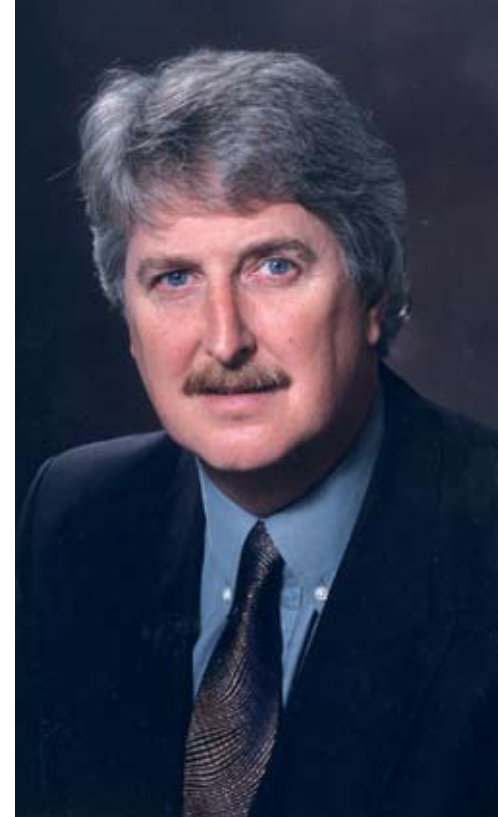


10 things we need to explain

By Rod Cameron, director of programming and international development for AIPC



Be it called C&I, MICE, business events or any other name that helps confuse the identity of the industry, the business of organising and hosting meetings is a distinct area of enterprise with its own particular markets, requirements and agendas. Above all, it is totally different from tourism.

Does it really matter? Definitely, because success in any business depends on it being understood. Understanding and support from people who don't even know we exist is at risk if we cannot precisely identify just who we are and what we represent.

Although governments invest in building and running congress centres, they may have a limited idea of the dynamics, demands and challenges of the industry. So here are 10 points to convince others that our industry is truly an individual area of business enterprise...

Most delegates will schedule pre- or post-event time to enjoy the destination, and delegates often return, perhaps with family.

3 It's big business – for many reasons

Globally, convention activities generate tens of billions of dollars annually. Typically, convention delegates generate three to four times the average per-capita spending of leisure travellers. Bigger spenders, they are further up the economic scale than the average visitor. They usually stay in more expensive accommodation and eat in better restaurants, and may regard a convention as a chance to indulge with at least part of the expense paid by someone else. Economists point to two other benefits special to meetings: delegates typically come from somewhere else, which means new money for the local economy; and the "efficiency of the sale" in that convention organisers and venues are essentially wholesalers dealing in large units. Clearly, this kind of return makes investment in the marketing of conventions far more attractive than the "one-by-one" sell of leisure visits.

4 It's not just about money!

Over the long term, the financial gains from the meetings business are often far outweighed by the broader community and economic development impacts of the industry. Conventions are essentially for business, professional and scientific development. They spread knowledge and expertise, and promote commerce and business. From an economic perspective, meetings attract decision makers. Such events can showcase local products and services. Events in any area of discipline often attract the best expertise in the world, giving a community access to the top level of knowledge and experience.

5 It is highly competitive

As all these benefits are recognised in many parts of the world, there is intense competition for "a piece of the action". The overall impact of

delegates on an economy varies, depending on the supply/demand equation, but an unusual set of economics can be created in which the ability to measure and assess indirect effects is often far more important than the "bottom line".

6 It is a mix of private and public-sector interests

Perhaps more than any other sector, the meetings industry can often have a mix of public investment and private enterprise. Convention centres are typically government investments, and on the other hand there are suppliers and clients who are typically competitive. Both are essential, but the interface can be interesting (there can be tensions when government policy runs up against market dynamics). Many governments regard convention centres as just another public asset. Similarly, without realising it, governments can have huge impacts on the industry in such areas as taxation, immigration, security or transportation.

7 The economics are unique

All is not necessarily what it seems in this industry. Deficits may be a sign of good business practices, and some of the most important benefits cannot be measured. All this is particularly true for convention centres. The source of this confusion is the direct and indirect benefits of conventions. Because the overall value of a major event is so attractive, convention centres typically act as a "loss leader" for the greater economic benefits for the community. Raising rentals to the point where the venue is profitable may result in loss of business – and loss of major income for the community. Compounding this problem is the fact that events delivering the best overall economic benefits are typically not those that produce the best revenues for a venue.

8 We're vulnerable

Of all that can impact this industry, much is outside of our control. Global economics, political turmoil, pandemics and security issues can all bring

things to a grinding halt on an international scale, while tax policies, transportation issues or sudden changes in visa requirements can affect individual countries. If the delegates don't come, the economics fall apart.

9 ...But we're resilient

But, as the events following 9/11 and the economic slump showed, this is a resilient industry. People want and need to meet. Meetings are not just about content, but a chance to make connections and validate relationships. In fact, while more communication is at a remote and impersonal level, the few chances we have to connect personally become even more important.

10 It is constantly changing

Everything in points one through seven is constantly evolving. This is an industry where change is rapid and extensive. And if we ever do succeed in communicating to decision makers what our industry is about, the job's still not done. Each new development creates fresh challenges and opportunities. We need to keep a steady watch on the economics of the industry – how, for example, the direct and indirect benefits of events are balanced. We are partners with many different groups and interests, and our success depends on our ability to work in a complex and ever-changing environment. The first step is to understand what makes this a distinct sector, then make an effort to communicate it to those who have an impact on what we do.

● AIPC, www.aipc.org

1 It's not tourism

We really have little to do with the leisure sector and are much more connected to the areas of business and economic development – all we really share with tourism (like almost any other business area) is a need for accommodation, transportation and other amenities. This is of real importance because of how we do business. We deal with different markets, need different messaging, have different decision factors and need different expertise. We are typically a business-to-business enterprise.

2 ...But it supports tourism

While we are not about tourism, we support it in many ways. Firstly, meetings and conventions grow the visitor base by attracting people for a particular event as opposed to choosing the destination on its own merits. And delegates often come at times of the year when other visitors will not, which helps strengthen support of tourism infrastructure such as hotels and attractions. The classic case is a resort community where hotels are needed only to meet peak-season demands. Convention delegates fill these establishments in the off season.