's image and values, through the choice of destina- tion and the CSR activities engaged in by the participants. The Costa Rica experience was described by HDI Gerling Polska's Gen- eral Sales Director as 'something more than an incentive trip'.



MULTINATIONAL INSURANCE COMPANY

This case-study demonstrates how a Destination Management Company used its reactivity and resourcefulness to design a unique incentive program drawing on the instinctive attractions of an iconic destination.

AGENCY

AlliedPRA, a Destination Management Company based in New York for more than 28 years, AlliedPRA has been a leader in the destination management arena, evolving with the ever-changing challenges that the industry has encountered over the decades. The AlliedPRA team is well-versed in all aspects of destination services including reactive planning and risk management, budget adherence and return-on-investment. They take a pride in providing clients with the most reliable and re-oriented programs, ensuring that they are the true solutions partner.

PROGRAM TYPE

Executive sales incentive program.



SITUATION ANALYSIS

The client is a multinational insurance company providing individual health insurance packages to supplement regular insurance policies. This company has been in the forefront of many new types of supplemental health insurance policies. It has over 70,000 licensed agents and it insures over 50 million people worldwide. The company ranks towards the top of the Fortune 500 list of America's largest corporations. It has been recognized by Ethisphere Magazine as a World's Ethical Company for many years, and has also been named as one of the most reputable insurance companies in the world. It has also been included in Fortune's Best Places to Work list over many years.

The client runs an annual company-wide incentive program for all of its licensed insurance agents to whom the company refers as Independent Business Owners (IBOs), with the objective of rewarding the top qualifiers – those with the highest sales levels. The company also uses premiums to motivate its IBOs to increase their sales levels, but finds that an incentive trip delivers much a more rewarding and memorable experience, generating lots of discussion among the winners, about their determination to excel for future programs.

OBJECTIVES

Overall, the client's target for this program was to increase their IBOs' sales quotas by an average of 30%, by offering the top qualifiers a once-in-a-lifetime experience: an all-

expenses-paid trip to attend the company's National Sales Convention in New York City. Sales objectives, and levels of achievements, were set internally by the firm and the IBOs then had 12 months to attain those sales goals, after which period they were ranked, based upon their sales figures.

The client's sales targets were achieved, with some winners achieving as high as 150% above goal. Many participants were coming to NYC for the very first time – and over 20% of them had never travelled out of their own cities.

THE INCENTIVE TRIP

This National Sales Convention brought together this firm's top performers - over 1,700 IBOs qualified in total. This was a 2-wave program consisting of 5 days for each wave. The program was broken down into 2 waves in order to give the qualifiers the feeling of more exclusivity and better access to the city's highlights. It was organized by the client's own staff, working in tandem with the AlliedPRA New York as the Destination Management Company.

The features of this trip were firmly based upon the features of the destination, NYC. The qualifiers' families were also invited to participate in the program, and identical formats were successfully used for the two different waves, resulting in a total of 2 waves over 10 days, back-to-back. The incentive trip website and registration for tours and activities were created and managed by AlliedPRA for both waves of attendees.

The following highlights of the program give some insights into the creativity and WOW! factor that attendees got to experience:

- The welcome night onsite at the hotel had as its theme the many cultural differences that NYC has to offer – reflecting the multinational nature of the company.

As they entered the ballroom, attendees strolled through the 'Streets of New York', passing through neighborhoods such as Little Italy, Chinatown, the South Street Seaport, and Central Park, and were thrilled by the electrifying sights, sounds, and energy of 'The City That Never Sleeps!' Street entertainers were brought in to give attendees a number of perfect photo opportunities during the cocktail reception, and qualifiers were able to sample all the different types of gastronomic delicacies offered in The Big Apple. This was followed by an exhilarating show offering a taste of the culture that NYC is known for.

- A key element of the National Sales Convention is the awards ceremony, at which top qualifiers in each category (For example: Greatest percentage increase in policies sold; Greatest percentage increase in revenue earned; Greatest percentage increase in new policies sold) are honored for their outstanding achievements. Keynote speakers at this ceremony included: Bill Clinton, former President of the United States and Mike Huckabee, producer of the The Huckabee Report, a weekly cable news show in the US; and the evening ended with dancing to the sound of Grooveline.
- Qualifiers were required to attend an important business meeting to hear the top Company Officers provide information on the company's position in the marketplace and announce exciting strategies for future growth.
- Headline entertainment for the Gala Evening included the band Foreigner.

OUTCOMES

Feedback received in the Post-Program Evaluation showed that this had been rated

f the best programs ever run on behalf of the client – all the more remarkable that this was a program for the highest of qualifiers ever to attend the Naples Convention.

The program reinforced the client's conviction that their sales employees are far more motivated by incentive trips than the merchandise awards which they have received in the past. This event confirmed that the opportunity to attend the National Sales Convention clearly motivates the qualifiers to lead, updates them on new sales practices yearly, and allows them to give one another feedback on an annual



NET

Category	Item	Totals
Transportation	From all 3 NYC airports utilizing sedan, vans, mini-coaches and coaches with airport staff for 2500 guests	\$48,000.00
Staff	2 staff at table for 10 hours a day per day	\$7,000.00
Transfer	Utilizing vans, mini-coaches and coaches with staff for transfer within NYC	\$4,200.00
Entertainment	Streets of New York Décor and entertainment which included Chinatown, Central Park, Little Italy, Times Square and South Street Seaport. Entertainment included Master of Ceremonies, Broadway revue, Dragon Parade, Break-dancers, and strolling musicians.	\$197,000.00
Tours	NY city tours, Ellis Island tours, Guggenheim Museum tours, American Museum of Natural History tours, NYC Movie Scenes tours and Duck tours for over 1400 guests	\$56,000.00
Entertainment	Awards décor and entertainment, which included rock-and-roll theme tables and centerpieces with individualized guitars that were given to guests at the end of the evening. Entertainment included 3 different bands for cocktails, during dinner and post-dinner dancing.	\$68,000.00
Transportation	Departing from hotel to all 3 NYC airports utilizing sedan, vans, mini-coaches and coaches with dispatch and airport staff for 2500 guests	\$42,000.00
	Grand total for DMC-planned elements of the program	\$422,200.00

NOTE: The above totals only represent what the DMC managed, and do not include elements that were covered by the client such as airline, hotel etc.

KPN

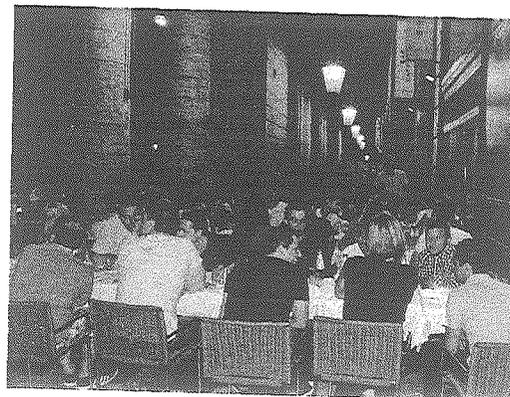
This case-study demonstrates how a well-themed communications program, based on the distinctive characteristics of the destination to be visited, was successful in keeping sales staff focused on the incentive trip to be won.

THE AGENCY

ATP Event Experts are a corporate event management agency, specializing in the concept development and implementation of incentives, group travel and accommodation, conferences, meetings, corporate events and trips to sporting events. ATP Event Experts, with dedicated teams in The Netherlands, UK, France and the US, work for companies, governments and sports organizations.

PROGRAM TYPE

Distribution sales incentive program.



SITUATION ANALYSIS

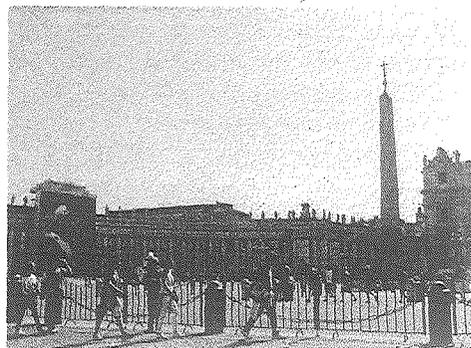
KPN is one of the leading Dutch providers in telecom, with headquarters in The Hague. A wide range of telecom and ICT services is provided by KPN, which is a stockholding company quoted on the Dutch stock exchange. KPN operates through a network of retail shops and call centers

KPN's retail arm regularly uses incentive programs to motivate and engage its employees. However, they also make use of a range of other motivational techniques including merchandise such as technical and lifestyle products/gadgets. The company's sales incentive campaigns cover 9 different sales channels (retail shops plus call centers). Each channel has five incentive periods spread throughout each calendar year, making a total of 45 incentive campaigns a year. Every incentive campaign lasts between 4-8 weeks, and each one requires a separate theme with its own concept, communication methods (before, during and after the incentive trips) and of course the presentation of the prize. The reason for running five separate incentive periods each year is linked to the seasonal nature of the company's business. For KPN, it is essential to promote certain products and services during specific periods of the year. For example prior to the Christmas Holidays, people tend to spend more on gifts and products, and KPN uses an incentive program to stimulate its sales force to

ase sales, to make sure it gets its share
 nsumers' wallets. With a tailor-made
 tive program per sales period they are
 to influence sales levels more accu-
 ; and the company finds that this works
 better than an overall annual bonus
 am. Employees have the opportunity
 a year to win a trip, twice a year to win
 handise and once to win a year a com-
 ion of the two.

OBJECTIVES

KPN sets a standard regarding the pro-
 on of its employees who can benefit
 the incentive program per period per
 nel: 40% of employees per channel can
 merchandise, and 8% can win a trip. In
 call centers, there are individual prize-
 riers, due to the fact that each individual
 it is working to reach his or her own
 et. In KPN's retail shops, on the other
 d, there are group prize-winners due to
 act that teams of staff are working jointly
 ach their sales targets.



KPN sets the rules per period per channel
 nently, based upon either the volume of
 ducts they need to sell via the retail out-
 or on service levels they can improve
 the call centers: the two key objectives.
 d and ATP Event Experts study each tar-
 group and decide which destination or

merchandise fits best in which period. The
 potential winners are not consulted individu-
 ally about their personal wishes, however
 each Channel Manager takes into account
 the wishes of these young and dynamic
 salespeople. KPN has a long history with in-
 centives programs, and ATP Event Experts
 respect the company's preferences while at
 the same time bringing in innovative aspects
 to long-term existing programs.

THE COMMUNICATIONS PROGRAM

ATP Events Experts based the 45 various
 incentive campaigns around one general
 theme: 'SALES FEVER'. For every channel,
 the campaign started with a launch package
 composed of: posters, YouTube movies,
 and various gimmicks such as ice cubes in
 the shape of dice, USB fans for computers,
 flip flops designed in the look and feel of
 the incentive theme – all with the aim of promot-
 ing the trip destination or merchandise to
 be won, plus the targets specification. The
 objective was to create and deliver a lively
 campaign to gain 100% attention and in-
 volvement from the employees.

The example covered in this case-study
 (one of 45 organised by ATP Events Ex-
 perts on behalf of KPN) is the channel com-
 prising the Sales Division of KPN's 34 mo-
 bile Glass Info Centers throughout the Neth-
 erlands. In these centers, KPN employ local
 young people as part-time sales employees
 to sell glass fiber subscriptions to consum-
 ers who wish to use this means of receiving
 Internet, TV and Internet Telephone services
 - KPN being one of the providers who offer
 their services on this network. The challenge
 is that these salespeople are employed on
 temporary contracts and can therefore have
 relatively low levels of engagement with
 KPN.

This particular campaign was called
 'SALES FEVER: Viva la Roma!' And it ran
 over a period of 7 weeks, using these com-
 munication methods to keep the employees
 firmly focused on the incentive campaign
 and their individual targets:

Week 1: Kick-off package; espresso ma-
 chine in the mobile Glass Info
 Center

Week 2: Wall poster for the back office

Week 3: SMS service with Italian text 'buon
 giorno', 'life is dolce' etc...

Week 4: Ding dong; Pizza delivery in each
 mobile shop

Week 5: Personal postcards from Rome;
 all male employees received a
 card from 'Alessandra', all female
 employees received a card from
 'Gino'.

Week 6: SMS service with Italian text 'The
 Italian capital awaits you'.

Week 7: closing teaser, an 'I love cooking'
 pasta package to thank all em-
 ployees for their hard work.

THE INCENTIVE TRIP

The total group visiting Rome was 107
 winners from KPN retail, of which 8 winners
 came from the Glass Info Centres.

Day 1:

- Flight Amsterdam to Rome on KLM.
- Arrival and transfer by bus to city centre.
- Culinary walk through Rome with local
 tastings along the way.
- Check-in and aperitif in the hotel Nova
 Domus.
- Dinner at RE caffe.
- Wines on the various terraces in Rome.

Day 2:

- Breakfast.
- Departure to Coliseum by metro for sight-
 seeing historical Rome including a visit to
 the Vatican museum.
- Cash allowance for lunch at own conve-
 nience.
- End afternoon departure to airport for
 flight from Rome to Amsterdam on KLM.

OUTCOMES

Both in terms of staff morale and per-
 formance data, this incentive program was
 entirely successful, resulting in a clear in-
 crease in productivity from the sales agents
 in the mobile Glass Info Centers. The
 targeted amount of sales agents reaching
 their targets was achieved - 8% of the total,
 which was 8 people out of a 100-persons
 sales force.

BUDGET

The price per person was Euro 550 for
 the incentive trip and a total budget of Euro
 8200 was invested in the campaign as a
 whole.

DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.

This case-study demonstrates the power of incentive programs to strengthen relationships between colleagues and to show appreciation for the support of the families behind the company's employees.

THE CLIENT

Development Dimensions International, Inc., a human resources consulting firm providing services in the areas of training, selection, and assessment consulting. The company started with 5 people in the basement of the owner's home and has now grown into 42 offices in 26 countries, with approximately 1,000 employees.

THE AGENCY

None. Organized internally.

SITUATION ANALYSIS

Development Dimensions International, Inc., is a human resources consulting firm providing services in the areas of training, selection, and assessment consulting. The company started with 5 people in the basement of the owner's home and has now grown into 42 offices in 26 countries, with approximately 1,000 employees. Its world headquarters' office is in Pittsburgh, Pennsylvania.

DDI plans an annual incentive program – approximately 200-250 members of staff each year. They are from various departments, but mainly from Sales and Consulting. Other performance-enhancing tools used by the company are commission and bonus plans, which are features of the overall compensation package. Destinations used in the past, for incentive programmes, include Kauai, Hawaii, and Cabo San Lucas. Destination selection tends to be based on price, location, and the match between the destination's features and the company's own brand.

Although the focus of this incentive travel program was on the sales and consulting individuals, there are several Special Awards given in the form of travel which can be won by any employee in the organization. For example, DDI gives away a Support Award – this is for an associate that provides out-

standing support to the organization overall. They also give an Outstanding Contributor Award – usually for an overall achievement or project. There is also a President's Award, given to the associate who best exemplifies DDI's vision and values. An Outstanding Technology of the Year Award is given to the individual or individuals who complete an exceptionally successful technology-based project.

OBJECTIVES OF THE INCENTIVE CAMPAIGN

DDI uses incentive trips to show an appreciation for hard work done and to demonstrate how qualifying individuals are important to the success of the organization.

In order to qualify, Sales Associates have to reach a certain level of sales. Financial goals are set at the beginning of the year. It could be in excess of \$1,000,000, depending on factors such as the area in which they are operating and how long they have been in their position. Consultants get recognized based upon the work that they do and the evaluation of results from the clients. Special Award winners are nominated by their colleagues (there is an application process), and the Senior Officers of the company evaluate the applications and choose the winners.

The winners are announced at DDI's annual sales and consulting training conference, during the awards banquet. They are presented with a plaque, which is followed up with their official 'registration to attend the incentive trip'.

DDI is thoroughly convinced of the value of incentive programs, believing them to be 'outstanding tools to reward individuals for a job well done'. Among the advantages

mentioned by Helen V...e, the company's Administration/Foundation Manager, are:

- "The entire trip focuses on team building and spending quality time and building relationships with your colleagues in a more relaxed and stress-free environment, while at the same time rewarding people. There is an opportunity for participants to network and spend time with our international associates as we interact with people and develop relationships on a more relaxed basis. Some of these people have never even met or maybe just talked on the phone. This is part of why these trips are so important – it's the building of relationships between people.
- Many times, an incentive program also an opportunity for the organization to thank the 'significant other' as we know our associates work hard sometimes taking them away from their personal lives. This program is sometimes the only chance we have to show appreciation for the families behind the employee. Each winner may bring along a guest that we pay for. Each additional guest is at their own expense, but we welcome them to join us. We have had parents join us, children, sisters, brothers, etc. We are appreciative of the time that our employees give to the company and they can give that time back



their families are so extremely supportive and understanding. This is also a reward for them too!"



Day 3

The ship arrived at its first port-of-call, Virgin Gorda, where participants could choose from a tour of the island, go ashore on their own, a spa visit or simply a morning of leisure. The vessel then repositioned to Prickly Pear, where an afternoon beach party took place. Afterwards, participants headed back to the ship, where they enjoyed entertainment in the lounge – and then danced the night away.

Day 4

The ship anchored at St. Barthelemy, and the first part of the morning was taken up by a business meeting of the DDI Associates, focusing on the topic of consulting services and best practices. Following that, participants could choose from a tour of the island, go ashore on their own, or simply enjoy their day by the pool or at the spa. Dinner that evening was served under the stars, against the background of beautiful St. Barthelemy. The day ended with disco dancing.

Day 5

The final port-of-call on the itinerary was St. Marten. Participants could choose between a tour of the island, time ashore

on their own, time in the spa, or just relaxing. For those in search of something more energetic, pool activities were on offer in the afternoon. An evening Cocktail Reception in the Venetian Lounge for all the participants was followed by a formal dinner for all the guests, after which participants could either enjoy the ship's lounges or watch a movie on deck.

Day 6

The ship returned to port by early morning, and following disembarkation, participants were given assistance either with their transportation back to the airport or with local arrangements, for those staying longer in San Juan.

OUTCOMES

DDI carries out no formal survey of participants, because the many post-trip messages sent to Helen Wylie and the CEO, from participants, speak for themselves:

'Amazing', 'first-rate', 'one-of-a-kind experience', 'Can't wait to see what we do next year', 'relaxing', 'wonderful', 'WOW!'.

Neither is it felt necessary to carry out any actual measurement of increased performance arising from the program. According to Helen Wylie, 'All DDI employees know that these trips are amazing, and they work very, very hard to meet their targets. They are actually disappointed when they don't reach their goals'.

She adds: 'These trips are also important because of the building of relationships between people. Partly as a result of these programs, DDI associates stay with us for a very long time....because of getting to know the people with whom they work'.

We will continue to plan an annual incentive trip. It truly motivates people to do. Our trips are first-class and our associates know that they will be treated very well for nothing'.

BUDGET BREAKDOWN

Approximately US\$ 6,000 per couple

THE INCENTIVE TRIP

A Silversea voyage, aboard the Silver Wind, a 298-passenger vessel, was the prize for this incentive program. This was the first time that the company had offered a cruise as the incentive travel reward, and they chartered the entire ship for five days. They stayed in San Juan for one night before boarding the Silver Wind; a 298 passenger vessel). Many months prior to the trip, Silversea had worked with DDI staff's Corporate Administrator on details of the charter such as pricing, customer service, special needs and requests. Many requests arose from the participants' special dietary restrictions; e.g.: gluten-free diet or religious needs.

Day 1

Winners and their guests – 230 participants in all – were transported to their overnight accommodations at the Old San Juan Sheraton, in Puerto Rico. In the evening, a Pre-Cruise Cocktail Party was held on the hotel's patio.

Day 2

After boarding the Silver Wind, followed by the obligatory Life Boat Drill, there was a Welcome Reception on deck - Champagne Toast and Raising of the DDI Flag! The group set sail at 7pm. After dinner, all the participants moved to the Lounge, where VIP winners were introduced to the group.

HIGH-END AUTOMOTIVE COMPANY

Case-study demonstrates how the right choice of destination can open up a wide range of unforgettable activities and impressions that prolong the beneficial effects of an incentive program long after the participants have returned home.

ZINC

Over 35 years of industry experience, Zinc Management is an agency specializing in event management. Based in London, UK, Zinc's portfolio of services includes the management and development of a complex range of events including Conferences, Meetings, Product Launches, Gala Dinners and Award Ceremonies. The agency's clients span across a wide range of public sector and not-for-profit organizations including Rolls-Royce, Mini, BMW, Mercedes-Benz, the European Commission, Virgin Media, NFU, Samsung, Virbac and many others. Zinc forms part of the Grand Group – a full-service event management organization with a vast experience of managing events in both the consumer and business markets.

Zinc Management prides itself on achieving a deep understanding of each client's requirements so that they are able to deliver

an excellent Return on Investment, which is why this particular longstanding client returns to the agency year after year.

PROGRAM TYPE

Dealer sales incentive program.

SITUATION ANALYSIS

High end automotive client with a presence in over 150 countries.

OBJECTIVES

Sales required an extra push on one of the client's models, so the aim of the event was to motivate the dealers to exceed their sales targets. Dealers were split into 8 'like-for-like' leagues, and the top 3 in each league won a place on the incentive trip – a total of 24 participants, plus hosts.

The brief given to the agency was:

- To identify a suitably unique and 'WOW!' destination with an image that was compatible with the client's brand; it had to be a destination that represented both 'challenge' and 'success'; and it had to be a destination that the client had not already used for an incentive program.

- The program had to provide a mixture of fun and 'once in a lifetime/money can't buy' experiences.
- Maximum of 12-hour flight.
- A 5-star luxury hotel.

The agreed theme of the Incentive Campaign was 'Quest for Success'. The destinations selected at the initial stage were Texas, Moscow, India and The Canadian Rockies. All of these destinations presented the 'WOW' factor. However Zinc Management believed that the mountainous and adventurous environment and 'image' of the Rockies gave the most powerful platform on which to support the theme and contribute to the event's success. The activities at the destination were organized in collaboration with Zinc Management's local DMC partner, Uniquely Northwest.

THE COMMUNICATIONS PROGRAM

The image chosen for the incentive trip's communications campaign was based around that of a compass looking towards the mountains, representing the 'direction' and 'focus' required to achieve success as well as the challenges that participants would be faced with in the process of getting there.

The mountainous and adventurous destination allowed for plenty of opportunity to strengthen the theme through teasers/marketing such as:

- Naming the league tables after famous mountaineers
- The Phase 1 teaser was a compass
- The Phase 2 teaser was a survival kit
- The Phase 3 teaser was a set of thermals
- The final teaser was a full set of winter outdoor gear.

THE INCENTIVE TRIP

The itinerary for the event was not completely revealed until the start of each day so there was a surprise element every day for the guests, from a helicopter drop to outdoor lunch in the snow, night spent in an igloo and private cowboy dinner!

Every element of the destination ground programme needed to deliver on one of the following objectives: Challenge; Focus; Overcoming Personal Boundaries; and Success and Reward



The character and environment of the destination enabled the agency to meet these key objectives as follows: these key objectives as follows:

1. Challenge

Winners had to master the techniques of snow mobile driving and husky driving.

2. Focus

Winners had to apply themselves and really focus to learn the native Indian hoopla dance in freezing temperatures (with the threat that only the best ones would get their dinner!)



The day-by-day program for this incentive trip is shown below.

	BREAKFAST	MORNING	LUNCH	AFTERNOON	DINNER
Y 1		Check-in for flight to Calgary	In flight	1530 Arrival in Calgary Private transfer to the hotel on the Canadian Historic Railway Private check-in	Fondue and Sledging party
Y 2	Hearty Canadian breakfast in the hotel	Dog Sledging adventure	Outdoor lunch in the snow Return to the hotel	James Bond Heli Drop onto the mountain and then onto Wilderness Camp	Dinner cooked on the fire followed by lots of Canadian specialities Overnight in Igloos
Y 3	Hot breakfast by the fire	Snow shoe back to helicopter pick-up and return by air to Banff Springs	Relaxed lunch in the hotel	Optional activities including Ice Climbing, Ice Fishing and Spa Treatments at the hotel	Private Cowboy dinner in Wild Bills Saloon Bar in Banff including Line Dancing Lessons
Y 4	Hearty Canadian breakfast in hotel	Snow Mobile Mountain Adventure	Mountain top lunch	Snow mobile mountain adventure to continue – descend mountain Return to the hotel	Elegant farewell dinner at Le Beaujolais/Chef's Table in Banff
Y 5	Hearty Canadian Brunch in hotel	Check out and transfer to Calgary by 4x4 limousine	Lunch allowance	Afternoon of Calgary extensive shopping Mall Private transfer to the airport	Return flight to the UK
Y 6	In flight	Morning arrival in the UK			

3. Overcoming Personal Boundaries

Overnight in an Igloo.

Winners did not know about their overnight adventure in the snow. When the snow mobile journey stopped mid-way down the mountain, the winners thought it was a comfort break. And when they were told that this was their camp for the night and that they better start building a fire ... the reactions were mixed. Every winner had the option

to return to the hotel. But they all overcame their personal limits and 'went for it'. All of the guests, particularly those who were very against the prospect, claimed that having slept in the igloo was the best night's sleep they had ever had and felt proud of themselves for having done it! They also felt it was an experience they would talk about for the rest of their lives.

Helicopter Flight to the peak of a mountain.

For many winners this was a once-in-a-lifetime but ultimately pretty terrifying experience! Without exception, all of them admitted it was one of the most exciting things they had ever done.

Ice Climbing and Ice Fishing.

Those were optional activities, again involving some personal challenges in adverse weather conditions.

All of these activities required winners to push their own boundaries to achieve success.

4. Success and Reward

The choice of destination meant that it was possible to fulfil the 'Quest for Success' theme. Every day there was a 'quest/mission', and at the end of every day there was a reward in terms of unique and special evening events such as:

- A private Cowboy Party including a line-dancing band and class plus a buckaroo
- An exclusive private dinner in the Chef's Kitchen of the hotel
- A Fondue and Sledging Party which included an 8ft branded ice bar.

The group also had exclusive use of the Royal Canadian Historic Train for their transfers to and from the hotel to the airport.

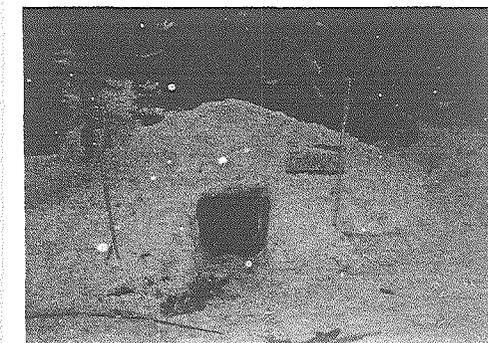


The character of the destination was also used post-event, to extend the life of the trip. The event gathered a lot of interest in Banff because of its uniqueness. For example, there had never been an igloo village created for a corporate group before and the service of the World Champion Hoopla dancers had been enlisted for the igloo village show. The local Banff newspaper reported on the story and copies of the newspaper carrying the article were sent to every guest that was on the trip, along with a DVD of the whole event. All of the guests were asked to e-mail Zinc Management their photographs from the event and the agency created a 'Quest for Success' Memories CD with everyone's pictures. This was also sent to all of the winners after the event.

OUTCOMES

The 'Quest for Success' Incentive campaign was an unqualified success. The creative use of the 'uniqueness' of the destination created a high level of interest and inspired the dealers to push themselves and their teams to hit target.

Aftersales incremental business achieved as a direct result of this incentive for £4.1 million. The overall increase in turnover was £16.2 million against a target of £15 million.



DECORATING DEN INTERIORS

This case-study illustrates how the effectiveness of an incentive program can be strengthened by harnessing the professional interests of the participants in the choice of activities and locations for the program's itinerary.

THE AGENCY

First Incentive Travel International handles the international business of First Incentive Travel, a full-service incentive company which has been in business over 25 years. The company's team of over twenty members have planned meetings and incentives over 100 countries around the world.

PROGRAM TYPE

Franchisee sales incentive program.



SITUATION ANALYSIS

Based in Easton, Maryland, Decorating Den Interiors has been established in the US and Canada for over 40 years, as a full-service interior decorator. It is the largest and most comprehensive full-service decorating franchise in North America, with over 500 franchise partners and decorators. Decorating Den Interiors offers clients a full-

service, shop-at-home facility. Each decorator drives to the client's home or office in a ColorVan® equipped with thousands of samples of wall-coverings, fabrics, furnishings, accessories and flooring. Clients enjoy the benefits of previewing generous size samples in the convenience and lighting of their own homes or offices. Consultations are complimentary.

OBJECTIVES

DDI is a longstanding and regular user of high-end incentive programs, due to their proven success in motivating and rewarding franchised interior designers to purchase materials from the company's suppliers. The company's bi-annual incentive trip program offers Decorating Den decorators the opportunity to earn their trip, free of charge, using points earned on purchases made from DDI suppliers. Quarterly updates are sent to franchisees, informing them of their accumulated points total.

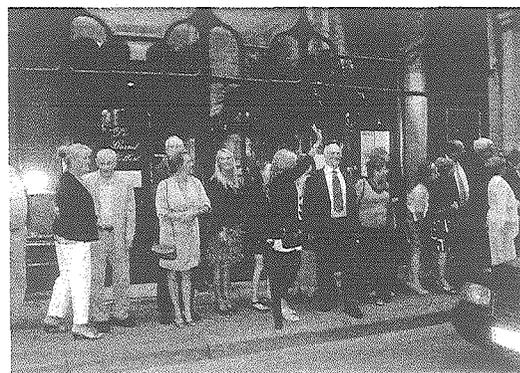
Previous trips have been made to destinations such as London, Rome, the Inside Passage, Spain, Cancun and Hawaii, as well as Baltic and Mediterranean cruises.

THE INCENTIVE TRIP

First Incentive Travel International were responsible for organizing the entire program. The destination was Paris, France

and the participants were lodged at the Concorde Opera Hotel. The program was skilfully conceived to match the participants' interests' in decoration and design, and highlights included:

- A welcome dinner in the very refined, elegant and chic surroundings of the famous Ladurée Bonaparte restaurant.
- Dinner at Le Grand Colbert a renowned restaurant decorated in the tradition of the Belle Epoque, with marvellous brass lamps and stained glass. This restaurant featured in the movie 'Something's Gotta Give', starring Diane Keaton and Jack Nicholson.
- A half-day tour of Versailles, including an elegant lunch and a tour of Marie Antoinette's cottage.
- A tour of the Elle Decoration Suite, a suite located in the Palais de Chaillot, with a view of the Eiffel Tower. Each year, a famous fashion designer is invited to create an interior in their own particular style for the Elle Decoration Suite, and this year Jean Paul Gaultier was the chosen designer.
- A farewell cruise on the river Seine.



OUTCOMES

Decorating Den Interiors firmly believes in the power of destination incentive programs to motivate and inspire their franchise own-



ers to continually pursue excellence. Additionally, the on-site camaraderie, shared memories and sheer awe at the inspirational value of the destination serve as a powerful tool to help with the overall success of the company the following year.

Following this incentive trip, Car Donayre Bugg, Vice President, Director of Design for Decorating Den Interiors said:

"Decorators' love of food and travel comparable to their passion for interior design, and there is nothing they appreciate more than getting together with their peers to enjoy all three. One of the perks of owning a franchise with Decorating Den Interiors is the opportunity to visit places that most people only dream about. Our trips have included viewing the sites along the canals in Venice, cruising the Greek isles, and touring the Hermitage Museum in St. Petersburg. But, when it comes to visual beauty, decorative arts and divine dining, no other city quite measures up to DDI's most recent destination...Paris.

As DDI's Director of Design, I know the value these trips have in increasing the stature of our interior decorators in the eyes of their clients. DDI feels so strongly about the importance of our educational vacations that we have made arrangements for our franchise owners to acquire points from our vendors to pay for DDI's Grand Destination trips"

EDF GROUP

This case-study demonstrates that even destinations that are already familiar to participants still have the potential to surprise and delight, if the incentive program is closely aligned with the participants' interests.

AGENCY

Tom & Associés is a small French agency that has been in existence for 15 years. Its managing director, Frédéric Sella, assumes the role of event coordinator, and hires in extra staff when running events. Some of the agency's clients are GDF Suez, Gaz de France, Net Explorateur, Deloitte and SGS, the world's leading inspection, verification, auditing and certification company.

PROGRAM TYPE

Partnership engagement incentive program.



SITUATION ANALYSIS

Headquartered in Paris, EDF, or Électricité de France SA, is the world's largest nuclear power company, with solid positions in major European countries. The EDF group is committed to investing in sustainable industrial development, based on three core principles: leading the global nuclear revival; fostering the development of renewable energies and

energy efficiency; and consolidating its positions in Europe. In addition to nuclear power generation, EDF is also active in technologies such as hydropower, marine energies, wind power, solar energy, biomass, geothermal energy, and fossil-fired energy.

London & Partners is the official promotion agency for London, and one of the tasks of the European Business Development Team is to change French agencies' and companies' perception of London from being a purely business travel destination to an attractive and viable incentive capital. As part of that drive to change, many sales and marketing activities form part of a targeted campaign run by London & Partners. To highlight one, an annual workshop is organized in a private first-class carriage of the Eurostar train, during which carefully targeted buyers meet a range of London-based suppliers such as hotels, tourist attractions and DMCs. The workshop is followed by a family trip in London. One of the objectives of these events is to demonstrate that the city has unique venues and locations to offer the incentive organizer, other than the well-known tourist attractions.

Frédéric Sella, the owner of Tom & Associés, attended one of these workshops and joined a family trip to London. London & Partners knew that he had EDF as a client and therefore encouraged him to look at new themes in London that could possibly appeal to EDF who had recently expanded their UK business to become the country's

largest producer of low-carbon electricity. And EDF, as the official Energy Utilities Partner of the London 2012 Olympic and Paralympic Games, will supply the Olympic Park with low-carbon electricity. Seeing the types of sustainable products available for visitors to London to experience, he was finally persuaded to bring one of his client's groups to the UK capital.

OBJECTIVES

EDF wanted to invite selected regional French directors of its partnership companies – businesses that supply energy-saving equipment to homes and industry, such as insulation companies and central heating suppliers – on an incentive trip in order for them to get to know each other better and to get to know the regional EDF managers better too. They also wanted the event to be educational: Communication and Learning were the themes of this trip.

THE INCENTIVE TRIP

Participants were aged between 40 and 50 and the group was made up of 35 of EDF's partners and 5 of the company's managers. The trip ran over 3 days.

The transport used by the group was the Eurostar train service between Paris and London, which runs through the Channel Tunnel between France and the UK – a journey of 2 hours and 15 minutes in all. Using the Eurostar and walking to the hotel from the station in London were elements in the programme that added to the eco-friendliness of this trip. After a business meeting on arrival in London, the group went out to dinner before retiring for the night.

The highlight of the following morning was a visit to the View Tube, a social enterprise and community venue located on a site that offers an excellent view of the 2012 Olympic Park. It was built using recycled shipping containers and includes a first floor meeting room which has a panoramic view overlooking the site of the 2012 Olympic and Paralympic Games. The EDF group made use of this during their visit, when a talk was given on EDF's involvement in the development of the Olympic Park.

That afternoon, the theme of sustainability continued with a visit to the Beddington Zero Energy Development (BedZED), an environmentally friendly housing development in the southern suburbs of London which was designed to support a more sustainable lifestyle. The 99 homes, and 1,400 square meters of work-space were built in 2000-2002 to use only energy from renewable sources generated on site, including 777 square meters of solar panels. The visit to BedZED was an added attraction for the group as it showcased the support that EDF has for sustainable energy projects. Being mainly from the building industry, the partners were very interested in the construction of this energy-saving project.

The evening's entertainment was a trip to the theatre to see the Michael Jackson musical, 'Thriller'; and the following morning the group returned to France by train.

OUTCOMES

Following the considerable success of the trip, EDF's educational and incentive trips to London have increased, and Tom & Associés have already run similar trips for three other French groups since this one, around similar themes and will continue to do so especially running up to the Olympics.

FONECTA GROUP

This case-study displays the power of symbolism in portraying a challenging sales target as the daunting ascent of a famous mountain, when the reward for reaching the group target is for the team to visit the actual mountain for an adventure-packed trip.

AGENCY

Established in 2006 Fincentive House is the only full-service incentive house operating in Finland. The company specialises in people performance improvement programs, team building, participative and extraordinary events and incentive travel. Fincentive House's extensive clientele includes Hewlett-Packard, Microsoft, Porsche, Nissan, Xerox, TDC, Michelin, Philips, Linde Gas and Skandia. This agency's success earned it the first Site Crystal Award in Northern Europe.

PROGRAM TYPE

Direct sales incentive program.



SITUATION ANALYSIS

Fonecta Group, a market leader in directory services, is the fastest-growing media

company in Finland. 110,000 businesses use Fonecta's sales enhancement solutions, and its comprehensive services are consulted for information searches more than 2.8 million times every day. Fonecta's services include search engine marketing, customer relationship marketing, digital direct marketing and search media. Fonecta is a member of European Directories, the pan-continental equivalent of Yellow Pages, with business operations in eight EU countries. At the time of this incentive program, Fonecta had just merged with the directory company Blue Book. Fonecta had no prior history of using non-monetary incentive programs to motivate its sales staff, but decided that this was the best solution for increasing sales levels and generating team spirit after the merger. The company's situation was made somewhat challenging after three top salespeople suddenly resigned, leading to an unexpected shortfall in manpower resources and lost sales of approximately €1 million. This raised the question of whether the remaining salespeople would be able to step up and carry the extra burden in the absence of these three colleagues.

OBJECTIVES

The primary objective of this incentive program was to help boost sales of Fonecta's electronic directory services. However, it had as an important secondary objective the aim of creating stronger bonds between

team members following the merger with Blue Book that created the need to consolidate the two business cultures. Those facing the challenge of winning the incentive trip were the 14 members of Fonecta's Electronic Directory Services sales team - average age of 32 years; 2/3 of them male; not particularly well-travelled but hardworking and competitive-minded.

The management had originally given the sales team a year-end target of €4.5 million. But in order to find the €50,000 required to fund the incentive trip, the solution was to present the sales team with an even more challenging team goal: to reach a sales target of €4.7 million, with the incentive program being funded through some of the extra €200,000 of these incremental sales. In the end, the final outcome in terms of sales was actually €5.2 million, exceeding by €700,000 the original target set by the management.

The team's prize was an unforgettable travel reward in the form of a dream adventure trip to Switzerland. The theme chosen for the trip was 'Eiger Dreams' - to commemorate the 70th anniversary of the first ascent of the North Face of the Eiger.

THE COMMUNICATIONS PROGRAM

It was essential to launch the program with the maximum impact on the team members, and to follow this up with a frequent, gripping communications program tuned to the theme of adventure.

The launch:

The program was named 'Eiger Dreams', after the famous collection of mountaineering stories by John Krakauer. It was launched with an enthralling PowerPoint presentation that ended with a breathtaking video of the destination for this trip. The choice of desti-

nation - Grindelwald, the Swiss municipality in which the Eiger sits - was slowly revealed to the audience, using a series of clues.

The symbolism of the challenging mountain climb was powerful, and achieving the team's year-end target was translated into them reaching the summit of the famous North Face of the Eiger.

The follow-up:

To keep the team pepped-up and focused on the sales target, there was a series of ongoing reminders to keep the travel award in sight and in mind:



- Each salesperson received a miniature cowbell to be jingled as a way of celebrating every deal closed
- Downloadable screensavers, wallpapers, videos and photographs of Grindelwald were emailed to team members
- Each salesperson received a personalized letter from Sammy Salm, Head of the Grindelwald Tourism Organisation accompanied by a wonderful DVD of the destination.
- A graphic representation of the Eiger North Face was prominently placed on the wall of the Electronic Directory Services sales team's office, symbolizing the incentive program challenge. The Eiger's height in metres was translated into the sales target in euros, and the team

gress in reaching their target (the summit of the Eiger) was marked by the usually ascending position of a Goofy character equipped in mountaineering gear climbing up the mountain slope.

INCENTIVE TRIP

The highlights of the trip itself demonstrate the constant surprises that were lying in wait for the team:

On the way to Grindelwald the group stopped for lunch in Luzern and viewed a breathtaking wide-screen IMAX film 'The Alps', in which John Harlin conquers the Eiger's North Face right in front of the audience. Then, bogganing down the world's longest natural sledge run in the dark, with only headlamps to light up the way. Then, at the Boggan Party, drinking glühwein from a copper cauldron, while enjoying the spectacular views over the valley. Then, taking a cog railway up to Jungfrauoch, Europe's highest railway station at 3540 metres, along a tunnel built 100 years ago inside the Eiger North Face. On the way up, the group stopped at two mid-mountain stations and were thrilled by the spectacular views through the holes excavated through the mountain. Then, climbing on Aletsch Gletscher, Europe's longest glacier at 3500 metres with professional mountaineers. The team also managed to cross a 40-metre crevasse with aluminium ladders (from which one of the accompanying professional mountaineers had fallen earlier in the morning when inspecting the route – escaping unharmed, thanks to security ropes). The highlight of the trip was experienced when stepping out through the Stollenloch Door right on to the Eiger North Face – 600 metres below, 1200 metres

above. The guests enjoyed the privilege of being the first non-climbers to actually climb on the Eiger North Face!

- The day's adventures were discussed and re-lived during a fondue dinner in a mountain restaurant.

OUTCOMES

- The original target of €4.7 million was reached two months prior to the end of the program
- A bonus travel day motivated the team to even higher accomplishments
- With a final sales result of €5.2 million, an impressive excess of 1300% ROI was produced on the program's total investments of €50,000.
- The client reported dramatic improvements in team spirit. Participants returned to work much more closely bonded than before, and appreciating that what had been accomplished had been achieved through a team-effort
- When returning from the Eiger, the team unanimously expressed the desire to participate in another adventure program in the future
- The team continued to produce record sales results in the following years. Most team members have since moved up into managerial positions. Also, two of the top salesmen who had left the company returned to work there after hearing the story of this team's success.

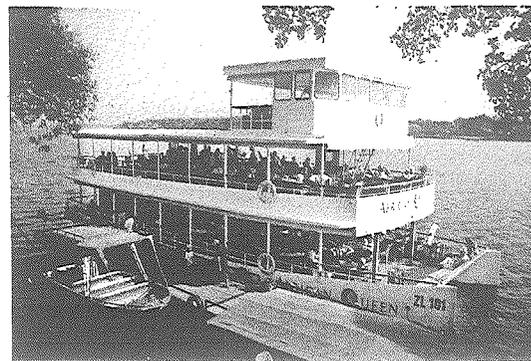
After major restructuring in the company, the sales team has grown to 100, increasing even more the need for highly motivated, team-spirited and target-oriented employees.

THE DMC

Dragonfly Africa has been involved in providing a wide range of services across a broad spectrum of tourism for almost 30 years. It is now regarded as one of Southern Africa's leading destination management companies and is widely acknowledged to be the top South African company operating in the US and the Australian / New Zealand markets. The company is also well established in the highly competitive United Kingdom and Russian markets. For this particular program, Dragonfly Africa was working with Conference Focus (International) Pty Ltd, commonly considered to be one of Sydney's premier meeting, conference and incentive travel companies

PROGRAM TYPE

Direct sales incentive program.



FUJI XEROX AUSTRALIA

In this case-study, we see the powerful impact that meaningful interaction with the local community had on participants, who considered that element of the incentive program to be one of the most rewarding of all.

SITUATION ANALYSIS

Fuji Xerox Australia is Australia's number one document printing and copying company. It is also the highest performing Fuji Xerox subsidiary in Asia. As part of a world-leading enterprise for business and document management services, and through its broad portfolio of document technology, services, software and supplies, the company provides essential back-office support that clears the way for customers to focus on their core business. With awards from the United Nations and the Banksia Environmental Foundation, Fuji Xerox Australia is well recognised for its commitment to sustainability.

Fuji Xerox Australia recognizes and rewards excellence by using annual incentive programs to offer exceptional life experiences across its sales community, its staff and their partners. For one of its high performers Top Tier Club incentive trips, Zambia, Africa was selected as the destination, partly because of the opportunities that it offered the company to engage in activities that were in tune with its commitment to sustainability.

OBJECTIVES

For this Top Tier Club trip, the corporate objectives were twofold:

- Strategically, Fuji Xerox Australia is moving from a product- to a services-based model, and this trip was instrumental in positioning the company's new frame

work and rewarding the correct thinking for the future of the business. Practically, the objective was to improve motivation, teamwork, collaboration and management post-trip, across the whole business community.

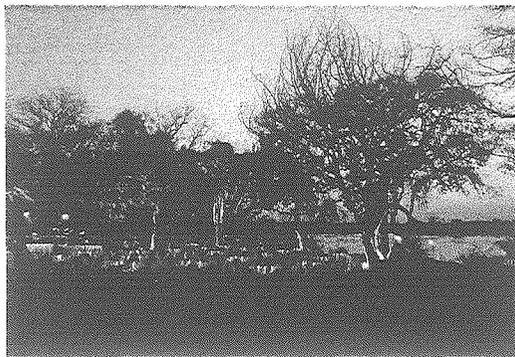
INCENTIVE TRIP

The six-day trip encompassed everything that Livingstone, Africa, had to offer, from the 106 attendees an unforgettable experience of insights into the cultural and natural attractions of this destination. From the motor and microlite flights over Victoria Falls to the spectacular Wonders of the World, from a BBQ feast under the stars to the entertainment of a traditional Marimba band, and a cruise on the elegant African Queen motor-decker boat along the Zambesi River, the attendees enjoyed a host of memorable experiences.

In many ways, one of the most memorable experiences took place on the day dedicated to social upliftment. Attendees were provided with Volunteer T-Shirts, handed out a cash and let loose on a primary school to create a need of sanding and painting. The school was chosen based on it being a vulnerable project and serving the needs of the poor and orphaned children. The Fuji Jazz band performed and banded together and gave the school a whole new fresh look in the morning, leaving the afternoon open to engage with the children on a one-to-one basis – reading to them, playing and teaching songs and sharing stories about their lives in their own countries. This was the opportunity for the participants as well as the children to expand their own horizons: the children were given an introduction to Western culture, while the Fuji employees saw life through the eyes

of a Zambian child. Gifts also brought gifts with them from home – from toys and books to clothes. These were distributed in a regulated manner, to ensure fairness and to make certain that the community continues to strive towards independence.

Dragonfly Africa worked tirelessly to create the impact that this project demanded and to overcome the many obstacles encountered in organizing an incentive trip to Zambia. This is a Third World country, with limited road and communication networks. But the agency used its many years of experience in this region and its solid relationships with local chiefs, hotels, tourism officials and suppliers, to avoid potential pitfalls. The team circumvented language barriers, transportation challenges and legal hurdles to ensure that the program was seamless and operated efficiently to deliver maximum impact.



OUTCOMES

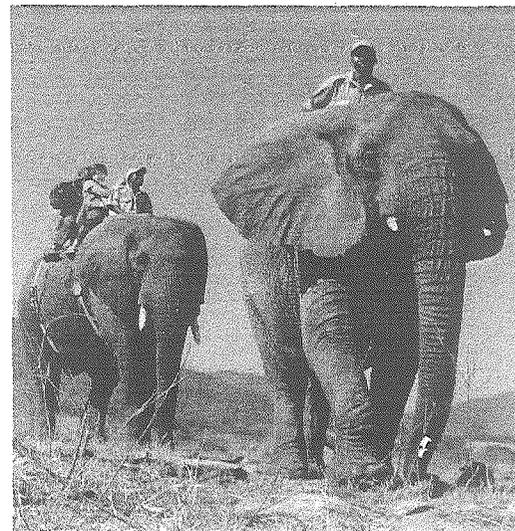
This Top Tier Club annual incentive trip was deemed a great success by the 106 attendees, and set the bar of achievement higher than ever before, with 80% of those who attended reporting themselves to be 'very satisfied' overall, in the post-trip survey.

Michelle Avis, Incentives Specialist within Fuji Xerox Australia, expressed her satisfaction with this event as follows:

"All of Fuji Xerox Australia's objectives were exceeded by this incentive trip to Africa, with the company's ISMD engagement score moving a significant 7% up the scale, from 65% last year to 72% this year.

The chance for us to get involved in offering a helping hand to the local community was very well received and deeply rewarding. Everyone was spellbound by this opportunity and we were happy to be able to provide money, time and energy to help the less fortunate, leaving behind and taking with them a legacy of goodwill.

The sales team can't stop talking about their experiences, which will create a highly-motivated effort from all sales people to ensure a place on the next trip. Africa, I feel, will always be a highlight in our company's incentive history, capturing the hearts and minds of our team".



AGRICULTURAL MACHINERY MANUFACTURER

This case-study demonstrates how relevant business elements were included in an Incentive program that also succeeded in showcasing the tourist attractions of the destination.

AGENCY

Based in Krakow, Poland, Intercrac has been in existence since 1989 and is a destination management company specializing in incentive travel, special-interest programs, corporate hospitality, meetings and seminars.

PROGRAM TYPE

Dealers/distributors incentive program.



COMPETITION ANALYSIS

The client is a major manufacturer of agricultural machinery, headquartered in Poland with a global market presence. The company operates through a vast number of

importers and dealers in Europe, North and Latin America, Asia, Africa, the CIS, Middle East and Oceania. In total, it has over 2,800 dealers and 100 importers.

This company is a long-term and committed user of incentive travel, and this specific event was an incentive program for the dealers and distributors of the company's agricultural machinery in Belgium. In all, there were 70 participants, including partners. This was by no means the first time that Intercrac had worked with this client. In fact, the agency has been organizing incentive trips on behalf of this client for over 8 years.

OBJECTIVES

The ultimate objective of this trip was to stimulate sales of the client's products by rewarding the top-selling dealers and motivating them to continue selling in the future. However, two key secondary objectives were:

- to enhance the relationship between the manufacturer and its dealers.
- to introduce the dealers to Poland, not only as an attractive incentive destination in itself, but also as a country where one of the client's factories is located and where there is great potential for sales of agriculture machinery. Consequently, the trip offered the participants the opportunity to improve their knowledge of the agricultural machinery man-

ufacturer's products and market, and it enabled them to enjoy the considerable attractions of the destination, Poland.

THE INCENTIVE TRIP

The internal marketing campaign for the incentive programme consisted of an official launch during a meeting between the clients and its dealers, and also during a trade fair.

The 6-day program was divided between the cities of Warsaw and Krakow.

DAY 1

The participants went directly from Warsaw airport to the nearby town of Plock, where the client has a factory. Following a tour of the premises, the group had lunch in the factory canteen before returning to Warsaw. On the way back to Warsaw, they stopped to visit one of the company's authorized dealers and hear about how the client's products are sold in the Polish market.

DAY 2

The following day was dedicated to a tour of Warsaw, including such highlights as the Palace of Culture and Science – Stalin's 'gift from the soviet people' to Poland – and the UNESCO-protected Old Town, which was reconstructed from its ruins after World War II. That evening's entertainment was a Chopin concert, followed by dinner in the exclusive Belvedere restaurant in the Royal Lazienki Park.

DAY 3

The group transferred by train to Krakow, where they had an afternoon tour of the Old Town, followed by vodka-tasting and lessons in the traditional folk-dancing of Krakow. In

the evening, the participants travelled by tram to the historic Wierzynek Restaurant founded in 1364.

DAY 4

The morning was spent in the Niepolomice Forest, the ancient hunting-grounds of the Polish Monarchy, where the group toured on bicycles and watched a tournament between knights in armour, followed by lunch at the Royal Niepolomice Castle. The afternoon was spent exploring the world-famous Wieliczka Salt Mine, where, 400-feet below ground, the group was treated to a private concert in which all of the musicians were miners. Dinner that evening was served at the Szara restaurant, located in the Jewish district of Krakow known as Kazimierz, made famous as the place where the movie 'Schindler's List' was filmed.



DAY 5

The group headed for the Pieniny Mountains, where one of the highlights of the trip was a excursion on rafts along the famous Dunajec gorges. In the evening, participants were transported on horse-drawn carriages to Krakow's main square, where dinner was

erved in the evening Renaissance surroundings of the Pod Baranami Palace, accompanied by musical entertainment.

DAY 6

There was an optional morning tour of the nearby Auschwitz/Birkenau concentration camps, before the group had lunch together and were then transferred to the airport.

OUTCOMES

The feedback from the client was very positive, summed up in the following message, sent to the agency immediately after the event: 'The trip worked out extremely well and it's a great pleasure to convey my best thanks for the smashing success of the operation'.

In fact, this trip was such a success that 9 months later Intercrac was asked to organize the same program for the top managers of the client's company – a smaller group, but very VIP. Since then, the client continued to request Poland as a destination for its incentive trips.



MERLION

In this case-study, we see how an incentive program was organized in an environmentally-responsible way that was highly appreciated by the participants and that met the business objectives of the client.

THE DMC

TheMiceCream is a Riga-based meetings and incentive company operating in the three Baltic countries of Lithuania, Latvia and Estonia. TheMiceCream team includes some of the most talented people in the Scandinavian and Baltic business events industry, and the company has a reputation for devising unusual and creative events and for organizing them with precision and professionalism.



PROGRAM TYPE

Direct sales incentive program.

SITUATION ANALYSIS

MERLION is Russia's leading distributor of computer components, digital device peripherals and office equipment. Its reputation for reliability has enabled it to build strong relations with over 4,000 Russian IT companies and with the majority of the world's leading vendors of computers and computer components. As an Official Distributor for over 120 companies, MERLION workforce comprises over 2,650 professionals who work to develop the national computer market in Russia, bringing high-tech products to consumers and businesses in that country.

MERLION Business Channel is an annual event for the company's best-performing business partners in wholesale distribution with the objectives of motivating the best performers; increasing their loyalty to the company; transmitting the company's values; and encouraging the type of socialization that helps it assess current market conditions and devise new ways of developing the market. Curonian Spit in Lithuania was selected as the destination for this event because of its natural beauty as well as the symbolism arising from the fact that the survival of this beautiful sandy peninsula has only been made possible through the remarkable human efforts made to preserve it to the present day.

OBJECTIVES

For this MERLION Business Channel trip, key corporate objectives of this event were:

Strategically, to assess the current market situation, to devise new ways of developing the market, and to promote the kind of exchange between the participants that would result in better performance overall.

Tactically, to improve motivation, teamwork, loyalty to the company, collaboration and engagement post-trip, across the whole business partner community.

INCENTIVE TRIP

The five-day event included activities in one of the most beautiful nature spots of Lithuania that were offered to the 109 attendees in a way that not only allowed them to get close to nature, but also to participate in a number of fun-filled activities that helped them understand that responsible, green behavior can be highly enjoyable.

Participants were introduced to the environmentally-responsible nature of the program immediately after the first morning's formal conference, when they found 109 tables outside the hotel, ready for the beginning of the tour of the resort town of Palanga. The group cycled through the resort's biking paths that stretch along the white sandy beaches and through pine forests, before returning to the centre of the town and its landmarks. They stopped for a pre-dinner drink at the Rose Garden of Tiskeviciai Palace, continuing cycling to their dinner location.

A highlight of the trip was the day that ended with an elegant picnic in the Curonian



Spit sand dunes and continued with a competition that combined orienteering in the dunes and forest with kayaking on the waters of the Curonian Lagoon. The attendees competed in groups to find sunken treasures in the Lagoon itself. However, before getting into the kayaks they had to find the places in the forest and dunes where 'local tribes' had hidden the equipment that was used for kayaking: maps, paddles, life-vests, etc.

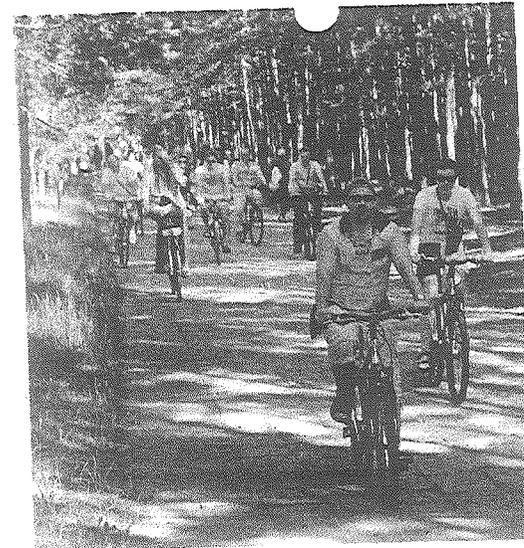
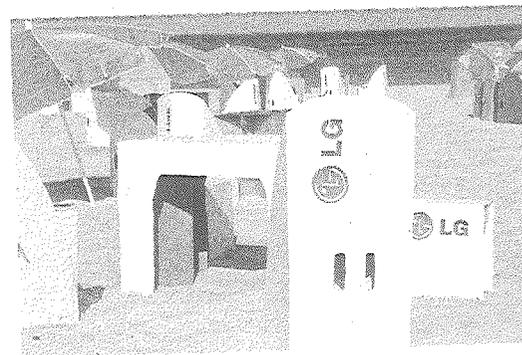
Finally, as an original location for the round-table discussion element of the program, a special zone was created on an isolated beach just 10 minutes' walk from the hotel, where, on arrival, the participants found tables and chairs made out of recycled cardboard, just few meters from the sea. After the round-table discussions, attendees participated in a number of beach activities – a beach football championship, volleyball and pétanque competitions - that made a perfect context for informal communication and the exchange of experiences. In the evening, the gala dinner took place on the same beach.

TheMiceCream team spared no effort in creating a responsible, green program that was extremely enjoyable and educational for the attendees. In doing so, the company made use of its considerable experience of organizing events in this region and its long-

standing relationships with local stakeholders, in order to avoid pitfalls and safeguard the highest standards for the program. TheMiceCream was careful to ensure that most of the products used in connection with the program were made locally. Moreover, some of the material left at the end of the program was immediately put to further use. For instance, the recycled cardboard furniture was delivered to local summer camp for children in need and was used there for the entire summer; picnic blankets were given away, and the picnic baskets reused.

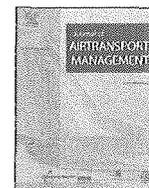
OUTCOMES

This MERLION Business Channel incentive trip was recognized as a great success by the attendees. The responsible green approach followed throughout the program was greatly appreciated. Expressing her satisfaction with the event, Tatyana Orlova, Marketing Director of MERLION, reported that, following the event, the company's business partners talked enthusiastically about the exciting program and how the experience had helped them share the company's values. Svetlana Bezhan, Director of MERLION's Business Travel Department added: "The event has been a great success – this has been confirmed both by our business partners and by our business



development department. There was a lot of business experience exchange, exciting informal communication as well as countless positive emotions related to meeting new people and discovering a new destination"

PUBLICATION 23



Meetings facilities at airports

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ABSTRACT

Keywords:

Airport meeting facilities
Non-aeronautical revenues
Airport economics

This paper investigates the extent to which airports act as venues, the importance that airports place on this type of activity, and whether it is certain categories of airport that are involved in this type of activity. Airports have always been a vital element of business travel in providing access to a destination where business can be conducted or where meetings, conferences and events can be held. In this situation it is largely the availability of air services at the airport that will attract passengers rather than the airport itself. However in recent years airports have become more than just facilitators of access and have developed infrastructure and services ('meetings facilities') that allow them to become meeting venues in their own right.

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1. Introduction

This paper investigates the extent to which airports act as venues, the importance that airports place on this type of activity, and whether it is certain categories of airport that are involved in this type of activity. Airports have always been a vital element of business travel in providing access to a destination where business can be conducted or where meetings, conferences and events can be held. In this situation it is largely the availability of air services at the airport that will attract passengers rather than the airport itself. However in recent years airports have become more than just facilitators of access and have developed infrastructure and services ('meetings facilities') that allow them to become meeting venues in their own right.

2. Background

Historically, the airport's role as a supplier to the business travel sector was primarily to provide access to destinations where business could be conducted or where meetings, conferences and events could be held. In some cases, the airport may also have tried to enhance this position by collaborating with the marketing of such activities, for example with hotels, conference centres or convention bureaus. However, this role has been changing as many airports have modified their business model and have sought to become more reliant on non-aeronautical sources of revenue. This

trend has been primarily due to the evolution of the airport sector from a public utility to a commercialised and, in some cases privatised, industry that is keener and more able to exploit commercial opportunities, coupled with increasing pressures from airlines and government regulators to control the levels of aeronautical revenues (Graham, 2008). As a result, airports now generate just under half of all their revenues from non-aeronautical sources with average revenue of around \$9 per passenger (Airports Council International, 2010). This varies considerably by region from \$4 per passenger in Latin America to \$12 in Europe.

In recent times developing commercial revenues has become more challenging due to a combination of factors, such as increased competition from internet shopping, restrictions on certain sales (e.g. the abolition of EU duty- and tax-free shopping, limits on tobacco purchase) and new security regimes, especially related to the carrying of liquids, that have affected the stress levels and dwell time of passengers, together with what they can buy. Moreover, the global economic downturn of the last few years has caused a reduction in passenger numbers while those that are travelling generally have less money to spend. This has meant that the share of revenue from non-aeronautical revenues actually peaked at 54% at the turn of the century and has subsequently declined slightly. Meanwhile, the pressures to control the level of aeronautical revenues are as strong as ever because of the poor financial health of many airlines and the rapid rise of the low-cost carrier sector which is particularly sensitive to aeronautical charges (Graham, 2009; Martel, 2009).

Many of the more obvious solutions to growing commercial revenues, such as extending the retail space or expanding the

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variety of shopping opportunities, have already been tried to their limit at many airports. A more radical solution is to find new sources of commercial revenue within the terminal, and this has been explored by many airports over the last decade or so. As a result, many terminals are now much more than just shopping malls and offer an array of entertainment, leisure, and beauty and wellness facilities. At this stage of facilities provision, the airport also has the possibility of taking on the role of the final destination rather than merely a facilitator of access. At the same time, airports have been developing and expanding the range of services that they provide specifically for the business traveller in the terminal. This includes offering business centres that supply support services, meetings or conference rooms and other space for special events. Within this context, Jarach (2001) discusses how dedicated meetings facilities located within the terminal and managed directly by the airport operator may be regarded as an expansion of the concept of airline lounges or as a way to reconvert abandoned or underused areas of terminal buildings. This focus on business infrastructure and services gives airports an opportunity to become a final destination for business travel. Previously it was primarily airport hotels and maybe other facilities offered in the surrounding area of the airport that had the potential to take on this role and become active as a business space (McNeill, 2009).

When an airport location can be promoted as a venue (whether or not the facilities themselves are directly run by the airport operator or are actually within the airport), this may increase the overall appeal of the airport and help it become more competitive in both attracting and retaining airlines and their passengers. In particular, the presence of meeting facilities could become one of the determining factors taken into consideration when passengers are choosing airlines and their hubs. This enhanced attractiveness itself may help to improve the airport operator's financial position and future prospects, but clearly this will be dependent on the competitive advantage that the airport is perceived as having in comparison to other venues. The competition may include hotels, conference centres, academic venues, management training centres and 'unusual venues' such as airports but also tourist attractions, cruise ships, theatres and cinemas (Salem, 2007).

3. Methodology

3.1. Survey

Airport opinions were sought using an online survey. The survey investigated the provision and use of meetings facilities specifically at airports, the role and importance of meetings facilities at airports, and whether it is certain types of airport that are involved in this type of activity. Therefore the survey was essentially a supply-side view of the situation rather than a demand-side analysis investigating the meeting industry's demand for airport venues.

An opening statement was included at the start of the survey explaining that the survey is only interested in meetings facilities owned and hired out by the airport or by companies that lease meetings facilities from the airport. It is not interested in meetings facilities in or around the airport that are owned by other companies such as hotels. The opening statement also defined meetings facilities that might be offered by the airport as¹:

- Business centres that may offer meeting rooms or business support services such as private workstations.

- Meeting rooms that offer facilities for meetings or training events for less than 50 participants.
- Conference rooms that offer dedicated conference facilities for 50 or more participants.
- Event halls that offer large unseated spaces for special events such as trade exhibitions. This might include terminal buildings that are sometimes used for special events.

A participating pre-test of the survey was then carried out with 18 individuals including three airport managers. Respondents were told that it was a practice run and were asked, in an interview setting, to explain reactions to question form, wording and order. An undeclared pre-test was then carried out by sending e-mail invitations for the survey to 100 airports selected from the sample at random. On this occasion, the survey was delivered using the same method as for the actual survey. Airports were not told that it was a pre-test. Only 4 airports responded to the undeclared pre-test but this was sufficient enough to test the choice of analysis and standardisation of the survey.

An invitation e-mail for the survey was delivered to a gross sample of 1166 airports on 21st March, 2011. Two repeat mailings to non-respondents took place with two-week intervals between each mailing. The invitation e-mail provided a salutation and a short introduction to the survey and sample, emphasising that the survey is relevant to all airports, including those that do not have any meetings facilities. It asked the recipient or a relevant colleague to complete the survey for their airport. Some recipients were airport managers with responsibility for multiple airports so the invitation e-mail explained that recipients responsible for more than one airport were welcome to complete a separate survey for each airport. Anonymity was highlighted stating that responses will remain strictly confidential and that the analysis will not identify responses from individual airports. Information about the project team and contact details in case of questions or comments regarding the survey was provided. A URL link to the survey was provided with an option to decline from participating in the survey.

3.2. Sampling

The sample of airports was derived from two online sources; airports listed on the membership database of Airports Council International (ACI)² or on Air Transport Intelligence (ATI).³ This provided a sampling frame of just over 2000 airports. E-mail addresses for individual airports were found on the membership database of ACI or on airport websites. E-mail addresses were found for 1242 individual airports. However, 76 e-mail addresses were withdrawn from the sample before or during the mailing of the survey because the e-mail was not received by the recipient (blocked as junk mail or e-mail address no longer in use), the recipient had left the company or was out-of-office for the duration of the mailing, or the airport was withdrawn from the sample for sensitivity reasons (none of Japan's airports were included following the earthquake and tsunami that occurred less than two weeks before the invitation e-mail for the survey was sent to airports). This resulted in a gross sample of 1166 airports.

One hundred and fifty-four airports responded to the survey, resulting in a gross sample response rate of 13%. The authors recognise that the small number of responses and low response rate mean that the findings of the study are somewhat limited.

² ACI is an international association of world airports. ACI has 580 members operating 1650 airports in 179 countries and territories.

³ ATI is a leading information source for the global air transport industry, providing information on 2000 airports worldwide.

¹ The survey was validated by five experts from academia and industry that have specific knowledge and expertise in the subject area.

However, it should also be recognised that small numbers of responses and/or low response rates are common with airport surveys. York Aviation (2004) conducted a survey on the social and economic impact of European airports with responses from 59 airports. Airports Council International-Europe (1998) also conducted a survey on the social and economic impact of European airports with responses from 23 airports. Halpern and Pagliari (2008) achieved a respectable response rate of 39% in their survey of 214 airports on airport marketing; however, their survey was sent using a personalised e-mail invitation to named airport managers. Only a third of the 1166 e-mail addresses for the survey in this study were for named persons, which is important given that response rates tend to be higher from e-mails to named persons. Indeed, two-thirds of the 154 responses to the survey in this study were from e-mail invitations sent to named persons.

As with any survey, there are potential sources of survey bias. The findings of the survey in this study are vulnerable to non-response bias, where individuals chosen for the sample are unwilling or unable to participate. Over two-thirds of respondents own or have meetings facilities available for hire. A large proportion of non-respondents might have chosen not to take part in the survey because they do not own and have meetings facilities available for hire and therefore, did not consider the survey to be relevant to them.

The gross sample provides data on geographical location of the airport so it is possible to investigate sample bias according to geographical location by comparing the proportionate difference between gross and net samples (Table 1). Response bias was experienced from airports in Europe and North America, and from a number of English speaking countries (e.g. South Africa, Australia, New Zealand, UK and US). Response bias was also experienced from Norway.⁴

4. Results

4.1. Provision and use of meetings facilities

Sixty-eight percent of respondents answered yes to the question: Does your airport own and have meetings facilities available for hire? The existence of meetings facilities therefore seems high at airports. In addition, 28% of respondents that do not have meeting facilities stated that they are likely to invest in them during the next five years. Readers should of course note that findings may be influenced by non-response bias from airports that do not have meetings facilities or are not particularly interested in investing in them.

Table 2 provides key figures relating to the provision of meetings facilities at airports. The main focus is on meeting and conference rooms. In addition, 35% of respondents provide two or more types of meeting facility and the most common combination is the provision of both meeting and conference rooms. 8% provide a combination of rooms for meetings, conferences and events. Only 3% provide all four types of meeting facility. The majority of meetings facilities are provided inside the terminal (Fig. 1).

The survey asked airports with meetings facilities to estimate what proportion of users are: from the local area (within a 90 min drive from the airport); and from abroad. Respondents could select 0%, 1–20%, 21–40%, 41–60%, 61–80%, 81–100% for each response. Meetings facilities provided by the majority of respondents tend to serve local versus non-local or foreign needs. 63% of respondents

Table 1
Difference between gross and net samples by geographical location.

Region	% Gross sample	% Net sample	Difference
Africa	7.5	3.9	(3.6)
South Africa	1.3	2.6	1.3
Asia/Pacific	11.8	7.1	(4.7)
Australia	2.0	2.6	0.6
New Zealand	0.6	1.3	0.7
Europe	39.0	50.7	11.7
UK	4.4	5.2	0.8
Norway	3.7	18.2	14.5
Latin America/Caribbean	10.7	4.5	(6.2)
Middle East	2.1	0.7	(1.4)
North America	28.9	33.1	4.2
US	23.7	27.9	4.2

estimated that over 60% of users are from the local area. 49% estimated that over 80% are from the local area. Only 7% estimated that over 60% of users are from abroad and only 3% estimated that over 80% of users are from abroad. These findings are particularly interesting given that the background to this paper suggests that airports are increasingly developing meetings facilities that allow them to become a final destination (i.e. for non-local business travel).

4.2. Role and importance of meetings facilities

The survey asked to what extent respondents agreed or disagreed with a number of statements about the meetings facilities at their airport (see Fig. 2). 49% of respondents with meetings facilities agree that they have increased investment in them during the last five-years. 41% agree that they will invest more in them during the next five-years. These are fairly high proportions considering the recent and current economic climate. Respondents are less positive about the importance of meetings facilities for airport turnover. The facilities are also of limited importance when it comes to increasing use of flights at the airport. This is not surprising given that the main focus of the meetings facilities at airports in this survey is on serving local demand. Given the focus on local demand, it is not surprising that less than a third of respondents agree that their meetings facilities support business and tourism development in their home region or country. The local orientation means that competition with other airports is likely to be minimal but that competition with local providers of meetings facilities is likely to be much greater and this is represented to some extent in Fig. 2.

Human resources allocated to meetings facilities seem fairly limited. The average number of full-time equivalents (FTEs) employed by respondents with meetings facilities to work specifically with those facilities is 1.4. 51% of respondents do not allocate any FTEs. In these instances, the work is likely to be carried out on an ad-hoc basis by existing staff (primarily the airport manager) when the need arrives. 73% of respondents employ one or fewer FTEs. 22% employ more than one to five FTEs. Only 5% employ more than five FTEs. There are however some major employers. The highest number of FTEs allocated specifically to airport meetings

Table 2
Key figures relating to the provision of meeting facilities.

Meeting facility	% Respondents with the facility	Average number of rooms	Average capacity (persons) p/room	Average capacity (m ²) p/room
Business centre	16	1.1	–	502
Meeting room	56	2.7	21	–
Conference room	27	1.9	133	–
Event hall	22	1.5	321	1210

⁴ This is likely to be because the e-mail invitation was sent from a Norwegian e-mail address and because one of the authors works for a Norwegian institution and is known by many of the respondents from that country.

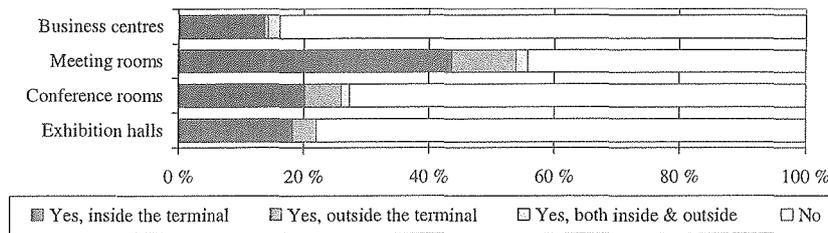


Fig. 1. Does your airport own and have any of the following meetings facilities available for hire?

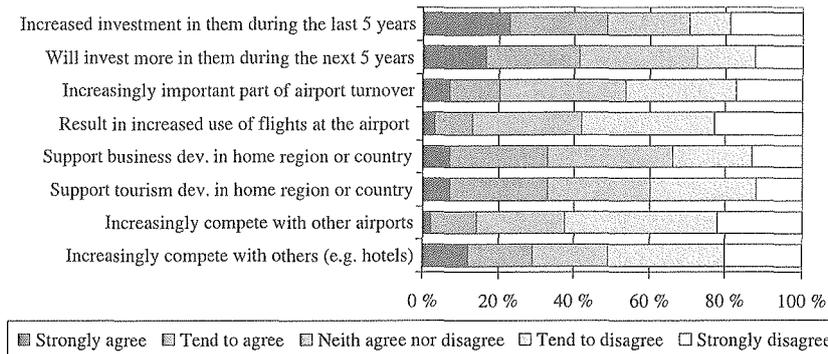


Fig. 2. To what extent do you agree or disagree with the following statements about the meetings facilities at your airport?

facilities in this sample is 19. One respondent employs 15 FTEs, two respondents employ 10 FTEs.

Fairly limited resource allocation also applies in terms of channels used for promoting meetings facilities. 52% of respondents with meetings facilities promote them on their airport website and 41% produce their own promotional literature. Alternative channels that arguably have the greatest impact on reaching potential markets are not used so much. Between 15 and 20% of respondents promote their facilities via a tourism office, chamber of commerce or convention bureau. Less than 10% promote their facilities at meetings industry trade shows/exhibitions, via an online venue finder, or in meetings industry trade magazines.

The background to this paper suggests that airports develop meetings facilities as a source of generating non-aeronautical revenue or to contribute to aeronautical parts of the airport business such as the use of flights at the airport. However, the findings of this study have already suggested that much of the focus is on serving local demand. It is therefore not surprising that 16% of respondents estimate that none of the users of their meetings facilities use flights when travelling to/from them. 56% estimate that 20% or fewer of the users of their meetings facilities use flights when travelling to/from them (Fig. 3).

The survey asked respondents with meetings facilities to estimate how much revenue their airport earned from its meetings facilities during the last financial year.⁵ 33% of respondents said \$0. 45% said between \$1–4999. 16% said between \$5000–49,999. Only 6% said \$50,000 or more. Average revenue per airport that earned revenue from its meetings facilities is just \$12,959. One respondent earned as much as \$231,000 from its meetings facilities but in general, most respondents made very little.

Meetings facilities are effectively a non-aeronautical source of airport revenue. The proportion of non-aeronautical revenue generated from meetings facilities was estimated by respondents

with meetings facilities. 53% stated that 0% non-aeronautical revenue was generated from their meetings facilities during the last financial year and a further 46% stated that 1–20% non-aeronautical revenue was generated. Only 1% of respondents generated more than 20% non-aeronautical revenue from their meetings facilities. None generated more than 40%.

The findings of this study suggest that few airports provide meetings facilities as a serious commercial venture. It may be that, as owners of large property, space is available for meetings facilities at airports and can play an important role in serving the needs of the airport, its partners, and stakeholders such as government and the local community. This became evident from comments written on the survey by a number of respondents including:

- “Meetings facilities [at our airport] are mainly used for airport, airline and CAA meetings.”
- “[Meetings facilities at our airport] are mostly for internal use.”
- “Currently our meeting facilities are available for local use only.”
- “Our meetings facilities are primarily used for conducting airport business. We provide them, gratis, to our tenants and businesses on request.”
- “We have a conference room available for use by the airport, TSA, the airline, etc. There is no charge for its use.”
- “We do have a VIP lounge that can be used by our passengers exclusively. There we have a meeting room for approximately 20 passengers. If you are a member you can use it for free. Otherwise, you can just pay an admission fee to use it.”
- “All our facilities are provided free of charge to our partners.”

4.3. Provision of meetings facilities according to airport characteristics

A number of assumptions are provided in the background to this paper. For instance, that increased attention on generating non-aeronautical revenues from activities such as providing meetings

⁵ Responses were given in local currencies and were converted to dollars using exchange rates provided by XE-Currency Converter on Monday 2nd May 2011.

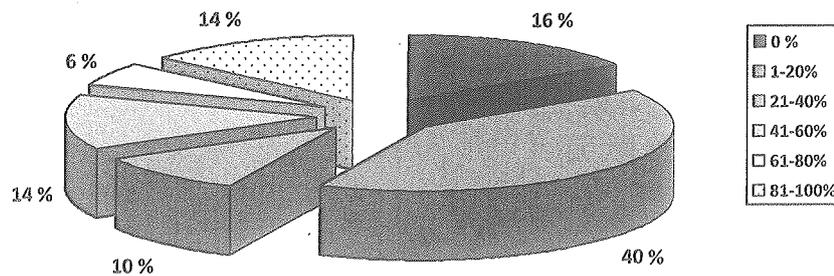


Fig. 3. Approximately what proportion of users of your airport's meetings facilities use flights at your airport when travelling to/from the meetings?

Table 3
Provision of meetings facilities according to airport characteristics.

Characteristic	Number of respondents	% with venue facilities	Pearson's Chi-Square
Region	154	68	$\chi^2 = 0.420$, $df = 2$, $p = 0.811$
Europe	78	65	
North America	51	69	
Other	25	72	
Ownership	154	68	$\chi^2 = 0.013$, $df = 1$, $p = 0.910$
Public	124	68	
Part or full private	30	67	
Total terminal passengers	154	68	$\chi^2 = 0.031$, $df = 1$, $p = 0.860$
Less than 1 million	97	68	
1 million or more	57	67	
Main purpose of travel	99	68	$\chi^2 = 0.263$, $df = 2$, $p = 0.877$
Business/professional	21	76	
Leisure	27	70	
Even split	51	71	
Main type of air services	144	68	$\chi^2 = 1.492$, $df = 2$, $p = 0.474$
General aviation	39	59	
Domestic passenger	69	67	
International passenger	36	72	

facilities is due to the evolution of the airport sector from a public utility to a commercialised, and in some case privatised industry. Also, that the generation of non-aeronautical revenue per passenger is higher at airports in Europe versus other regions and that larger, international airports with a high proportion of business travellers have better opportunities to exploit meetings facilities than smaller, domestic airports with a high proportion of leisure passengers. One might therefore assume that there will be a significant difference in the provision of meetings facilities according to airport characteristics.

Table 3 compares significant differences between airports that do and do not provide meetings facilities according to region, ownership, total terminal passengers, main purpose of travel of passengers using the airport, and main type of air services provided by the airport. Small differences do exist, especially according to region and main type of air services. However, Pearson's Chi-Square

reveals that none of the differences are significant and the assumptions are therefore rejected according to findings from the sample of airports in this particular study. Of course, readers should note that the sample size in this study is fairly limited and that repeating the study with a much larger sample may reveal significant differences.

5. Conclusion

The analysis finds that the provision of meetings facilities is fairly widespread amongst the airports surveyed with much of the emphasis being on providing facilities for meetings and conferences, and for local demand. However, resources allocated to facilities, and the revenues derived from them, are fairly limited. There is no significant difference in the provision of meetings facilities according to airport location, ownership, passenger throughput or purpose of travel, or the nature of air services provided.

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Chapter 5

The business of corporate events

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Learning outcomes

Upon completion of this chapter the reader should be able to:

- differentiate between the principal types of corporate events and the various ways in which these may be categorised;
- recognise the key stakeholders in the corporate events market;
- evaluate how different types of corporate events help companies reach their business goals;
- understand the impacts that economic, technological and demographic trends are having on the corporate events sector.

Overview

Meetings run on behalf of, and for the benefit of, private sector companies are commonly referred to as business events or corporate events. They may also be categorised under the collective term 'MICE' – Meetings, Incentives, Conferences and Exhibitions – although this term is increasingly being avoided by meetings professionals on account of its negative associations and general lack of intelligibility to those outside this sector of the events industry.

Ranging from a half-day training seminar for six managers in a local hotel's seminar room to an international trade show for tens of thousands of attendees, corporate events have been widely recognised as one of the most effective ways in which companies can use face-to-face events in order to achieve their business objectives. And even in a world rich in electronic and virtual channels of communication, face-to-face meetings between colleagues and between company employees and their potential or actual clients continue to demonstrate their resilience as drivers of business success.

This chapter examines the wide range of events that are used by companies, large and small, to achieve their business goals. The principal stakeholders in the corporate events sector are reviewed; and the main trends currently shaping the ways in which corporate events are designed and run are discussed.

Types of corporate events

Although meetings are held by a wide range of organisations, including professional and trade associations, governments and trade unions as well as collectors' clubs and other common-interest groups, corporate events are generally agreed to constitute the largest single market segment – estimated by Lawson (2000), for example, to constitute over 65% of all meetings. Zeller (2006) estimates that 0.5% to 1% of company expenditure is on meetings and that this proportion is potentially higher in the pharmaceutical, technology and financial services industries. Companies have a number of important motives for holding meetings, and their face-to-face events therefore represent a key segment within the meetings market. Occasionally, company meetings are held on companies' own premises and are organised in-house, with little or no commercial significance for any stakeholders beyond the companies themselves. However, most companies recognise that in the main there are many compelling reasons for holding their meetings off-site. These include:

- a lack of capacity in their own premises (few company offices have facilities and the necessary audio-visual equipment for large meetings);
- the need to give staff a break from their normal working environment (to free them from day-to-day work-related distractions; to help them think more creatively, in a different setting);
- the wish to motivate staff by holding the meeting in an attractive location, possibly with leisure elements, such as golf or a spa, added;
- the need to keep proceedings confidential, when, for example, sensitive topics, such as redundancies, are under discussion;
- the need to meet on 'neutral' ground, as, for instance, when representatives from two companies are meeting to discuss a merger.

Corporate events may take a number of different forms. Davidson and Rogers (2006) list the principal types as follows:

- *Annual general meetings*: Publicly owned companies invite their shareholders (or stockholders) to these events, at which the company's annual results are presented. Shareholders are usually asked to approve the dividend and to endorse a certain number of resolutions, which will determine the company's activities in the year ahead. Every shareholder who wants to take part in the decision-making process of his or her company can attend such meetings and vote personally.
- *Sales meetings*: A sales meeting is a regular forum used by management to impart information, enthusiasm and team spirit to those selling their products and services 'out in the field'. Sales figures for a particular period are generally reviewed, and the achievements of particularly high-performing sales staff are recognised and praised. The type of information imparted generally concerns the company's market share, competitors' activities or new legislation that affects the selling process. Such meetings also give those present the opportunity to share their experiences, positive and negative, of selling.
- *Staff training*: It is generally recognised that, in order to keep their skills and knowledge up to date, employees at all levels must regularly attend training sessions in subjects such as information technology, customer relations skills and employment law. Staff training sessions therefore represent a key channel of knowledge transfer for companies. Frequently, these events are held in seminar rooms that are situated off-site, bringing business to suppliers such as hotels and management training centres. Occasionally they are combined with an element of team-building, when the participants learn how better to work together on physical and/or intellectual challenges presented to them by the organisers of the event.

- *Product launches*: Introducing a new product or service to the market is an important stage in the marketing process. A new car, perfume, laptop computer, type of medical insurance policy – whatever the product, companies often use an off-site event as a way of presenting it and explaining its properties and features to those who will be selling it, who may be buying it and to journalists in the specialist press who may write about it for their readers. Such events are usually short but with high production levels, using special effects, sound and vision, in order to make the maximum impact on the audience.
- *Incentive trips*: It is widely recognised that an extremely effective way of motivating and rewarding staff is by offering them the opportunity to compete in order to participate in an incentive trip, as the prize for exceptional achievement in their work. This exceptional achievement may take the form, for example, of selling more of the company's products than other colleagues during a particular period. These trips, often held in exotic and lavish locations, may look like holidays, and indeed they are designed to be highly enjoyable and memorable; but they are firmly considered to be business events, since they are in essence a management tool, designed to elicit higher levels of performance from the company's employees.

To these types of business event may be added *exhibitions*, also known as trade shows or trade fairs. According to Davidson and Cope (2003: 193), the purposes of exhibitions are 'to generate sales, promote new products, maintain or create industry contacts and to act as places that facilitate the exchange of ideas and information between exhibitors, industry experts and visitors'. Thus, from the point of view of those companies exhibiting at trade/consumer shows, these events are a key component of their communications and marketing mix.

Corporate events may also be categorised according to who the participants are: internal, external or mixed.

- *Internal* events are organised solely for the company's own employees. Such events include strategy meetings, team-building days, staff training sessions and incentive trips.
- *External* events are attended largely by people who are not directly employed by the company funding the event. These include shareholders' meetings and product presentations.
- *Mixed* events include both employees and non-employees of the company funding the event. These include product launches and corporate hospitality days.

An alternative method of classifying corporate events is to categorise them according to the primary objective for which the event is being held. Accordingly, the three principal categories are:

- *Legal/constitutional*: internal or external meetings held for the purpose of, for instance, electing company directors or voting on business strategies.
- *Commercial*: events designed directly to boost sales of the company's products or services – for example, new product presentations to clients or potential clients; or training sessions for members of the company's sales force.
- *Social*: events held with the aim of strengthening bonds between staff members or between representatives of the company and its key clients – for example, management retreats, team-building events and corporate hospitality days.

In whichever way they are classified, however, corporate events generally have three principal objectives: to educate, to inspire and to provide the participants with opportunities for **networking** with each other. The proportions of these elements will vary according to the type of corporate event in question. For example, in incentive trips, inspiration and networking will be the dominant features; and in training sessions, the educational

aspect will be prominent. But commentators generally agree that any organised gathering of colleagues and associates ought to feature each of these three characteristics in some measure.

Stakeholders in the corporate events sector

The corporate events sector encompasses a variety of players. Davidson and Rogers (2006), Rogers (2008), Davidson and Cope (2003) and McCabe et al. (2000) divide the main stakeholders into three broad categories: demand, supply and intermediaries.

■ Demand

Demand in this market originates from those private sector companies that make use of destinations and venues for their corporate events. In order to justify the outlay in terms of time and financial resources in such events, companies expect a return on their investment. This may come in a variety of tangible or intangible forms – for example, increased levels of sales of the company's products, as a consequence of sales staff training sessions or an incentive trip; or a boost in staff morale and a fall in staff turnover, arising from a team-building event, for instance. Individual participants at corporate events, also known as attendees, delegates or guests, may be considered as the end consumers of the corporate event product, and they too seek a return on their personal participation in meetings of the various types listed above. This may be new skills, increased levels of product knowledge, or a closer working relationship with fellow-workers, for example.

■ Supply

Suppliers in the corporate events sector are those businesses and organisations that provide the wide range of goods and services that are required for meetings of all types to take place. Venues, the key suppliers in this market, come in a variety of forms, from hotels and universities to purpose-built conference centres and tourist attractions such as museums and theme parks. Hassanien and Dale (2011) present a number of criteria that can be used to classify the events venues sector, according to specific themes, as shown in Table 5.1.

Other suppliers in the corporate events sector include accommodation providers (for residential events), transport companies and destination management companies (DMCs) – specialist agencies that operate in the event destination, providing on-site assistance and expertise to corporate events organisers. To these may be added numerous other goods and services providers, ranging from florists and interpreters to caterers and (for exhibitions) stand contractors.

■ Intermediaries

The final sub-division of stakeholders in the corporate events sector comprises the intermediaries operating in this market in order to bring buyers and suppliers together. Intermediaries can act on behalf of either buyers or suppliers. Those in the former category include corporate events organisers, who work on behalf of companies and play a pivotal role in the design and management of meetings. They generally have a wide range of responsibilities including site selection, contract negotiation, registration management, event promotion and marketing, invitations, transportation planning and speaker selection and management (Beaulieu and Love, 2004; Toh et al., 2005).

Table 5.1 Criteria that can be used to classify the events venues sector

Theme	Criteria
Strategic	Core business activity (i.e. primary or secondary) Ownership (i.e. public, private and charitable trust) Management (i.e. independent, franchised and multinational) Competitive strategy (i.e. cost leadership, differentiation, focus, hybrid, etc.) Industry context (i.e. hospitality, tourism, leisure, sport, educational or religious) Product life cycle (e.g. birth, growth, maturity and decline)
Market	Buyer type (i.e. individual, corporate, association and government) Market place/space (i.e. regional, national and international) Benefits sought (i.e. leisure, business, entertainment, training, marketing, study, etc.)
Physical	Age (i.e. historic or modern) Location (i.e. city or town centre or rural) Size of the venue (i.e. large, medium sized or small) Site (i.e. natural or purpose built) Space (i.e. indoor, outdoor or a combination)
Service	Provision of services (i.e. in-house, outsourced or contracted) Class, grade or service quality Facilities and services provided (i.e. full service, self-catering or residential and non-residential venues) Licensed and unlicensed
Activity	Type (i.e. conferences, exhibition, congress and/or conventions, etc.) Duration (i.e. short or long) Admission (i.e. fee paying or free entry)

Source: Adapted from Hassanien and Dale (2011)

Those intermediaries working on behalf of suppliers include a broad range of agencies that aim to connect suppliers with the clients who need their products and services in order to run their corporate events. These include venue finding agencies, professional speakers' bureaux and convention bureaux – organisations that market the destinations they represent in order to help the venues operating within those destinations gain more business.

It is clear from the above list of stakeholders that the corporate events sector is a complex system of individuals and companies, each working to achieve their individual and organisational goals. All of their best efforts are necessary to ensure that the events that they are organising or hosting or servicing in some way are a success. Large budgets are often at stake, and the highest standards of professionalism are required of all stakeholders, to ensure that such investment brings real benefits to the companies funding corporate events.

In a recent discussion of competitive advantage in the corporate events sector, professionalism, flexibility, partnership, communication and trust between stakeholders were highlighted as being crucial qualities for all stakeholders. One participant in the discussion, an events planner, said:

I would like to add 'respect' to that list. We have to accept that in all sectors of the industry we all want the event to be a success; we are all working to that common end goal. Recognising the expertise of others, respecting their view and knowledge, and applying due courtesy will inevitably lead to a more successful event.'

(Anon, 2009: 4)

These qualities are in demand now more than ever, as the corporate events sector is undergoing a period of upheaval, produced by changes in society as a whole. The next section examines those changes and their consequences for corporate events.

Trends in corporate events

The corporate events sector, in common with all industries, is influenced by trends in the wider marketing environment. At a basic level, the volume and value of corporate events are affected by the changing fortunes of those sectors that are major users of such events, including the pharmaceutical, technology, financial services and automotive industries. But there are a number of deeper transformations in society that are changing the face of the corporate events sector. Three of these will now be reviewed.

■ Procurement and return on investment

Even before the economic crisis of 2008 made it crucial for companies worldwide to closely monitor the value that their suppliers were providing them, procurement departments were already taking responsibility for strategic sourcing initiatives on the purchasing of materials, supplies and services required for the effective running of their firms, from office furniture and computer hardware to cafeteria and consulting services. Given companies' high levels of outlay on meetings, it was inevitable that procurement departments' attention would come to focus on that particular item of expenditure.

Now most companies' procurement departments have extended their range of responsibility to include the purchasing of corporate events services, and buying decisions in that field of corporate activity are increasingly influenced by those responsible for sourcing and obtaining items for their companies' use. Companies' events procurement strategies are generally designed to create savings by bringing meetings and other events purchasing processes under more effective control. In order to reach this objective, such strategies focus on two aspects: the efficiency of expenditure and the return on investment from the company's spending on corporate events.

The impact of procurement on the process of purchasing event services has been significant, as indicated by Rogers (2007: 9):

This has translated into a much greater emphasis on the need for transparency with programme costings and a clear requirement to identify added value as well as providing effective and quantifiable measures to gauge return on investment (ROI). As part of this process, companies are looking to establish preferred supplier lists to give them greater control over the quality of delivery as well as additional leverage through increased buying power and, importantly, to track their event spend more accurately. Attractive destinations and facilities are no longer enough – business results are what count.

This new procurement approach to purchasing goods and services for corporate events initially constituted a source of anxiety for those meeting planners with responsibility for choosing the venues, accommodation, transport, speakers, entertainment, etc. that make such events possible. The concern of many was that the events planning function would be reduced to a mere cost-based purchasing decision made by procurement departments intent on insisting that the suppliers offering the lowest prices should be those used by their companies. A moment's thought tells anyone with even a basic knowledge of how

corporate events work that cheapest is not always best in this field of company spending, particularly if a meeting, for example, is supposed to motivate employees by making them feel valued by their firm.

But in most reported cases, the involvement of procurement departments in corporate events has proved to be more of an opportunity than a threat. According to Zeller (2006: 6)

There is a real opportunity for meeting planners to collaborate with procurement to achieve a goal of aligning marketing, sales, sourcing strategies, technology solutions, account management/reporting and meetings effectiveness . . . By having a mission and following the new procurement approach, meeting planners can change the value proposition of their department and strategically assist the corporation in achieving success through their meetings and events.

Accordingly, it is widely held that the involvement of procurement departments in companies' events buying decisions has boosted the trend for events planners' roles to progress from being merely logistical to being strategic in nature, a development noted by commentators such as Lenhart (2006). By, for example, demonstrating how the events they organise help their companies reach their business goals, corporate events planners are increasingly playing central roles in their organisations and, in many cases, raising the status and expectations associated with their jobs.

■ Technology

Most of those working in the corporate events sector today have only the dimmest of memories of a time without the internet and all the ways its powers can be harnessed to improve how events are organised and run. From online registration to venue websites offering 360-degree tours, the World Wide Web has revolutionised the corporate events world. But the same technology has also brought to market a range of virtual conferencing and online collaboration services that in certain circumstances provide a viable alternative to face-to-face corporate events. With the advent of virtual meeting technology, the question of how to format corporate meetings and events has become increasingly complex. Meetings can now be completely virtual, completely face-to-face or hybrid – a combination of the two.

The advantages of virtual meetings are many: reduced carbon footprint, removal of the risks and inconveniences incurred through travel, reduction of the amount of work-time lost through participation in the event, as well as the immediate savings incurred through not having to pay for travel, accommodation and meeting space.

Nevertheless, the future of face-to-face corporate events seems secure – for now, at least. Forbes Insights' (2009) survey of 760 business executives measured perceptions of face-to-face versus virtual meetings. More than eight out of ten of those surveyed claimed a preference for in-person meetings. The most frequently cited reasons given for this preference were 'Building stronger, more meaningful business relationships' (85%); 'Ability to read body language and facial expressions' (77%); and 'More social interaction and an ability to bond with co-workers and clients' (75%).

The challenge now facing corporate events planners is to decide which format is most likely to enable the meeting to reach the objectives that have been set for it. This decision is a strategic one that ought to be based on specific, scientific criteria, as opposed to, for example, the planner's personal preferences or the longstanding tradition within the company. As the cost of face-to-face events is generally higher than that of virtual meetings, expectations of an adequate return on investment tend to be higher. Duffy and McEuen

(2010: 8) have suggested that face-to-face meetings are more effective than virtual events when the objective is:

1. *To capture attention:* People's full attention is needed when you want to initiate something new or different. When you want to initiate a new or different relationship, culture, strategy or product, face-to-face is best.
2. *To inspire a positive emotional climate:* Do not under-estimate the power of inspiration and positive emotional climate as a currency of business. When you want to energise and inspire, face-to-face is best.
3. *To build human networks and relationships:* Information and resources are not the only things needed for work to get done. Increasingly, information is being commoditised, while there is much greater value in 'people networks and relationships'. To power up human networks and relationships, face-to-face is best.

Table 5.2 provides examples of corporate events for which face-to-face meetings are most likely to reach the funding company's objectives.

Table 5.2 Examples of face-to-face corporate events classified by needs

Broad business need	Examples of specific business needs
Capture attention for change	<ul style="list-style-type: none"> ■ Initiate a new strategic direction for the organisation ■ Launch a new product or suite of products ■ Merge two cultures into a new culture ■ Renew focus and attention on an existing strategy
Inspire a positive emotional climate	<ul style="list-style-type: none"> ■ Annual or semi-annual meetings to energise people around company goals, values and priorities ■ Inspirational events to build community and cohesion towards a shared interest or goal ■ Recognition events to celebrate top performing individuals and teams ■ Celebration events that mark important milestones
Building human networks and relationships	<ul style="list-style-type: none"> ■ Annual or semi-annual meetings to enable cultural cohesion and relationship building ■ For dispersed workforces, a regular rhythm of face-to-face meetings to build trust and effective working relationships ■ Practitioner, user group and professional community conferences ■ Dynamic knowledge-sharing and innovation summits

Source: Duffy and McEuen (2010: 13)

■ Demographics

Given that the end users of corporate events are almost exclusively people in work, this sector is directly and profoundly affected by changes in the profile of the global workforce. In terms of demographics, the most significant change currently underway is the rise in importance and influence of that category of employees drawn from 'Generation Y' – people in their 20s and early 30s. Currently the fastest growing cohort in the working population, Generation Y is rapidly replacing the 'Baby Boomers' generation (born between 1946 and 1964) that has dominated business life, as well as politics and the arts, for the past 30–40 years. As growing numbers of Baby Boomers enter the retirement phase of their lives, their values, attitudes and preferences are gradually being replaced by those of Generation Y, in all aspects of personal and professional life, including the way in which corporate events are organised and run.

Perhaps the clearest difference between Generation Y and previous generations lies in their attitude towards, and competency with, technology. This generation grew up with the internet, and regard applications of technology as integral and indispensable features of their personal and professional lives, including the events they attend. Ramsborg and Tinnish (2008: 32), discussing the attitude of this generation towards training events in particular, state that:

The full capabilities of technology must be exploited before, during, and after a meeting. Blogs, mobile phones, YouTube, Facebook, MySpace, podcasts, virtual meeting environments, RSS feeds, videos, widgets, mashups, wikis, moblogs, and social networking sites . . . Learners who use these technologies every day expect technology to be seamlessly interwoven into learning situations, i.e., meetings.

Technology also facilitates another preference of Generation Y: higher levels of participation and interaction with speakers and with other attendees at corporate events. This is a generation that has already demonstrated their lack of interest in the old 'declamatory' style of meetings, characterised by one-way communication from speakers to participants, the passive recipients of their discourses. Generation Y have also expressed a clear preference for shorter presentations at such events, calling into question the time-honoured tendency to allocate speakers hour-long sessions. Davidson (2010: 122) believes that:

The drive towards shorter, more interactive sessions will intensify as Y-ers account for an increasingly large proportion of participants in business events. Generation Y participants expect interaction, in real time, with each other and with speakers, through having the opportunity, for example, to text-message their questions to a big screen on the conference stage, during sessions.

Above all, speakers at corporate events need to deliver their material in a way that combines education and information with entertainment – 'infotainment' is what Generation Y participants expect from the corporate events they attend. According to Ramsborg and Tinnish (2008: 34):

The adult learners of today expect 'infotainment', the delivery of information in an entertaining format. Even the most serious programming on television, the news, is created now with graphics, music, lighting, and special effects. There aren't many places that people go where they are not treated to a 'show' – and meetings are no exception.

A final impact of this generation on the corporate events they attend has arisen as a consequence of their concern for environmental issues and corporate social responsibility. Many commentators agree that Generation Y represents the most socially conscious and civic-minded generation yet, and their progressive environmental and social awareness are changing the way in which corporate events are planned and run. The ongoing endeavours to create and publish agreed standards for 'green' meetings by bodies such as the Green Meeting Industry Council are just one indication of the growing wish of those planning and those attending corporate events that those events should have the least possible negative impact upon the natural environment. And Generation Y events planners and participants have been instrumental in driving the green meeting agenda forward.

But there is also evidence that this generation's collective social and ethical conscience is re-shaping corporate events. Much has been written about their wish to 'make a difference' or 'leave something behind' in the destinations where such events take place. This has come to be known as the 'social legacy' of events. Social legacy relates to the people aspect of the triple bottom line of corporate social responsibility – people, planet and profit – and, as such, goes far beyond the simple greening of corporate events. While the planet-centred greening of events involves practices such as recycling materials, hosting paperless meetings, choosing meetings destinations served by public transport and building green clauses into contracts with suppliers, social legacy also takes into account how a meeting or incentive trip impacts upon the people and economy of the local community.

Social legacy elements encompass community initiatives and the raising of social awareness among meetings and incentive travel participants. This aspect of corporate events is closely linked to the growing interest, especially among members of Generation Y, in volunteerism (or 'volun-tourism') as a form of community service that promotes goodwill and provides personal fulfilment. For many attendees, social legacy has also become an essential part of the experiential dimension of a meeting or incentive trip. It can take various forms, from a simple donation to a local charity to attendees taking time out from their events to participate in renovation or environmental projects such as painting a local school playground or planting trees; or it can be participating in outreach activities, which give the attendees the opportunity to meet and interact directly with local people. This approach works particularly well when part of the objective is to raise participants' awareness of social issues impinging on the local community.

An example of this was seen in the 2008 'Greening the Hospitality Industry' conference, held in Vancouver, where the organisers made a commitment to do something that would directly benefit the community. In addition to selecting a carbon offset programme, they partnered with the Vancouver Food Bank and participated in their volunteer programme. Attendee volunteers toured the food bank and learnt about the various local groups that benefit from its work. They then sorted and separated food and household items, weighed and measured items, and arranged goods into boxes for disbursement. In one hour, 31 attendee volunteers from around the globe assisted 1,600 people with meals in the Vancouver Metro area.

Conclusion

Corporate events are an integral element in the business world of today. They are instrumental in forging links between a company and its clients and between colleagues, and they are an essential channel of knowledge transfer within and between companies. The wide range of events that can be used to inform, to motivate and to provide opportunities for networking are only made possible thanks to the professionalism of all of the stakeholders involved in organising events and providing the services and facilities that are required to make them successful.

Nevertheless, at no other time in history has the corporate events sector been under such pressure to justify the resources invested in such events in these times of growing competition and corporate cost-cutting. This challenge has been exacerbated by the increase in availability of virtual alternatives to face-to-face meetings. But man is a sociable animal, with an irrepressible drive to communicate for all purposes, including business. This simple biological fact, combined with the knowledge that much communication is non-verbal – the strength of a handshake, for example – will ensure that face-to-face events remain an essential part of business life in the future.

Case 5.1 RSA Group incentive trip to Vietnam

The client

The RSA Group is one of the world's leading multinational insurance groups, employing around 22,000 people and serving 17 million customers in 130 countries. Each year, senior members of RSA staff are nominated for their achievements within the company, and the top 15 'Platinum Club' winners earn a place on the company's overseas incentive trip.

The agency

The intermediary responsible for the planning and design of the 2011 trip was marketing communications agency *dmbt*, based in Essex, England.

The brief

A straightforward brief was given to *dmbt*: organise a trip that delivers the 'wow' factor and a memorable experience for a group of well-travelled executives. The accommodation had to be in the five-star category; there had to be a balance between group activities and leisure time; and the destination had to be accessible to all of the different members of the group, who would be travelling there from locations all across the globe.

The company's incentive trip to Rio de Janeiro and Iguazu Falls in Brazil the previous year had been a great success. So it was vital that the 2011 incentive trip should be at least as outstanding.

The planning

Out of a shortlist of four possible destinations submitted to the RSA Group by *dmbt*, Vietnam was selected as being the most suitable for their purposes. Arrangements were then underway for a five-night trip to take place in March 2011, with the help of a destination management company, Destination Asia.

This was the second year that *dmbt* had run this event for RSA Group, and *dmbt* Senior Account Manager Jaclyn Sammells noted that the meticulous planning required for such an event begins about 10 months in advance of the actual trip:

This year we had people travelling from places including Buenos Aires, Columbia and Scandinavia – and many had business meetings before and after the event, so it was a question of liaising with their PAs as much as possible, because they really could be coming from and travelling to anywhere in the world, before and after the incentive trip.

During the lead-up to the event, *dmbt* set up a dedicated website containing all of the trip information and the itineraries. Post-event, all of the photographs were uploaded to the website for the participants to download, and each winner was sent a coffee-table book of the best photographs.

The Park Hyatt Hotel in Ho Chi Minh City was chosen for the first two nights, due to its being the best hotel in the city and therefore the most capable of offering the required standard of service and accommodation. This was followed by three nights at the Nam Hai resort in Hoi An, which again offered the highest standard of accommodation and facilities and was able to cater for the group's dinners and events.

The Platinum Club guests were treated to a welcome dinner at the Botanical Gardens in Ho Chi Minh City. The magical setting for this occasion featured hanging lanterns and a red carpet up the steps of the pagoda. As the guests arrived, children greeted them with flower garlands and they watched a traditional Dragon Dance. The evening's entertainment included drummers, dancers and a jazz band. According to Sammells,

This venue offered the beauty of a botanical garden as well as the ability to light and dress the area with corporate colours – and provided out-of-doors dining right in the heart of the city. The sounds of the city and the open-air dining provided the perfect backdrop to immerse the group in Vietnam.

While there was ample leisure time available to the group during the trip, there were also a number of organised tours including a trip to the Cu Chi Tunnels – an intricate network of over 200 miles of underground tunnels that were dug and used during the Vietnam War. Other activities included a cycling tour of Da Nang and a walking tour of bustling Hoi An.

A gala dinner at the Nam Hai resort was also planned for the final night, during which the group was treated to the sounds of a saxophonist. The venue was dressed with floating boat-shaped lanterns in the infinity pool, and flowers and candles adorned the tables. Twelve traditional dancers performed between courses, and, as a finale, there was a surprise 'dessert dance', when dancers entered with various desserts and presented them to the guests.

Case 5.1 (continued)**The challenges**

Sammells noted that a few challenges were encountered during the planning of this event:

The weather became a challenge due to unforeseen, and extremely unusual, weather fronts coming into Vietnam. The average temperature at the time of travel should have been 28–34C, but it dropped to as low as 15C during the trip and the threat of heavy rain was a challenge to our welcome dinner in the Botanical Gardens. We assessed the weather every day and had back-up plans as necessary.

A beach barbecue at Nam Hai had to be altered to an 'outdoor club', due to the threat of bad weather. But the club was dressed in the RSA Group's corporate colours, and the evening was a success after all.

David Weymouth, RSA Group Director Operations and Risk, who was one of the trip hosts added:

The guests on these trips are well-travelled people, many of whom are used to staying in top hotels and receiving five-star treatment. However, the quality of the accommodation, the cuisine, the range of activities plus those all-important 'extra touches' added by *dmbt* were simply outstanding.

RSA Group commissioned *dmbt* to organise the following year's Platinum Club event.

Discussion questions

- 1 A specific website was created for this event. What are the features that a website can offer those who are participating in an event such as this?
- 2 Incentive trips can be expensive to run, but they are often said to be 'self-liquidating'. What does this mean, and how might it have transpired that this specific incentive trip was self-liquidating?
- 3 What tools might be used to measure the success of this incentive trip?

Case 5.2 Cisco Systems' One Africa Partner Summit in Cape Town**The client**

Cisco Systems is an American multinational corporation, headquartered in San Jose, California, that designs and sells consumer electronics, networking, voice and communications technology and services. Cisco has more than 70,000 employees and an annual revenue of US\$40.0 billion as of 2010.

The planning

Cisco Systems devised the One Africa Partner Summit as a platform to bring 260 of its partners together, to discuss recent developments and encourage loyalty and networking. The event was held from 21 to 23 June 2011 at the five-star deluxe Crystal Towers Hotel in Cape Town, South Africa.

Cape Town was chosen for its relaxed atmosphere, excellent food, facilities and accessibility. According to Cisco's regional marketing manager and in-house event organiser Jade Penfold, the venue was chosen on recommendation from a South African colleague: 'I wanted a hotel in the business district that was a short drive from the Waterfront for evening entertainment'. The Summit's theme and content were influenced by delegates, who contributed ideas via blogs and webinars.

The challenges

Technology infrastructure was the primary concern prior to the event. Live video footage is regularly used at Cisco's events, which can be problematic to manage. But the Cisco team worked closely with event sponsor Vodacom to ensure that all modes of communication were thoroughly tested.

The programme

The event included a welcome plenary session, keynote presentations from internal experts and a live demonstration by Den Sullivan, Head of Architectures and Enterprise, Emerging Markets, who was linked from a regional office to the main audience for a two-way live video stream. The programme also included an awards dinner at Restaurant 221 in the harbour area.

Case 5.2 (continued)**Post-event analysis**

Cisco was satisfied that the event met its objectives – cementing relationships between partners, colleagues and vendors. Penfold said that the conference ran smoothly due to careful planning, helpful hotel staff and efficient transport links. Using the Phillips ROI Methodology, which focuses on measuring satisfaction, learning, behaviour and results, the company was able to gather comprehensive feedback on the event and, three months later, to quantify learning application and business impact in order to estimate the return on investment for this event.

Discussion questions

- 4 In this context, who are Cisco's 'partners', and why was it important for them to network and stay loyal to the company?
- 5 Discuss the role played by technology in this corporate event.
- 6 Discuss the Phillips ROI Methodology and make a case for using it in the context of this Summit.

General discussion questions

- 7 Identify a specific example of a recent face-to-face corporate event, from an online search, and discuss the extent to which it might have been replaced by a virtual meeting, using a technological solution. Give (a) the advantages that might have been gained from running the event as a virtual meeting, and (b) the advantages of the face-to-face event that would have been lost if the meeting had been run on a virtual basis.
- 8 This chapter has contained numerous references to the importance of networking and colleagues bonding with each other. Find evidence from the human resources literature for the significance of these activities for efficiency in the workplace. And discuss how corporate events can be organised in such a way as to maximise opportunities for networking and bonding between participants.
- 9 Identify a local venue and analyse it according to the various themes and criteria used by Hassanien and Dale in their venue classification system (Table 5.1).
- 10 Discuss the various ways in which a corporate event planner can save money for their employer without compromising the quality of the events he/she organises. Use as a starting point the quotation above from Rogers (2007: 9):

As part of this process, companies are looking to establish preferred supplier lists to give them greater control over the quality of delivery as well as additional leverage through increased buying power and, importantly, to track their event spend more accurately.

Guided reading

The following two journals are useful sources of articles on corporate events:

International Journal of Event and Festival Management

Journal of Convention and Event Tourism

Recommended websites

Global Meetings Industry Portal: www.smiportal.com

The professional associations for the meetings industry are also a valuable source of information. Here are three of the most useful:

Professional Convention Management Association – particularly for archived editions of the association's *Convene* magazine: www.pcma.org

Meeting Professionals International – particularly for archived editions of the association's *One+* magazine: www.mpiweb.org

Society of Incentive and Travel Executives: www.siteglobal.com

Key words

baby boomers; generation Y; knowledge transfer; networking; procurement; virtual events

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The Use of Web 2.0 as a Marketing Tool by European Convention Bureaux

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ABSTRACT *Web 2.0 is a term created to encompass recent fundamental changes in the way the web is used and the concomitant new technologies. This study takes a first step towards achieving an understanding of how European convention bureaux (CB) are harnessing, in their marketing communications programmes, the opportunities created by the availability of Web 2.0 applications, and how they are measuring the effectiveness of their use of these tools. It highlights the various objectives that CB have, for their use of Web 2.0 and provides evidence that suggests that the effectiveness of these tools is in many cases unproven. In terms of industry perspectives, the results provide a number of important insights to practitioners in the areas of destination marketing, and should assist them in benchmarking their own use of Web 2.0. This study points to the need for European CB to rethink their current marketing resource allocations and strategies by developing and implementing innovative Web 2.0 strategies for building sustained customer loyalty and competitive advantage.*

KEY WORDS: convention bureaux, Web 2.0, social media, user-generated content, Europe

Introduction

Marketing used to be all about crafting a message, shaping it and directing it to a target audience. It was a closed, controlled and transactional system. From the marketer's perspective it was strictly a case of: "we talk, you listen"; it involved messages being sent from one (vendor) to many (prospects); it was uni-directional, with no automatic right of reply. Over the past eight years, Web 2.0 – in the form of technologies that enable users to communicate, create and organise content and share it with others via communities, social networks and virtual worlds – has radically changed how we view, interact and think about leveraging the Internet for the purposes of B2C and B2B marketing. As the use of Web 2.0 has grown, it has become an increasingly important channel for marketers to reach their customers, as fast-growing numbers of organisations and corporations have begun to investigate how to harness Web 2.0 in their marketing efforts to communicate with clients, build awareness and drive innovation.

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Destination marketing professionals have, in varying degrees, embraced the use of Web 2.0 tools, primarily in the B2C context of promoting their countries and cities to leisure tourists. However, these tools are also being used in the context of B2B destination marketing – promoting countries and cities to meeting planners and other professionals responsible for selecting destinations for business events such as conferences and incentive trips.

This study examines the use of Web 2.0 by European convention bureaux (CB). It seeks to establish not only which tools are the most widely used by CB, but also the prime motivators and business objectives connected with their use in the context of European business tourism destination marketing. In addition, the study investigates how CB evaluate the effectiveness of their use of social media tools in their B2B marketing.

This article is organised into five sections. Following this “Introduction”, the “Literature Review” draws upon existing research in this field and provides the rationale for the present study. The “Methodology” section explains the design of the research process, the research instrument and addresses the validity of the methodology. The “Findings” section provides the description and summary of the study’s results. The final section discusses the limitations of the study and directions for future research.

Literature Review

The Destination Marketing System for Business Events

The meetings industry represents one of the largest and most profitable elements of today’s hospitality and tourism sector. To take just one type of meeting, conferences of international associations, the International Congress and Convention Association, reported that the number of such events increased by 800 to over 10,000 in 2011 (ICCA, 2012). But, despite the resilience in this market, competition between cities seeking to host these meetings is intense, and among the key stakeholders in the struggle to win meetings of all sizes are those destination marketing organisations (DMOs) known as CB.

In the realm of destination marketing, CB are key information brokers and information disseminators for the meetings industry. One of their critical missions is to brand and promote their destination as a desirable location for the hosting of meetings (Gartrell, 1994; Kim, Morrison, & Mills, 2004). The earliest CB were created in North America, with the first being established in Detroit in 1896. Named the “Detroit Convention and Businessmen’s League”, its aim was “to organise a formal and organized promotion of Detroit as a desirable convention destination” (Ford & Peeper, 2007, p. 3). In the twentieth and twenty-first centuries, the number of CB has grown exponentially, as cities all over the world have created such entities to market themselves as destinations for business and for leisure. Exact numbers are difficult to estimate, but the world’s largest association of DMOs, Destination Marketing Association International, has members from over 600 DMOs in over 20 countries. Cvent, a company specialising in event management technology, publishes a comprehensive list of CB based in Europe, the Europe convention and visitor bureau (CVB)

Directory, which currently includes 308 organisations with responsibility for marketing their city, region or country as destinations for business events (Cvent, 2012).

In North America, according to Gartrell (1994) the term CVB generally refers to DMOs with responsibility for attracting both leisure and business visitors to the cities they represent. Their role is to develop, promote and maintain their image as an attractive destination, not only targeting visitors but also targeting destination events, meetings and conventions. According to Vallee (2008, p. 162), CVBs most commonly achieve their goals by working to: (1) solicit, qualify and confirm groups to hold meetings, conventions and trade shows in the area it represents; (2) assist meeting groups that have confirmed through attendance building and convention servicing; (3) manage the destination brand through awareness building and customer relationship management; (4) market to leisure travel trade and individual travellers through targeted promotional and sales activities; (5) facilitate relationships between meeting manager and travel trade buyers and sellers, with sellers generally composed of local businesses offering products and services and (6) service visitors, including convention delegates, in the destination to encourage them to stay longer and see more of the area.

While in North America, CB work to attract both leisure and business visitors, in Europe they are almost exclusively involved in winning and servicing business events such as conferences and incentive trips for the destinations they represent. In order to do so, they must focus their marketing efforts on gaining the attention and interest of professional meeting planners. As intermediaries between conference attendees and conference suppliers, meeting planners play an important role in the meetings industry by selecting sites, organising meetings and coordinating services and events (Casanova, Kim, & Morrison, 2005). The wide range of their responsibilities includes not only site selection but also contract negotiation, registration, event promotion and marketing, invitations, transportation planning, speaker selection and gift selection (Beaulieu & Love, 2004; Toh, DeKay, & Yates, 2005). However, it is their role as the professionals who choose – or influence the choice of – the destinations for the events they organise that makes them a focus of attention for CB seeking to win business events for their cities. Even in the USA, where not all of CVBs' marketing efforts are focused on winning business events, meeting planners are still one of their main target markets. In a recent survey, approximately 40% of US CVB respondents counted meeting planners as their main target market (Kim, Lehto, & Kline, 2010).

It is due to the power of meeting planners that much of the conference management academic literature has focused on their key role in site selection and the complexity of the decision-making process (Beaulieu & Love, 2004; Crouch & Ritchie, 1997; Hu & Hiemstra, 1996). The conference destination decision process differs significantly to the destination decision process for individual or family holidays, as it reflects the fundamental features of the purchasing processes of business markets in general, consisting of fewer, but larger, customers than consumer markets and being involved in purchases of considerably greater value, having complex economic, technical and financial considerations (Vitale, Giglierano, & Pfoertsch, 2011). This form of organisational buying typically involves individuals of varying levels of influence in final decisions; but the meeting planner acts as a gatekeeper of information that is needed by the decision-makers (Lewis & Chambers, 2000) and therefore plays a pivotal role.

In order to influence the decisions of meeting planners in their favour, CB use a broad range of marketing communications tools, including customer relationship management, direct marketing, publications, public relations, attendance at meetings industry trade shows and the hosting of familiarisation trips – visits to a destination offered to potential buyers, designed to acquaint them with specific local facilities and services and to stimulate the booking of an event in that city (Davidson & Rogers, 2006). The use of such tools has, in recent years, been supplemented and modified by the advent of Web 2.0, as a rapidly expanding number of organisations have begun to leverage the potential of this technology in their marketing efforts.

Web 2.0

O'Reilly and Musser (2006, p. 4), who is widely credited with popularising the term "Web 2.0", defined it as "a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet – a more mature, distinctive medium characterised by user participation, openness, and network effect". Web 2.0 includes technologies that enable users to communicate, create content and share it with each other via communities and social networks faster and more easily than before, to have real-life experiences in virtual worlds and to organise content on the Internet with content aggregators.

In terms of practical use, Web 2.0 has come to be identified with a number of online activities and applications. Among those most commonly used are blogs, wikis, file-sharing communities, mashups, social networks, Really Simple Syndication (RSS), and podcasts. Blogs are a type of web publications in which the content is written by one or more authors and presented in descending chronological order. Wikis take the form of a more structured website, in which users participate by adding, editing or erasing content. File-sharing communities (peer-to-peer networking sites) are websites enabling the organising and sharing of particular types of content over a network of peer-to-peer users, for example, the video-sharing website YouTube and the photos-sharing website Flickr. A mashup is a web-page or application that integrates complementary elements from two or more sources. Social networks can be classified as general (e.g. Facebook) or professional networks (e.g. LinkedIn). They are websites in which registered users can create a personal profile and contact other users to share pictures, messages and other digital content. RSS allows users to receive updates from sites that are continuously updating their information (e.g. newspapers). Podcasts are audio files that are distributed on the Internet through RSS.

The extent of the popularity of such applications is vast, with the amount of time spent on social network and blogging sites alone growing at over three times the rate of overall Internet use growth. Member communities are now the world's fourth most popular online sector after search portals and PC software applications and ahead of personal e-mail (Nielsen, 2009). As the public have become such enthusiastic adopters of these applications in their personal and professional lives, for the purposes of communication, entertainment (and – crucially, for the purposes of this paper – for collecting information on products and services prior to making actual purchases), the use of Web 2.0 tools has become an important channel for marketers of all kinds of corporations and organisations to reach out to their customers in their B2C and B2B marketing campaigns. The annual

McKinsey Quarterly global survey of companies' adoption and use of Web 2.0 tools (Bughin, Byers, & Chui, 2011) shows that the percentage of firms using these tools for the purposes of reaching their customers grew from 45% in 2007 to 79% in 2011. Their use of social networking tools alone expanded from 41% of companies surveyed in 2009 to 70% of companies surveyed in 2011. Moreover, in terms of the benefits of using Web 2.0, while in 2009 54% of companies agreed that "Increasing effectiveness of marketing" was one of these, this figure had risen to 65% in 2011.

Constantinides and Fountain (2008) give specific examples of how organisations can make use of Web 2.0 applications as a means of reaching and informing customers and online opinion leaders (bloggers, podcasters, etc.) about their products, services and new market offers: (1) advertise in well-selected blogs and popular search engines. This can be an effective way of passing messages through to target markets at a fraction of the costs required by traditional media; (2) actively listen-in to what people are saying about the firm and its products in blogs, podcasts, forums and online communities. This can be a useful source of market research – "people like to exchange experiences about products, services and firms, advising others or even proposing how products can be improved: this is high-quality and low-cost market information" (Constantinides & Fountain, 2008, p. 241); (3) actively encourage communication, interaction and customer feedback by introducing Web 2.0 websites which encourage social networking and community forming. These sites offer the organisation's customers the possibility of reaching their peers and exchanging information and experiences. According to Mangold and Faulds (2009), consumers feel more engaged with products and organisations when they are able to submit feedback. This may come in the form of criticism, accolade or helpful suggestions. But taken as a whole, this feedback contributes to a sense of community in which honest, open communications are encouraged and customer engagement is enhanced; (4) launch corporate blogs and podcasts, encouraging customers to interact and freely express their feelings, suggestions or remarks about the company and its products. Schmallegger and Carson (2008) argue that the aim of such blogs is mainly to create more lively and credible content on the website and to facilitate continuous contact with clients. Increasing traffic to their websites and improving search engine rankings are additional objectives. They advise that the content of a blog should not be too overtly promotional but clearly different to the content provided in the organisation's conventional marketing information and (5) partner with talented amateurs, who create viral films or TV commercials for the organisation. Messages created by real customers reflect the genuine feelings of product users and as such are more credible and more effective than messages created by advertising agencies (Constantinides & Fountain, 2008).

It is clear that such uses of Web 2.0 applications fundamentally alter the roles of, and the relationship between, marketers and consumers. The latter are no longer simply passive recipients of "brand messages", as the new web is characterised by information "pull" rather than "push", user-generated content, openness, sharing, collaboration, interaction, communities, and social networking (Tapscott & Williams, 2006). Consequently, the advent of Web 2.0 has significantly shifted power towards consumers, who now have the ability to create content and disseminate their opinions of particular products and services widely and quickly. Marketing is now typified by a two-way dialogue and a broadly unfettered exchange of opinions, reviews and information.

But from the marketer's perspective, participation in such dialogue, through the types of activities listed above, comes at some financial cost – in terms of staff time and training, for example. Following widespread initial misapprehension that the use of Web 2.0 in marketing was “free”, concerns have risen regarding the return on investment (ROI) from marketing campaigns making use of such applications. Several authors (Borges, 2009; Dwyer, 2007; Jones, Temperley, & Lima, 2009; Thackeray, Neiger, Hanson, & McKenzie, 2008) have highlighted the challenge of evaluating the value of Web 2.0 applications as marketing tools and determining to what extent they can become sources of additional business value. However, a number of solutions have been suggested. Borges (2009), for example, states that the possible metrics for measuring the effectiveness of marketing initiatives based on Web 2.0 applications include the number of website visitors from social media platforms, as well as the volume of incoming traffic to a company website. Another possible metric, qualitative rather than quantitative, is the state of public opinion (or “sentiment”) towards the company's brand, their products, their staff, etc. Focusing on social media monitoring in particular, Stevenson and Hamill (2012) indicate that while instruments available range from no- or low-cost tools such as Google Alerts, Trackur, Social Mention or ViralHeat to more expensive and sophisticated tools, such as Scoutlabs, Radian6, SM2 or SocialRadar, significant difficulty exists in determining which of the many tools on the market is the most appropriate. Nevertheless, the authors' message to firms and organisations contemplating the use of social media monitoring tools is that these can support their social media strategies in a number of ways: (1) *market knowledge and intelligence*: where your customers, partners, competitors and staff are hanging out online; (2) *customer insight and understanding*: what your customers and their influencers are saying about you or your competitors; (3) *engagement*: with a potential network of high value, high growth prospects and identifying key posts and follow-up actions; (4) *interaction with key influencers*: identifying influential sources for incorporation into a wider strategic response; (5) *reputation management*: timely identification of potential reputation issues; (6) *improved sales and marketing*: new prospects, customer and market opportunities and (7) *improved performance monitoring*: Monitoring a number of measures of social media performance.

Stevenson and Hamill (2012) refer to these last measures as the 4I's of: *involvement* (views, followers, members, etc.), *interaction* (posts, comments, ratings, etc.), *intimacy* (sentiment, affection, aversion to the brand) and *influence* (forward, share, retweet, etc.). However, they fully acknowledge that all of the leading social media tools are limited in the following ways: (1) they do not analyse sentiment well; they are unable to determine automatically and to a high degree of accuracy positive or negative mentions and often err on the side of caution – i.e. make the majority neutral; (2) they will not calculate ROI for you; (3) they will not interpret the findings for you or take effective action for you and (4) they are not an answer to further manual processing and manipulation.

Nonetheless, these limitations notwithstanding, it is clear that social media monitoring, when used correctly, has the potential to support and enable many of the activities that are now critical to firms' and organisations' success in their use of Web 2.0. The following section focuses on DMOs' use of Web 2.0.

DMOs and Web 2.0

In common with all organisations engaged in promoting products or services, DMOs, in their marketing efforts, must be responsive to changes in the market environment, be they social, economic, legal, political or technological. In particular, commentators have emphasised the importance of technology in enabling DMOs to better understand customers' needs and to better target their markets (Ritchie & Ritchie, 2002).

One of the greatest technological advances that has been almost universally harnessed as a marketing and advertising channel is the Internet, and DMOs worldwide have adopted a variety of online tools, including search engine marketing and optimisation to reach, engage and influence their potential customers (Wang & Fesenmaier, 2006). Lee, Close, and Love (2010) cite a number of sources demonstrating that over a decade ago promotion and communication through the Internet had already become essential tools for most DMOs. For example, Mistilis and Dwyer (2000) note that many CB were utilising the Internet to update events, send information to tradeshow/event visitors and guide meeting planners. Consequently, with the adoption of the Internet, most DMOs shifted their marketing activities from primarily print media to a digital format (Roehl & West, 2002).

The advent of the new generation of tools, applications and approaches, referred to as Web 2.0 has offered DMOs the opportunity to rethink their destination marketing strategies by harnessing Web 2.0's potential to enable them to identify, acquire and retain clients. However, the available evidence suggests that the adoption of Web 2.0 as a marketing tool for DMOs has been relatively slow, uneven and in some cases not fully competent. In their 2010 analysis of European national DMOs' use of social media as a marketing tool, Hamill, Attard, and Stevenson (2012) concluded that few of these were really engaged in effective social media marketing and that the majority of such organisations had yet to develop sophisticated and comprehensive social media strategies. According to that study, only one (VisitEngland) could be classified as a "progressive adopter", with only one other DMO (Switzerland) recording an overall score greater than one-third of the total possible. By the authors' own definitions, all other national DMOs were ranked as being "Very Cautious" or "Non-Adopters" of social media.

The conclusions of Hamill et al. (2012) are supported by a number of other researchers. According to Shao, Rodriguez, and Gretzel (2012), the existing literature on technology use by DMOs shows that innovation, especially continuous innovation, is rare. It also shows that the capacity of DMOs to innovate and successfully adopt new information technologies differs greatly among organisations.

While some DMOs are still struggling with fully taking advantage of Web 1.0 applications, others have already embraced the new Web 2.0 paradigm and are active users of social media-based strategies in their marketing efforts, riding high on the social media wave. (Shao et al., 2012, p. 87)

Stankov, Lazić, and Dragičević (2010) explored Facebook use among national DMOs in Europe and found that not only did many in their sample not have a Facebook presence, even more importantly those who had a Facebook presence were not using it in ways that

would allow them to really seize all of the advantages that are offered by user-generated content for marketing purposes.

The academic literature focusing specifically on European CB and their use of Web 2.0 to promote their cities, regions and countries as business events destinations is practically non-existent. But much more has been written about the use of Web 2.0 by one of the targets of CB' marketing efforts – the meeting planners who choose destinations and venues for their events. The consensus would appear to be that most meeting planners have positively embraced the Internet and Web 2.0 as powerful new communication and marketing tools in the workplace. Sources cited by Lee and Tyrrell (2012) indicate that meeting planners are increasingly adopting social networks to enhance their events and create interactive communities between attendees before, during and after those events. The authors quote the contention of Harris (2009) that a growing number of meeting planners are using Facebook or LinkedIn to collect ideas for keynote speakers or entertainers, to poll attendees about the best destination for future events or to solicit creative ideas for ways to improve their meetings, which can ensure that events meet the needs of attendees.

However, it is meeting planners' use of Web 2.0 in their search for suitable destinations and venues for their events that is of most interest to CB. One tool that it widely used in this respect are the various user-review sites that allow meetings planners to submit their own evaluations of meetings venues and destinations that they have used. Examples of such sites include Elite Meetings (www.elitemeetings.com), Meetings Collaborative (www.meetingscollaborative.com), MeetingUniverse.com (www.meetinguniverse.com) and i-meet (www.i-meet.com).

But in addition to their use of user-review sites, there is growing evidence that meetings planners are also engaging with the Internet and Web 2.0 marketing tools used by CB. For example, one notable finding of the Kim et al. (2010) study of the influence of different channels of communication on meeting planners was that while about two-thirds of the meeting planners surveyed indicated that personal sales and word-of-mouth was the most influential channel, CVB websites (14.2%) were the second most influential. Regarding meeting planners' use of social media networking sites, the survey undertaken by Lee and Tyrrell (2012) revealed that in their particular sample (Arizona meeting planners) just over half of respondents (54%) reported that they were using such sites to look for destination information (e.g. local amenities and activities); and just under half (46%) reported that they were using social media networking sites "to communicate with 'experts' who can help meeting planners" (e.g. hotel sales manager, CVB manager and catering manager).

Meeting planners' growing inclination to use Web 2.0 in their professional lives represents a valuable opportunity for CB to engage with these key intermediaries in the attempt to influence their choice of destinations for the events they organise. This paper investigates how, how much and why European CB are taking advantage of these emerging channels of communication. It also reviews how they are evaluating the effectiveness of their use of these tools.

Methodology

This study was conducted based on the convenience sampling method and the subjects for this study were marketing managers in European CB. A review of European CB

websites identified 47 that were actively engaged in using Web 2.0 in their marketing communications, and they were invited to participate in this research project.

Convention bureau marketing managers' opinions were sought using a self-administered online survey questionnaire. This method was used for this study because it provides geographical flexibility, lower cost, quick turnaround time and faster distribution. A recruitment e-mail was sent to each subject to invite him/her to participate in the online survey. This recruitment e-mail briefly described the purpose of the study and explained that the focus of the study was purely CB marketing of their destinations as places where meetings and conferences could be hosted – not as leisure tourism destinations. Furthermore, it was made clear that the study was solely interested in investigating the use of Web 2.0 tools by CB in their professional activities – and not the use of Web 2.0 tools by members of convention bureau staff in their personal lives. As an incentive to participate, recipients were informed that they would receive a summary of the results of the study. Once a subject decided to participate, he/she could click the link connected to the survey.

A statement at the start of the survey defined Web 2.0 and provided examples of the types of Web 2.0 tools that were the focus of this study. Anonymity was highlighted stating that responses would remain strictly confidential and that the analysis would not identify responses from individual CB. Information about the project team and contact details in case of questions or comments regarding the survey were also provided.

The research instrument included a total of 10 questions: (1) geographical category of the CB, (2) time elapsed since the CB began using Web 2.0, (3) specific Web 2.0 tools already in use by the CB, or intended to be used, (4) how such tools are currently being used, (5) which tools are being used in connection with specific objectives, (6) techniques used by CBs to measure the performance of their Web 2.0 tools, (7) reasons for not measuring the performance of their Web 2.0 tools, (8) Web 2.0 tools considered to be the most effective, (9) how CBs' use of Web 2.0 has evolved over time, and (10) advice for other CBs regarding their use of Web 2.0.

Findings

Categories of Convention Bureaux in the Sample

The majority of respondents identified themselves as CB with responsibility for marketing individual cities (63%), followed by regional CB (32%), with the remaining 5% from CB with responsibility for marketing entire countries as destinations for business events (Figure 1).

Using the Cvent Europe CVB Directory (Cvent, 2012) as an index of CB operating in Europe, the 63% proportion of city CB in this sample exactly represents the proportion of organisations listed in the Cvent Directory as having responsibility for marketing individual cities (192 out of 304). However, whereas the same Directory included 70 regional CB out of a total of 304 (23%) and 42 national CB out of a total of 304 (14%), it can be seen that in the self-selecting sample for this study, regional organisations were over-represented and national organisations were correspondingly under-represented.

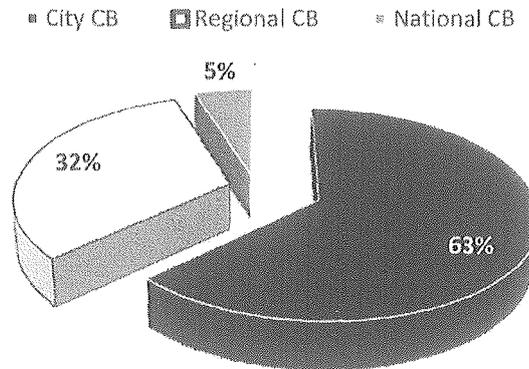


Figure 1. Categories of CB in the sample.

Time of Use of Web 2.0 in Marketing

Figure 2 indicates that in just under 80% of cases, the use of Web 2.0 in convention bureau marketing extends back no more than two years. These results, however, are unsurprising given the relative newness of Web 2.0 tools and their rapid growth over the past few years. In this context, the 21% of CB reporting their use of Web 2.0 for over two years may be regarded as early adopters of these tools.

By triangulating the results from questions 1 and 2 it was interesting to note that the respondents from the regional and national CB seemed to have used Web 2.0 for a longer period than city DMOs. More than 77% of the former have over one year's experience, whereas almost half of the city CB (46%) have used Web 2.0 for less than a year.

Specific Web 2.0 Tools Already in Use by Convention Bureaux, or Intended to be Used

As Figure 3 illustrates, YouTube, followed by Facebook, LinkedIn and Twitter are currently the most widely used Web 2.0 tools. It may be considered unsurprising that these four tools were found to be most widely used, since these are increasingly referred to as the "Big 4": YouTube, Facebook, LinkedIn and Twitter are almost universally cited as being those most frequently used for business as well as personal purposes. For

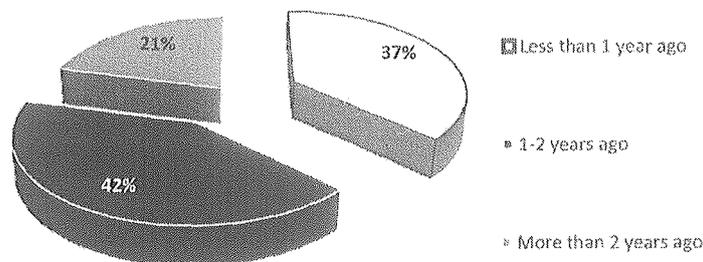


Figure 2. Time of use of Web 2.0 in marketing.

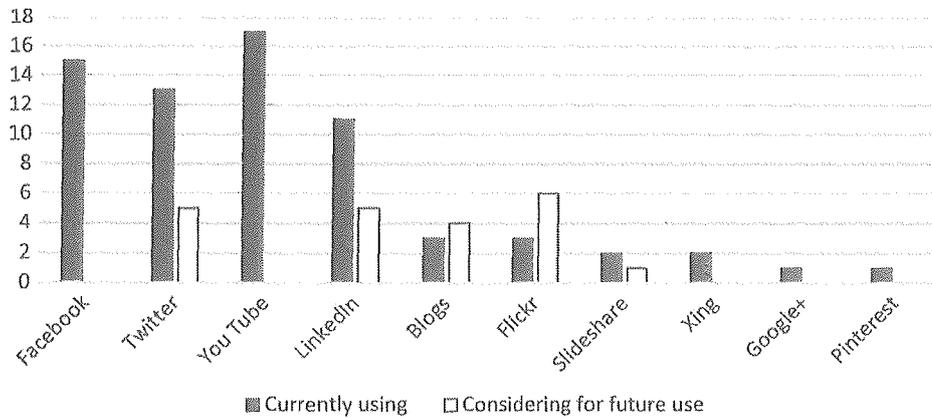


Figure 3. Specific Web 2.0 tools already in use by CB, or intended to be used.

example, in the context of business events, Davidson (2011) demonstrated that these were the four tools most commonly used for marketing purposes by conference venues in the UK. Lee and Tyrrell's (2012) study of meeting planners' use of the social media indicated that in their survey Myspace, not Twitter, was the fourth most-used tool. However, the authors acknowledged that the meeting planners in their sample did not rate Myspace highly with regard to perceived usefulness and that the number of Myspace users has declined of late.

In terms of the other tools used by CB, Blogs, Flickr and Slideshare feature to a lesser extent but are specifically highlighted for future use by those organisations not as yet using these tools, as are LinkedIn and Twitter. One convention bureau mentioned that they were using Xing specifically to address the German-speaking market. Another reported that they were currently conducting "a case study on Google+ for the B2B key wording on [our] core markets in cohesion with SEO/SEM".

In addition, it is possible to see that those CB that have a longer experience of Web 2.0 use utilise a greater number of applications – 4 or more as against novices' 2 or 3. The same holds true for the intended use of tools – here, those CB that have used Web 2.0 for over a year professed to be more likely than late adopters to try a newer variety of social media beyond simply the "Big 4".

How Web 2.0 Tools Are Currently being Used

The variety of purposes to which the Web 2.0 tools were used by CB are shown in Table 1, indicated according to the principal tools used. Three of the "Big 4" were reported as being used for all the purposes listed, but in differing proportions. YouTube, understandably, was not being used for the purpose of "Responding to comments/questions about your destination", and it was used very little for "Finding people who might book a meeting/event in your destination". However, it was very widely used for "Hosting destination videos and pictures" – the principal strength of this tool. The tool most widely used for "Finding people who might book a meeting/

Table 1. Convention bureaus' use of Web 2.0 tools ($n = 22$).

Tool	Managing a group, channel or page for your CB	Promoting new developments in your destination	Hosting destination videos and pictures created by your CB	Hosting destination videos and pictures created by others	Communicating information about your destination	Responding to comments/questions about your CB	Finding people who might book a meeting/event in your destination	Response count
Facebook	12	13	12	7	15	7	6	15
Twitter	8	9	6	3	11	7	5	13
YouTube	5	4	14	7	4	0	1	17
LinkedIn	10	8	5	2	6	10	11	13
Blogs	0	2	1	0	2	0	0	2
Flickr	1	1	4	1	1	0	0	4

event in your destination” was LinkedIn, a fast-growing business-oriented online social networking community for professionals. Nevertheless, Facebook and Twitter were also being used for this purpose, and, together with LinkedIn, were being utilised just as much for the purpose of “Responding to comments/questions about your destination.” Clearly, these two activities are closely linked, in the sense that any meeting planner raising comments and questions about a destination can be regarded as a potential client for that city, region or country.

Which Tools Are being Used in Connection with Specific Objectives?

The CB in the sample appeared to differentiate in their use of Web 2.0 tools in terms of which tools were most utilised to meet particular marketing objectives. As Figure 4(a)–(g) illustrates, the number of tools used in connection with specific marketing objectives ranges from four to six, with the use of the “Big 4”, YouTube, Facebook, LinkedIn and Twitter, being a common factor in relation to all objectives listed – as might be expected from the responses given to Question 3. Nevertheless, CB use of these four tools vary according to which objective is being taken into account, suggesting that marketing managers are familiar with the particular strengths of each tool. For example, Facebook and Twitter’s power as instant, simple two-way communication forums would explain why, between them both, they account for 72% of the CB use of Web 2.0 for the purpose of stimulating dialogue about their destinations. The same two tools account for 62% of the use of Web 2.0 in connection with CB objective of communicating with their suppliers/members; and 60% for the purpose of monitoring and responding to comments about their destination. Similarly, LinkedIn, which offers detailed biographies of registered users, is the single Web 2.0 tool most commonly used by CB to accomplish their objective of profiling of potential clients for sales purposes. In connection with CB objective of creating awareness and enhancing brand reputation, YouTube, at 27%, emerges as the leading Web 2.0 tool, reflecting YouTube’s power to display, in the words of its own advertising “videos [that] connect the emotions of consumers to your amazing brand . . . YouTube technology puts your essential brand message in front of the right audience with greater efficiency and less waste” (YouTube, 2012).

Looking beyond the Big 4 to the other two Web 2.0 tools cited in responses to this question, Blogs and Flickr, their combined use ranged from 0% to 12%, according to the objective under consideration. The most extensive use of Flickr, at 7%, was in connection with the objective of creating awareness and enhancing the reputation of destinations’ brands. This particular application’s power to assist CB with their online sharing of destination photographs and video material would explain its importance for this precise objective. The use of Blogging was fairly consistent, across most of the objectives, at 4% or 5%; but its power as a medium for quick and easy dialogue is likely to account for the fact that it amounted to 7% of the total use of Web 2.0 under the objective of “monitoring and responding to comments about your destination”.

Again, the length of experience with Web 2.0 seems to have an impact on the objectives for using Web 2.0. It appears that after an extended use of Web 2.0 applications, CB become emboldened and consider more proactive objectives than simply brand building or other promotional activity. Communicating with stakeholders, stimulating

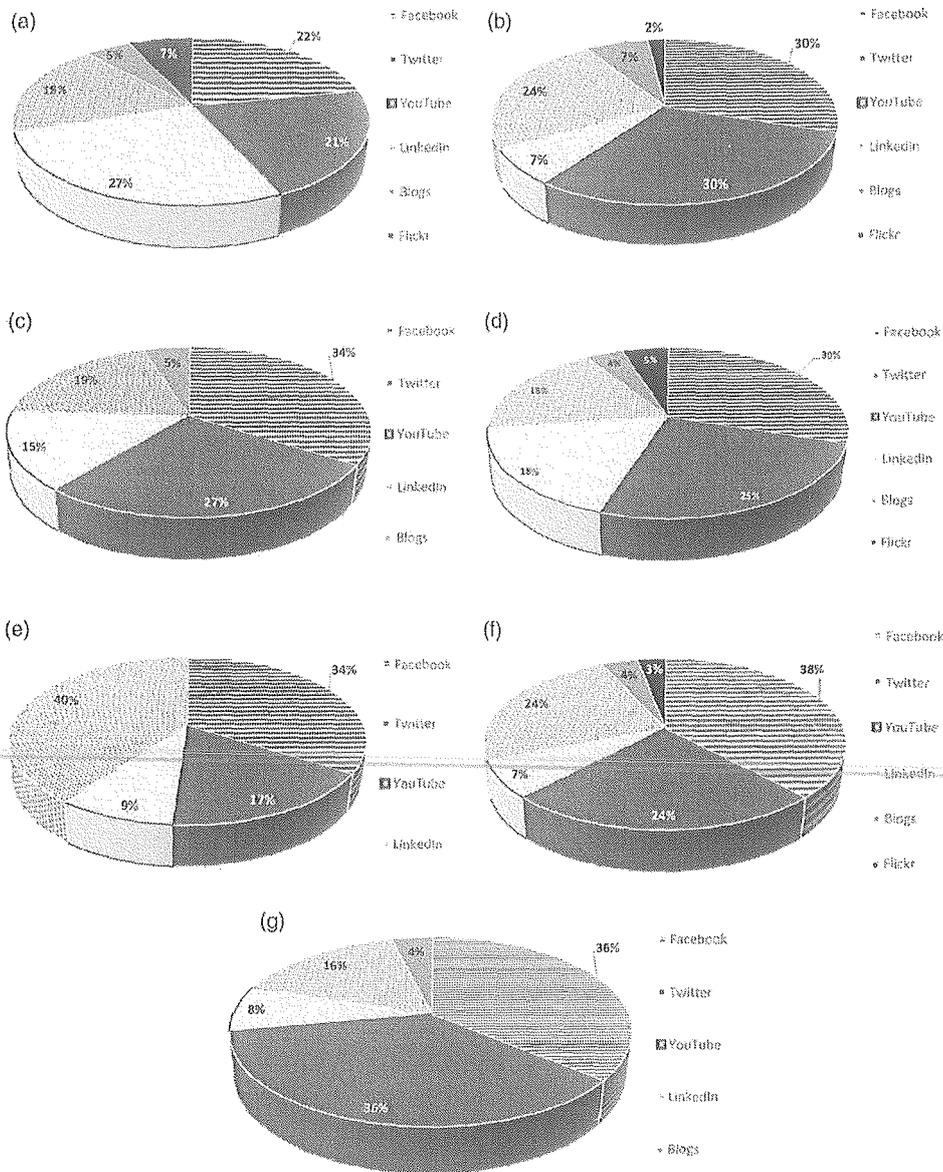


Figure 4. (a) Web 2.0 tools being used to create awareness and enhance the reputation of the destination's brand. (b) Web 2.0 tools being used to monitor and respond to comments about the destination, from business travellers/events planners. (c) Web 2.0 tools being used to communicate news about the destination. (d) Web 2.0 tools being used to attract more traffic to the convention bureau's website. (e) Web 2.0 tools being used for sales purposes. (f) Web 2.0 tools being used to communicate with suppliers/members. (g) Web 2.0 tools being used to stimulate dialogue about the destination.

dialogue on the web about their destination, finding sales contacts or even aiming at receiving Requests for Proposals are all objectives that are mentioned more frequently by Web 2.0 “veterans” than by those CB that have had less practical exposure to Web 2.0 tools.

Techniques Used by Convention Bureaux to Measure the Performance of Their Web 2.0 Tools

Respondents were asked whether and how they evaluated the tools they were using. Their responses are shown in Table 2. Perhaps, the most significant findings from this question concerned the number of CB (out of the 22 respondents) that reported that they were using no measures at all to evaluate the effectiveness of their use of certain Web 2.0 tools. According to the specific tool, the number of convention bureaux

Table 2. Techniques used by CB to measure the performance of their Web 2.0 tools.

Web 2.0 tool	Techniques used for the purposes of evaluation	Number of CB that do NOT have measurement techniques for a specific tool
Facebook	<ul style="list-style-type: none"> • Facebook statistics (weekly reach of posts, viral effect, newsletter enrolments by landing tabs) • Google Analytics (users, impressions, average time spent per users; leads generated from Facebook users) • Counting the “Likes”, number of friends and comments, number of friends and their quality • Counting friends, shares, likes, view comments 	5
Twitter	<ul style="list-style-type: none"> • Klout, hootsuite, Tweetdeck, followers, retweet • Counting the Retweets, Comments and Follower numbers 	5
YouTube	<ul style="list-style-type: none"> • Klout, hootsuite, TweetDeck, number of views/number of comments • Links, contacts and visualisation 	5
LinkedIn	<ul style="list-style-type: none"> • Contact, joint groups, connections 	6
Blogs	<ul style="list-style-type: none"> • Number of readers and those receiving the RSS feed, comments, we start to serve several blogs with information and find it better than serving our own blog and identify the number of users which come from reference links 	4
Flickr	<ul style="list-style-type: none"> • Likes, followers • Tracking of reference links to our website or landing pages; number of friends 	4

omitting to measure their effectiveness ranged from four (for blogs and Flickr, two of the lesser-used applications) to six for LinkedIn, one of the most widely used.

In terms of which measurement tools were used, it is interesting to note that although the question prompted respondents to include any measurement techniques used for “assessing the positive or negative nature of the comments you attract [via Web 2.0]”, all metrics mentioned for the most commonly used Web 2.0 tools were quantitative in nature. It is interesting to note that a larger proportion of City CB than regional or national CBs declared not to have any measurement in place (38% as against 22%).

Reasons for Not Measuring the Performance of Their Web 2.0 Tools

Seven reasons for *not* using measurement techniques for specific tools were offered by CB. The most common explanation was lack of experience with Web 2.0 tools – from CB using these too little or too recently to have considered measuring their performance. There was also an element of scepticism concerning the extent to which the quantitative measurement of certain tools was meaningful, with one response being: “[the number of] viewings on YouTube channel does not mean anything”. Another respondent expressed the belief that,

measuring and analysing too much data can bring you away from your actual targets . . . Most CVBs don't have the money or the time to hire an analyst. Targets should not be written in stone, but set when you're planning what and how much online marketing you're doing.

This suggestion was corroborated by another respondent:

We keep track of all the above measurements, but is by no means why we decided to proactively use social media – the purpose of all of these tools . . . is to generate proactive contact e.g. enquiries – which is what we measure and report on.

Web 2.0 Tools Considered to be the Most Effective

Nineteen of the 22 respondents identified a specific tool that they found to be the most effective overall. Two claimed to have insufficient experience of using Web 2.0 to be able to answer this question; and one respondent declined to nominate one tool above all of those used by his/her convention bureau. Of the remaining 19 responses, 9 reported finding Facebook to be the most effective in their marketing communications; 4 opted for Twitter; 2 for LinkedIn; and one claimed that their convention bureau found YouTube to be the most effective. The comments made by those respondents who offered a reason for their choices are shown in Table 3.

Table 3. Web 2.0 tools considered to be the most effective: respondents' comments.

Facebook

- "The most direct and informal way to give information about the convention bureau, the destination and the events"
- "Because we are increasing our contacts for direct marketing and improving the reputation of our destination"
- "Facebook has proved to be effective in communicating with suppliers and convention bureau members"
- "Facebook . . . brings us the best conversion rates of all those networks. Besides, the number of existing and potential clients on Facebook is exponentially higher than on other networks used by relevant clients in our core markets"
- "We created the [Facebook] page last year to communicate the inauguration of the new conference centre and fortunately a lot of positive comments arrived and boosted us! Loading videos of the ceremony on YouTube was obviously the following step"

Twitter

- "Twitter. Although Facebook and LinkedIn generate more traffic to our website. Twitter is a tool to keep everyone up to date. Our goal is not mainly to attract people to our website, but to present ourselves as a reliable partner with interesting news and information about MICE in general. Also about our destination, but first of all we want people to 'feel good' about us"
- "It's perfect for networking and sharing content. It allows us to spread our news fast and also receive news from others that helps us to optimize our services. In addition, it is another way to raise the traffic on our website"
- "You reach a lot of people and get a quick response. Even though it is a long process to get followers, Twitter is very easy to use and it seems efficient in creating short dialogues with interested followers"
- "With great available tools like Twitt Deck you can get great insights about what is popular concerning any topics in the world – and all the before any news agency [and] completely free of charge"

LinkedIn

- "There are professional contacts"
- "A clear B2B platform"

YouTube

- "An excellent channel"
-

How CBs' Use of Web 2.0 Has Evolved Over Time

Of the 14 CB that reported using Web 2.0 for longer than 1 year, 9 said that their use of these tools had changed over time. Five of these explained that the changes were changes of magnitude – the extent to which their use of Web 2.0 had grown in importance/usefulness/necessity for their work. One of these respondents quantified this growth in terms of staff time spent on using these tools: "We have a person who spends 4 hours every day in social network managing." Another reported that the sudden increase in his convention bureau's use of Web 2.0 came as a result of his persuading colleagues and partners of the value of these tools:

It can be very demanding convincing your boss or suppliers to follow your strategy, but my use of social media and our profits have most certainly started to increase when the negative arguments of the team turned into a positive understanding of how social media work.

The other four respondents specified more qualitative changes in their use of Web 2.0., with the following comments:

At the beginning, it was used as a traditional one-way communication tool, e.g. news feeds. Now, it gradually becomes more interactive as more contacts/ friends/ followers learn the game too.

More intensive use of Twitter, more interaction. Less on LinkedIn and Facebook. Though we feel Facebook is becoming more and more interesting for business (used to be mainly pleasure).

Use it much more for checking personnel changes in companies and looking at new contacts to approach.

Finally, one convention bureau specified an interesting example of innovation in their use of Web 2.0, an interactive game based on the planning of an imaginary meeting in their destination, in which participants are assigned a theoretical budget which they spend on their choice of actual venues, catering options and entertainment offered by the destination.

Advice for other Convention Bureaux Regarding Their Use of Web 2.0

Eight respondents offered advice to other CB. Three of these merely encouraged non-users of Web 2.0 to go ahead and become active in this field. The others offered constructive yet cautionary advice that focused on two principal topics: the importance of proper management of CB use of Web 2.0; and the need to offer relevant content. Responses related to *management* were:

Unfortunately many existing channels are not managed properly. There is no strategy for what to communicate through these networks and to whom. It's not enough just to open channels and wait for people to come to you – you need to engage, find people that are interesting for you to join in debate about certain topics.

Do not start this without integration in a marketing plan and budget. Set goals: what do I want to achieve? Plan this in your work schedule on fixed days / hours and keep it up.

You should have human resources (a community manager) in order to manage these 2.0 tools.

Responses related to *content* were:

It's all about CONTENT. What are you going to tell me that I haven't heard before? And are you just going to tell me or are you going to let me be part of the conversation too?

Social Media Marketing simply lives by the idea of collaboration between information providers and the relevant interest groups. So if you do not have relevant information . . . to provide over a new communications channel, then don't start one.

Conclusion, Limitations and Recommendations for Future Research

Despite the relatively recent availability of Web 2.0 tools, it is clear that those European CB that have already begun harnessing their power in their marketing communications have recognised the different qualities of the individual tools and are using them in ways that are appropriate and often innovative. The "Big 4", Facebook, LinkedIn, Twitter and YouTube appear to be the most intensively used by the CB in this sample, with Facebook being regarded by the majority as the single most effective tool. A wide range of measurement techniques are being used to evaluate the performance of Web 2.0 tools, but these are generally quantitative in nature. A minority of CB in the sample report are not measuring the effectiveness of certain tools, with LinkedIn being prominent among these.

In the few years that Web 2.0 tools have been available, most respondents in this sample reported changing their use of these, both quantitatively and qualitatively, as this has grown in importance and become more nuanced. On the whole, as would be expected, CB are positive about the power of Web 2.0 for marketing purposes, but strike a note of caution over issues such as strategy and resources for the use of these tools, and the need to have useful content.

There are several limitations to this study. First, as it used a convenience sampling method, it lacks generalisability to all CB in all countries and continents. Second, the results may be somewhat biased: European CB with only moderate involvement in using Web 2.0 may not have responded, meaning that enthusiastic, confident users of these tools may be over-represented in the sample. Finally, the description of this one snapshot survey might not accurately capture the dynamics of the evolution of CB use of Web 2.0 tools in their marketing. In this sense, a longitudinal, real-time study is recommended, to increase internal validity.

This study provided an introductory study of the use of Web 2.0 tools by CB operating in Europe. Further research may apply this study to CB based in other countries and continents to compare results. CB based in North America or in Asia, for example, may have different perspectives. Also, a complementary study of European meeting planners' use of Web 2.0 in the workplace would yield valuable data which could provide further useful guidance to CB wishing to engage with these key intermediaries.

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