

Top of the agenda

AIPC director of programming and international development **Rod Cameron** lists 10 things we need to explain about our industry to ensure key decision-makers understand its importance.



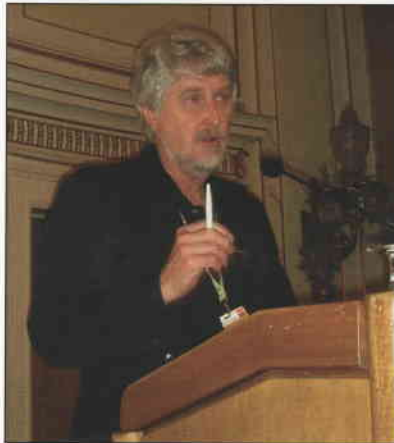
Whether we call it MICE, business tourism, or any other of the myriad names that serve to further confuse the identity of the industry we work in, the meetings industry is a distinct area of enterprise with its own unique markets, requirements and agendas. Above all, it is very different from tourism, with which it is often purposefully confused.

You may ask: 'Does it really matter if anyone understands the unique properties and requirements of the industry?' To me the answer is an unreserved Yes. In order to succeed in any business you and those you depend on for your working environment need to understand what business you are truly in and what factors control its success. You can hardly expect understanding and support from people who don't even know you exist, yet that is what we risk by being unable to identify with any precision just who we are and what we represent. So, here are 10 things we need to explain about our industry if we are ever to convince others what makes it a truly unique area of business enterprise.

1. It's not tourism...

Years of association notwithstanding, we really have relatively little to do with the leisure sector. In fact, we're much more connected to the areas of business and economic development than tourism, with which we only really share a need for accommodation, transportation and other destination amenities.

This isn't just an academic issue; it is of very real and practical importance because of how we do business. We deal with different markets, need different messaging, have to address different decision factors and require different kinds of expertise for marketing and delivering the product successfully. We are typically business-to-business enterprises, not consumer driven as tourism is. And when we mix these factors up with the tourism agenda, we can put



Rod Cameron

ourselves at a serious disadvantage.

2. But it supports tourism

While we are not about tourism, we nevertheless support tourism in many ways. First, meetings and conventions grow the visitor base by attracting people who are coming to attend their event rather than having chosen that destination exclusively on the basis of its own merits.

And it's not just that they come, it's when they come – often at times of the year when other visitors won't. A resort community can often only support the hotel inventory they need to meet peak season demands by having off-season visitors as well – a role that convention delegates often play.

The majority of delegates attending events in an attractive destination will schedule some pre- or post-event time to enjoy the destination as a tourist, and return visits, perhaps with the family in tow, are common.

3. It's big business – for a lot of reasons

It is typical that convention delegates generate three to four times the average per capita spend associated with leisure travellers in most parts of the world.

Overall, they are more likely to be in the corporate or professional category. They stay, on average, in more expensive accommodation and eat in better restaurants. And they may see attending a convention as a rare opportunity to indulge

themselves because they may have limited time in their schedules and at least part of the expense is being paid by someone else.

Total delegate spending consists not only of what they're spending themselves but what others are spending on their behalf. For every delegate there are a host of people organising events and buying services to support their participation. At the same time, there are also exhibitors who spend money in order to pitch products and services at those same delegates.

Economists point to two other features that make the benefits of meetings unique. The first is based on the fact that, by definition, delegates typically come from somewhere else. This means that much of the spending represents new money coming into the local economy.

The second is what could be called the 'efficiency of the sale'. International conference organisers and facilities are essentially wholesalers who deal in larger units: while leisure visitors are typically sold on an individual or family basis.

4. It's not just about money!

Any financial returns from the meetings business, are, over the long term, often far outweighed by the broader community and economic development impacts the industry has.

Meetings and conventions are primary mechanisms for sharing knowledge and expertise, along with promoting business opportunities, so it's not surprising that both the events themselves and the people who attend them have a lot to offer to the host community.

National or international events often attract the best expertise in the world. In areas like medical practice, this can have huge implications for how local skills develop – which creates, in turn, big benefits for the quality of service in the local community.

5. It's highly competitive

Competition among destinations and facilities worldwide is intense. Clients know this, and increasingly they are looking for recognition of the benefits their delegates bring in the form of discounts and inducements to bring their business. →



The IMEX Politicians Forum 2007 was a good example of the industry engaging with politicians

6. It's a mix of private and public sector interests

The usual pattern in the meetings industry is a mix of public investment and private enterprise. On the one hand, you have core features such as convention centres which are typically government investments, because of the need for patient investment in an environment where the return only occurs many years after the sale, and the economics are such that benefits are widely disbursed. On the other, you have suppliers and clients who typically have an intensely competitive, private sector orientation. It creates some interesting tensions when government policy runs up against market dynamics. Many governments regard convention centres as just another public asset, to be managed as any other government building. However, the client doesn't really care much about what the government thinks; they just want to make sure they get the services they need and to negotiate the best deal possible.

Similarly, governments can have huge impacts on the industry without even knowing. Decisions in areas like taxation, immigration, borders, security or transportation can be the life or death of the industry, but are often far removed from our sector and based on issues that have nothing to do with our needs or aspirations.

7. The economics are unique

One place where this impact is highly visible is in our unusual economics. Ours is an area where all is not necessarily what it seems; where operating deficits may be a sign of good business practices and some of the most important benefits can't be measured at all.

The source of all this confusion goes back to the earlier point about direct and indirect benefits arising from meetings and conventions. Because the overall economic impacts of major events are so attractive,

convention centres typically act as a loss leader for the greater economic benefits they generate in the community. Industry economics have simply adapted themselves to this reality to the point where raising facility rentals to the point where the facility is profitable may result in the loss of business that would have brought major spending into the community. Yet government owners are often unrelenting in their insistence that both should somehow be addressed.

'Meetings aren't just about content, they're about interactions, and the opportunity to make connections and validate relationships that are often needed to make any sense out of those other forms of communications.'

Compounding this problem is the fact that events which deliver the best overall economic benefits are typically not those that deliver the best revenues for a facility – understandable, given the greater leverage that events delivering major economic benefits have in negotiating rates.

8. We're vulnerable...

A lot of things can impact this industry, many of which are 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 have the same effect on an individual country.

Planners are not about to take big risks on attendance and will do everything they can to mitigate those risks. This means that our dependence on government decisions about everything from immigration policies to security measures can be matters of life or death to the industry – yet few legislators even know we are an industry, let alone that we have unique needs and challenges.

9. But we're resilient

Having said that, as the events following the 9/11 security panic and the economic slump that accompanied it demonstrated, this is a very resilient industry. The fact is, people want and need to meet – and as a result, the rebound in delegate and business travel proved much quicker than for other sectors.

The pundits have been predicting the demise of face-to-face meetings for a very long time, victims, they said, of alternative forms of communications such as web and satellite-based technologies. But meetings aren't just about content, they're about interactions, and the opportunity to make connections and validate relationships that are often needed to make any sense out of those other forms of communications.

In fact, there's a whole school of thought around the idea that as more and more communication takes place at a remote and impersonal level the few opportunities we have to connect through personal interactions will only become more important.

10. It's constantly changing

The final point is that everything in the points above is constantly evolving. This is an industry where change is rapid and extensive; where the mobility of many events creates global expectations and these can change overnight.

What this means is that if we ever do succeed in communicating what our industry is all about to key decision-makers, the job's still not over. Each new development creates new challenges and opportunities.

Like it or not, we're partners with many different groups and interests, ranging from governments to business communities to marketers – and our success depends on our ability to work successfully in a complex and ever changing environment.

The first step in that direction is to understand ourselves what makes this a distinct sector – and to then make an effort to communicate it to those who impact what we do.